



8113 W. GRANDRIDGE BLVD., KENNEWICK, WASHINGTON 99336-7166  
TELEPHONE 509-734-4500 FACSIMILE 509-737-9803  
www.cngc.com

April 13, 2017

Oregon Public Utility Commission  
201 High St SE, Suite 100  
P.O. Box 1088  
Salem, OR 97308-1088

Re: Advice No. CNG/O17-04-02  
Rule 9, Service Line Installations and Rule 10, Main Installations

Cascade Natural Gas Corporation (Cascade or the Company) files herewith the following revisions to its Tariff P.U.C. Or. No. 10, stated to become effective with service on and after May 15, 2017:

Second Revision of Sheet No. ii  
First Revision of Sheet No. 9.1  
First Revision of Sheet No. 9.2  
First Revision of Sheet No. 10.1

The Company removes the following sheet:

Original Sheet No. 10.2

The purpose of this filing is to clarify and simplify the Company's existing service line and main extension policies found in Rules 9 and 10. Language in both rules is reconfigured under new headings to make the tariffs easier to understand.

The changes to Rule 9 are housekeeping in nature. General provisions are currently contained in the Service Installations section; these are moved to Sheet 9.2 under the new heading, Special Conditions. A new condition is added which states that the Company will begin building a service line as soon as possible but is not responsible for delays related to weather, permitting, or receiving necessary information or payment from the new customer.

Changes to Rule 10 include the addition of this same language about construction delays outside of the Company's control. Rule 10 is retitled Main Extensions from Main Installations, and the Index is revised accordingly. The Company is also seeking to simplify main extension policy administrative by removing the requirement for the main refunding contract (MRC). Currently, if a main extension costs more than the main extension allowance, the new customer pays the incremental difference

and executes an MRC which offers the customer the potential for a refund if a new customer connects to the same main extension service within five years. The Company contends that where a customer is willing to pay the costs he/she incurs for service, the incentive of offering the possibility of refunds—not the guarantee of one—is unnecessary. Over the past two years, the Company has been managing 31 MRCs and has issued only one refund. This process for main refunds is manual and administratively burdensome, and our experience demonstrates the refund is an unnecessary incentive from a customer's perspective.

Overall, Cascade believes the changes proposed in this filing benefit customers in a couple ways. First, the edits make the service line and main extension policies more straight-forward and easier to understand. Secondly the changes allow the Company to operate more efficiently by eliminating an unnecessary process.

If you have any questions, please call Jennifer Gross at (509) 734-4635.

Sincerely,



Michael Parvinen  
Director, Regulatory Affairs

Attachment

INDEX

**RULES**

| <u>Rule</u> | <u>Title</u>   | <u>Sheet</u> |
|-------------|--|--------------|
| 1           | General.....   | 1.1          |
| 2           | Definitions.....   | 2.1          |
| 3           | Establishing Service.....                                  | 3.1          |
| 4           | Customer Deposits and Other Security.....                  | 4.1          |
| 5           | Discontinuation of Service.....                            | 5.1          |
| 6           | Billing.....   | 6.1          |
| 7           | Meters.....  | 7.1          |
| 8           | Meter Testing.....   | 8.1          |
| 9           | Service Line Installations.....                            | 9.1          |
| 10          | Main Extensions.....                                       | 10.1         |
| 11          | House Piping.....  | 11.1         |
| 12          | Responsibility for Maintenance of Service Connections..... | 12.1         |
| 14          | Company Responsibility.....                                | 14.1         |
| 15          | Customer Responsibility.....                               | 15.1         |
| 16          | Force Majeure.....   | 16.1         |
| 17          | Order of Priority for Gas Service.....                     | 17.1         |
| 18          | Limitation of Firm Service.....                            | 18.1         |
| 19          | Conservation Alliance Plan Mechanism.....                  | 19.1         |

(C)

**PUBLIC PURPOSES**

| <u>Schedule</u> | <u>Title</u>   | <u>Page</u> |
|-----------------|--|-------------|
| 31              | Public Purpose Charge.....                               | 31.1        |
| 32              | Oregon Low-Income Assistance Program.....                | 32.1        |
| 33              | Oregon Low-Income Energy Conservation Program.....       | 33.1        |
| 33              | Conservation Achievement Tariff (CAT) Pilot Program..... | 33.7        |
| 34              | Energy Efficiency Services and Programs.....             | 34.1        |

**RATE SCHEDULES**

| <u>Schedule</u> | <u>Title</u>                            | <u>Page</u> |
|-----------------|---|-------------|
| 100             | Adjustment for Municipal Exactions..... | 100.1       |
| 101             | General Residential Service Rate.....   | 101.1       |
| 104             | General Commercial Service Rate.....    | 104.1       |
| 105             | General Industrial Service Rate.....    | 105.1       |

(continued)

**RULE 9  
SERVICE LINE INSTALLATIONS**

**SERVICE INSTALLATIONS**

The Company will provide a customer's service line, from the service connection at the main in the alley, street or right-of-way abutting the customer's premise, to and including the meter, but the customer shall pay for the installed cost of any length of service line in excess of forty (40) feet inside the customer's property line abutting the alley, street or right-of-way in which the main is situated, except that:

Customers who install gas fired appliances as the primary means to perform the following requirements shall receive free footage in excess of the forty (40) feet minimum up to the amounts listed below:

| Requirement   | No Direct Cost |
|---|----------------|
| Space heating only <sup>1</sup>   | 20 feet        |
| Space heating and water heating <sup>1</sup>  | 40 feet        |
| Commercial and Industrial with over 150,000 Btu connected load (in lieu of space and water heating) | 40 feet        |
| <p>(1) Applies to all classes of service.</p>   |                |

In the event that the constructed service line footage on customer's premise exceeds the appropriate free footage allowance by 10% or less, there will be no charge.

