



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

November 21, 2018

Oregon Public Utility Commission
Attn: Filing Center
P.O. Box 1088
Salem, OR 97308-1088

Re: Cascade Natural Gas Corporation Application for Authorization for Deferred Accounting for Public Purpose Charge Expenditures

Cascade Natural Gas Corporation (Cascade or the Company) herewith files the attached Application for Authorization to Defer Credits and Debits Associated with its Public Purpose Charge (PPC). This filing is made in response to the April 10, 2018, Commission ruling on PacifiCorp's (d.b.a. Pacific Power's) Advice No. 18-001, wherein the Commission determined that residual credits or debits associated Pacific Power's pass through balancing account for their Multnomah County Business Income Tax (MCBIT) collections must be tracked in a deferral account in order for the debit or credit to be passed on to customers in a later period without violating the prohibition against retroactive ratemaking.

The Company's PPC collects funds that are passed through to the Energy Trust for the administration of the Company's energy efficiency programs, and to Community Action Agencies for the administration of the Company's low-income bill pay assistance program and its low income weatherization program. Each year, the Company assesses whether forecasted collections in the proceeding calendar year will be sufficient to meet the goals for the programs funded by the PPC. If necessary, the rate is then revised to collect the program budgets minus any funding carryover. Carryover may be positive or negative. To comply with the Commission's new position requiring deferred accounting to continue with balancing accounts, the Company herewith files an Application for Authorization for Deferred Accounting for its PPC. The Company's proposes beginning deferral of the PPC funds with the program balance on October 31st, 2018 of \$209,131.

A notice about this revised application is sent to all parties who are participating in UG-347, the Company's current general rate case. The notice and a certificate of service are attached.

If you have any questions regarding this filing, please contact me at (509) 734-4593.

Sincerely,

Michael Parvinen
Director, Regulatory Affairs

Attachment

1 **BEFORE THE PUBLIC UTILITY COMMISSION**
2 **OF OREGON**
3 **UM 1765**
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7 In the Matter of
8 Cascade Natural Gas Corporation
9 For Deferred Accounting of Expenses
10 And Credits Related to its
11 Public Purpose Charge
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APPLICATION FOR
AUTHORIZATION FOR
DEFERRED ACCOUNTING

16 In accordance with ORS 757.259, ORS 757.262, and OAR 860-027-0300, Cascade Natural Gas
17 Corporation (“Cascade” or the “Company”) files this application (“Application”) with the Public Utility
18 Commission of Oregon (“Commission”) for an order authorizing the Company to record and defer with
19 interest for the twelve-month period beginning January 1, 2019, and ending December 31, 2019, the
20 under-and over-collections associated with the Company’s Schedule 31, Public Purpose Charge (“PPC”).

21 **I. INTRODUCTION**

22 In May 2006, in accordance with the terms established in Commission Order No. 06-191 issued
23 in Docket UG-167, the Company began charging the Schedule 31, PPC. The PPC adds a charge equal to a
24 set percentage of a customer’s total monthly natural gas bill. This charge funds the Company’s energy
25 efficiency programs that are administered by the Energy Trust of Oregon (“Energy Trust”) as well as the
26 Company’s low-income weatherization and low-income bill pay assistance programs that are
27 administered by Community Action Agencies (“CAAs”). Schedule 31 establishes the parameters for the
28 PPC, including the amount charged and the percentage of monthly collections that are passed through
29 to either the Energy Trust or the CAAs.

30 The PPC charge is determined by taking the annual budget for each program supported by the
31 charge then dividing the amount by expected annual revenues. The Company has historically adjusted

1 the annual budgets needed in a preceding calendar year by any carryover of funding, whether that
2 carryover is positive or negative.

3 At the Commission’s April 10, 2018, public meeting, the Commission ruled that balancing accounts
4 used to track and recover costs on a dollar-to-dollar basis required an underlying deferral. The Company
5 files this Application in response to the Commission’s April 10, 2018, decision.

6 **II. NOTICE**

7 Cascade hereby waives service by means of others than service by electronic mail. Consistent
8 with that waiver, communications regarding this Application should be addressed to all of the following:

9

10 Mike Parvinen
11 Cascade Natural Gas
12 8113 W. Grandridge Blvd
13 Kennewick, WA 99336
14 Email: michael.parvinen@cngc.com
15

Isaac Myhrum
Cascade Natural Gas
8113 W. Grandridge Blvd
Kennewick, WA 99336
Email: isaac.myhrum@cngc.com

16 **III. DEFERRED ACCOUNTING RULE REQUIREMENTS**

17 The following information is provided pursuant to the requirements set forth in OAR 860-027-
18 0300(3).

19 **A. Description of Utility Expense – OAR 860-027-0300(3)(a)**

20 In this application, Cascade is requesting to defer the over- or under-collections of the Schedule
21 31, PPC.

22 **B. Reason for Deferral – OAR 860-027-0300(3)(b)**

23 This filing is made in response to the Commission’s ruling made on April 10, 2018, on PacifiCorp’s
24 (d.b.a. Pacific Power’s) Advice No. 18-001 wherein the Commission determined that residual credits or
25 debits associated Pacific Power’s pass through balancing account for their Multnomah County Business
26 Income Tax (MCBIT) collections must be tracked in a deferral account in order for the debit or credit to be
27 passed on to customers in a later period without violating the prohibition against retroactive ratemaking.

