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October 23, 2023

**VIA ELECTRONIC FILING**

Public Utility Commission of Oregon  
Attn: Filing Center  
201 High St SE #100  
Salem, OR 97301

**RE: CASCADE NATURAL GAS: (Docket No. UM 2191 and 2191(1))  
Reauthorization for Deferred Accounting of lost revenue associated with  
Special Contracts.**

Dear Filing Center:

Alliance of Western Energy Consumers (AWEC) opposes Cascade Natural Gas Company's (Cascade) request to defer lost revenue associated with Special Contracts in docket UM 2191. In general, utilities have the opportunity to over earn or under earn in between rate cases, and these earnings, whether positive or negative, are not shared with customers.

Cascade is requesting authorization to record and defer costs related to lost revenue associated with special contracts with PacifiCorp and Hermiston Generating Company, L.P. for the 12-month period November 1, 2021 through October 31, 2022 and August 1, 2023 through July 31, 2024. Cascade originally made this filing on August 31, 2021. AWEC will oppose any attempt to collect this lost revenue from customers in a future rate proceeding unless Cascade demonstrates that such collection is fair, just and reasonable and in the public interest.

ORS 757.259(2)(e) states that the Commission may authorize the deferral of identifiable utility expenses or revenues, the recovery or refund of which the Commission finds should be deferred in order to minimize the frequency of rate changes or the fluctuation of rate levels or to match appropriately the costs borne by and benefits received by ratepayers. Lost revenues are distinct from revenues and not a valid item of deferral because they represent counterfactual revenues that a utility would have otherwise recognized in the absence of some changed circumstances. While there are many types of costs that are properly deferred under ORS 757.259(2)(e), "lost revenues" are not identified as an item that may be subject to a deferral under the statute. Further, lost revenues from a customer, whether from a special contract or otherwise, does not satisfy the requirement of "minimize[ing] the frequency of rate changes or

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the fluctuation of rate levels or to match appropriately the costs borne by and benefits received by ratepayers.” Therefore, lost revenues are not a valid cost or revenue that the Commission may authorize for deferral.

Cascade’s revenues are expected to change between rate cases. To the extent Cascade has signed up new customers since its last rate case, for example, Cascade has not proposed to defer to excess revenue to return to customers in its next rate case. Without more information from Cascade, AWEC opposes its request to defer any lost revenue from special contracts because that loss should be the responsibility of Cascade and not Cascade’s customers.

AWEC appreciates the opportunity to provide comments on Cascade’s filing.

Very truly yours,

A handwritten signature in blue ink, appearing to read "Chad M. Stokes", with a stylized flourish at the end.

Chad M. Stokes

Enclosure(s)