(M)

(M)

Free footage allowances for projects of multiple single family structures shall be the appropriate free allowance multiplied by the number of structures to be served. Free footage allowance for a split service shall be the sum of the appropriate free footage for each structure to be served.

(continued)

**RULE 9  
SERVICE LINE INSTALLATIONS**

**SERVICE INSTALLATIONS (continued)**

If the Company provides additional free footage of service line, beyond the initial 40 feet, based upon gas appliances identified above, Customer shall be required to sign a Customer Commitment Contract. If the customer fails to install any or all of the gas appliances which provided additional free footage and fails to commence gas usage within 60 days from the date that the service line is installed, the Company shall bill the customer for the cost per foot of such additional footage, including 20.33% to compensate for the cost resulting from customer provided construction funds. If requested by the Company, the customer shall provide the Company with a copy of the installation invoice to verify the installation of the gas appliances. In the absence of installation documentation, the customer shall allow reasonable access to customer's premises for the verification of the installation of those appliances, upon the Company's request. If, subsequent to paying for such costs, the customer installs the agreed upon appliances and commences gas usage within five years from the date the extended facilities were installed, the costs paid to the Company by the customer associated with each installed agreed upon appliance shall be refunded without interest.

(M)

The customer will indemnify and hold the Company harmless from claim, etc., for trespassing or injury to building and property crossed by the installation of the service line except upon negligence of Company personnel.

**SPECIAL CONDITIONS**

The Company reserves the right to designate the location of service line, meters and regulators, and select the amount of space which must be left unobstructed for the installation.

(N)  
(M)  
(M)

The Company will commence construction as soon as is reasonably practical, but the Company is not liable for delays due weather conditions, the Company's ability to obtain all necessary easements, permits, and government approvals, or delay in receiving all necessary commitments from the customer.

(N)  
|  
(N)

The customer will not be charged when the service line is rerouted from the originally designated location or in any way modified for the convenience of the Company. The customer will bear the full cost of relocating or modifying an existing service line when the work is done for the convenience of the customer.

(M)(C)  
| |  
(M)(C)

**EXCESS FLOW VALVES**

An Excess Flow Valve is available as an added safety feature in the event that the service line is suddenly severed. At the customer's request, the Company will install an Excess Flow Valve for the fees established in Schedule 200.

**RULE 10  
MAIN EXTENSIONS**

(C)

**GENERAL**

(N)

All facilities installed under this rule shall be the property of and under the control of the Company at all times and may be extended to serve other customers at the option of the Company.

(M)

(M)

The Company may deny any extension if conditions relative to the extension indicate that such service will not be of such permanence as to warrant the expenditure required.

(M)

(M)

The Company will commence construction as soon as is reasonably practical, but the Company is not liable for delays due weather conditions, the Company's ability to obtain all necessary easements, permits, and government approvals, or delay in receiving all necessary commitments from the customer.

(N)

|

(N)

**MAIN EXTENSION ALLOWANCE**

(N)

When the installation of a new service requires the extension of a main, the applicant may receive an allowance to be applied toward the main extension costs of four and one-half (4-1/2) times the estimated annual gross margin (gross revenue less cost of gas). The applicant must pay any main extension costs that exceed the allowance, less any amount owing by other applicants connecting to the same main, plus an additional 20.33% to for federal income taxes and this amount must be paid by the applicant before service is established. This amount is the customer contribution and the Company will require the applicant pay the customer contribution

(C)

|

|

|

|

|

|

(C)

**CUSTOMER COMMITMENT CONTRACT**

(N)

The Company may require a customer to sign a Customer Commitment Contract prior to the installation of a main extension. If the Company provides a main extension and the customer fails to install any or all of the gas appliances which were included in the extension analysis and fails to commence gas usage within 6 (six) months from the date of the Customer Commitment Contract, the Company shall bill the customer for the costs and expenses associated with its extension of the distribution main, including 20.33% to compensate for the cost resulting from customer provided construction funds, based upon the feasibility of the extension with the actually installed appliances. If requested by the Company, the customer shall provide the Company with a copy of the installation invoice to verify the installation of the gas appliances. In the absence of installation documentation, the customer shall allow reasonable access to customer's premise for the verification of installation of those appliances, upon the Company's request. If, subsequent to paying for such costs, the customer installs the agreed upon appliances and commences gas usage within five years from the date of the Customer Commitment Contract, the costs of the distribution facilities paid to the Company by the customer associated with each installed agreed upon appliance shall be refunded without interest.

(D)