1 The Company has historically has treated its PPC collection account as a balancing account, passing on any
2 over- or under-collection to customers through a revised PPC rate. Since this is no longer allowed, the
3 Company is filing is application to track PPC debits and credits using deferred accounting.

4 **C. Proposed Accounting - OAR 860-027-0300(3)(c)**

5 Cascade proposed to account for balancing PPC debit and credits in the deferral sub-account
6 242.9. In the absence of deferred accounting, the Company would record PPC program expenses in the
7 appropriate sub-account for FERC Account 908.

8 **D. Estimate of Amounts - OAR 860-027-0300(3)(d)**

9 The Company is not able to estimate the amount that may be deferred and considered a
10 carryover balance at the end of 12-months since these funds are passed through to other third parties
11 who manage the spending of these dollars. The Company's proposes beginning balance of the PPC funds
12 with the program balance on October 31st, 2018 of \$209,131.

13 **E. Notice – OAR 860-27-0300(6)**

14 The Notice of Application and a Certificate of Service are provided as an attachment to this
15 application.

16 **F. Amortization**

17 The amounts deferred per this Application will not be amortized through the Purchased Gas
18 Adjustment (PGA). The balance will be either added or subtracted from the sum of the budgets needed
19 for the Energy Trust administered energy efficiency programs, and CAA administered low-income
20 programs when the PPC rate is readjusted to ensure collections are sufficient to meet program goals.
21 The Company annually reviews the PPC to ensure collections in the next calendar year will be sufficient
22 to achieve Energy Trust's therm savings target. The rate is usually changed at a time that corresponds
23 well with the Energy Trust's budget process. No interest will be accrued to the balancing accounts.

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1 IV. CONCLUSION

2 Cascade requests that in accordance with ORS 757.259, the Commission authorize the Company
3 to defer the expenses described in this Application.

4 DATED: November 21, 2018

5 Sincerely,

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8 Michael Parvinen
9 Director, Cascade Natural Gas Corporation
10 8113 W. Grandridge Blvd
11 Kennewick, WA 99336
12 michael.parvinen@cngc.com

Cascade Natural Gas Corporation

November 21, 2018

NOTICE OF APPLICATION TO DEFER ACCOUNTING FOR PUBLIC PURPOSE CHARGE DEBITS AND CREDITS

To All Parties Who Are Participating in UG-347:

Please be advised that today, Cascade Natural Gas Corporation ("Cascade" or the "Company") filed an application for authorization to defer debits and credits associated with its Public Purpose Charge. Copies of the Company's application are available for inspection at the Company's main office.

Parties who would like additional information or would like a copy of the filing, or notice of the time and place of any hearing, if scheduled, should contact the Company or the Public Utility Commission of Oregon as follows:

Cascade Natural Gas
Attn: Michael Parvinen
8113 W Grandridge Blvd
Kennewick, WA 99336
509-734-4635

Public Utility Commission of Oregon
Attn: Filing Center
201 High Street SE, Suite 100
Salem, OR 97308-1088
503-378-6678

Any person may submit to the Commission written comment on the application no sooner than 25 days from the date of this notice.

The Company's application will not authorize a change in rates, but will permit the Commission to consider allowing such deferred amount in rates in a subsequent proceeding.

Cascade Natural Gas Corporation

CERTIFICATE OF SERVICE

I hereby certify that I have this day served by electronic mail the foregoing NOTICE OF REVISED APPLICATION FOR AUTHORIZAION TO DEFER EXPENSES AND CREDITS RELATED TO THE COMPANY'S PUBLIC PURPOSE CHARGE upon all parties of record in UG 347, which is the Company's current general rate case.

Oregon Citizens' Utility Board dockets@oregoncub.org	Michael Goetz Oregon Citizens' Utility Board mike@oregoncub.org
Tommy A Brooks Cable Huston Benedict Haagensen & Lloyd tbrooks@cablehuston.com	Chad M Stokes Cable Huston Benedict Haagensen & Lloyd cstokes@cablehuston.com
Johanna Riemenschneider PUC Staff – Dept of Justice johanna.riemenschneider@doj.state.or.us	Edward Finklea Alliance of Western Energy Consumers efinklea@awec.solutions
Stephanie S Andrus PUC Staff-Department of Justice Stephanie.andrus@state.or.us	Marianne Gardner Public Utility Commission of Oregon marianne.gardner@state.or.us
John Jamieson Hermiston Generating Company LP jj.jamieson@perennialpower.net	William Gehrke Oregon Citizens' Utility Board will@oregoncub.org
PACIFICORP, DBA PACIFIC POWER oregondockets@pacificorp.com	Jocelyn C Pease McDowell Rackner Gibson PC jocelyn@mrg-law.com
Matthew McVee PACIFICORP matthew.mcvee@pacificorp.com	Lisa F Rackner McDowell Rackner Gibson PC dockets@mrg-law.com

Dated this 21st day of November, 2018.

/s/ Isaac Myhrum

Isaac Myhrum
Rates and Regulatory Affairs
Cascade Natural Gas Corporation
8113 W Grandridge Blvd
Kennewick, WA 99336
Isaac.myhrum@cngc.com