

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

August 31, 2021

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

Attention: Filing Center

Re: Authorization to Defer Lost Revenue Associated with Special Contracts

Cascade Natural Gas Corporation submits the attached Application for Authorization to Defer Lost Revenue Associated with Special Contracts recently signed with PacifiCorp and Hermiston Generating Company, L.P.

Please direct any questions regarding this filing to me at (509) 734-4549.

Sincerely,

/s/ Christopher Mickelson

Christopher Mickelson Manager, Regulatory Affairs

Enclosures

	BEFORE THE PUBLIC UTILITY COMMISSION OF OREGON UM			
	Cascac	Matter of de Natural Gas Corporation eauthorization to Defer Lost Revenue CIATED	APPLICATION FOR AUTHORIZATION FOR DEFERRED ACCOUNTING DUE TO LOST REVENUE WITH SPECIAL CONTRACTS	
		I. INT	RODUCTION	
		In accordance with ORS 757.259 and OAR 860	-027-0300, Cascade Natural Gas Corporation	
I	("Casca	cade" or the "Company") files this application ("A	Application") with the Public Utility Commission of	
	Oregoi	on ("Commission") for an order authorizing the C	company to record and defer with interest the lost	
	revenu	ue associated with the special contracts with Pa	cifiCorp and Hermiston Generating Company, L.P.	
		II. APPLICATION FOR R	EAUTHORIZATION TO DEFER	
		In compliance with the requirements establish	ned in OAR 860-027-0300, Cascade submits the	
	followi	ving:		
	Α.	A. Description of Utility Revenue – OAR 860-027-0300(3)(a)		
		Cascade requests authorization to defe	er the lost revenue associated with the special	
		contracts recently signed with PacifiCorp and H	lermiston Generating L.P.	
	В.	Reason for Deferral		
		Pursuant to 757.259(2)(e), Cascade se	eks deferred accounting treatment of the	
		revenues associated with the special contracts	s. The granting of this Application will minimize the	
		frequency of rate changes and match appropr	iately the costs borne by and benefits received by	
		customers. Approving the Application will not	authorize a change in rates but will permit the	
		Commission to consider allowing such deferre	ed amounts in rates in a subsequent proceeding.	
	C.	Proposed Accounting - OAR 860-027-0300(3)	(c)	

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1	The proposed accounting treatment for the lost revenues is to track in a separate		
2	schedule, but not record on the Company's financial statements. Unlike costs approved for		
3	deferral under an accounting order that may be recorded as a regulatory asset until		
4	determination is made in a future rate proceeding, generally accepted accounting principles do		
5	not allow for a regulated utility to record revenue approved for deferral by its regulator until		
6	that revenue is approved for rate recovery, except in certain limited circumstances. Specifically,		
7	revenue approved for deferral that does not meet the definition of an "alternative revenue		
8	program" under Accounting Standards Codification 980-605-25 may not be recorded on a		
9	regulated utility's financial statements until a rate order for recovery is approved.		
10	D. Estimate of Amounts - OAR 860-027-0300(3)(d)		
11	The estimated revenue reduction will be approximately \$440,000 per year.		
12	E. A Copy of the Notice of Application and Certificate of Service – OAR 860-027-0300(3)(e)		
13	Attached as Appendix A is the copy of the notice and the certificate of service verifying		
14	the notice was served to parties in the Company's most recent general rate case, UG-390.		
15	III. COMMUNICATIONS		
16	Cascade hereby waives service by means of other than service by electronic mail. Consistent		
17	with that waiver, please address communications regarding this Application to all the following:		
18 19 20 21 22 23	Michael ParvinenDepartment of Regulatory AffairsCascade Natural GasCascade Natural Gas8113 W. Grandridge Blvd8113 W. Grandridge BlvdKennewick, WA 99336Kennewick, WA 99336Email: michael.parvinen@cngc.comEmail: CNGCregulatory@cngc.com		
24	IV. CONCLUSION		
25	Cascade requests that in accordance with ORS 757.259 and OAR 860-027-0300, the Commission		
26	authorize the Company to defer the revenue described in this Application.		
27			

Page 2 CASCADE NATURAL GAS CORPORATION'S APPLICATION FOR DEFERRAL OF LOST REVENUES

1	DATED: August 31, 2021	
2		
3		
4		Sincerely,
5		Christopher Mickelson
6		
7		Christopher Mickelson
8		Manager, Regulatory Affairs
9		Cascade Natural Gas Corporation
10		8113 W. Grandridge Blvd
11		Kennewick, WA 99336
12		christopher.mickelson@cngc.com

Appendix A

Cascade Natural Gas Corporation

August 31, 2021

NOTICE OF APPLICATION TO DEFER COSTS RELATED TO LOST REVENUE

To All Parties Who Participated in UG-390

Please be advised that today, Cascade Natural Gas Corporation ("Cascade" or the "Company") applied for authorization to defer lost revenue from special contracts recently signed with PacifiCorp and Hermiston Generating, L.P. 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: Christopher Mickelson 8113 W Grandridge Blvd Kennewick, WA 99336 509-734-4549 christopher.mickelson@cngc.com Public Utility Commission of Oregon Attn: Brian Fjeldheim 201 High Street SE, Suite 100 Salem, OR 97301-3398 971-375-5084 brian.m.fjeldheim@puc.oregon.gov

Any person may submit to the Commission written comments 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 APPLICATION FOR AUTHORIZAION TO DEFER LOST REVENUE ASSOCIATED WITH SPECIAL CONTRACTS WITH HERMISTON GENERATING L.P. AND PACIFICORP upon all parties of record in UG-390, which is the Company's current general rate case.

Oregon Citizens' Utility Board	Michael Goetz
dockets@oregoncub.org	Oregon Citizens' Utility Board
	mike@oregoncub.org
William Gehrke	Chad M Stokes
Oregon Citizens' Utility Board	Cable Huston LLP
will@oregoncub.com	cstokes@cablehuston.com
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Jocelyn C Pease	
McDowell, Rackner & Gibson PC	
jocelyn@mrg-law.com	

Dated this 31st day of August 2021.

<u>/s/ Maryalice Gresham</u> Maryalice Gresham Regulatory Analyst III Cascade Natural Gas Corporation 8113 W Grandridge Blvd Kennewick, WA 99336 Maryalice.Gresham@cngc.com