



8113 W. GRANDRIDGE BLVD., KENNEWICK, WASHINGTON 99336-7166  
TELEPHONE 509-734-4500 FACSIMILE 509-737-7166  
[www.cngc.com](http://www.cngc.com)

March 1, 2022

Oregon Public Utility Commission  
Attn: Filing Center  
201 High Street SE, Suite 100  
Salem, OR 97301-3612

**Re: Reauthorization to Defer Costs Associated with the COVID-19 Pandemic**

In accordance with ORS 757.259 and OAR 860-027-0300, Cascade natural Gas Corporation, (“Cascade” or “Company”), files this Application to reauthorize deferral accounting treatment for costs associated with the COVID-19 public health emergency.

A notice concerning this Application will be sent to all parties participating in the Company’s most recent general rate case, UG 390. A copy of the notice and the certificate of service are attached to the application.

If you have any questions, please contact me at (208) 377-6015.

Sincerely,

*/s/ Lori A. Blattner*

Lori A. Blattner  
Director, Regulatory Affairs  
Cascade Natural Gas Corporation  
8113 W. Grandridge Blvd.  
Kennewick, WA 99336-7166  
[Lori.blattner@intgas.com](mailto:Lori.blattner@intgas.com)

Attachments

1 BEFORE THE PUBLIC UTILITY COMMISSION

2 OF OREGON

3 DOCKET NO. UM 2072

4 IN THE MATTER OF THE APPLICATION OF ) APPLICATION  
5 CASCADE NATURAL GAS CORPORATION ) FOR REREAUTHORIZATION  
6 FOR AN ORDER REAUTHORIZING DEFERRAL ) OF DEFERRAL OF  
7 OF COSTS ACCOCIATED WITH THE COVID-19 ) CERTAIN COSTS  
8 EMERGENCY )  
9

10 Cascade Natural Gas Corporation, ("Cascade" or "Company"), pursuant to ORS 757.259  
11 and OAR 860-027-0300(4), applies to the Public Utility Commission of Oregon  
12 ("Commission") for an order reauthorizing Cascade to defer for later ratemaking treatment of the  
13 recovery of costs resulting from COVID-19 impacts in Cascade’s service territory (the "Deferred  
14 Amount"). Cascade seeks reauthorization to defer the recovery of costs incurred from the 12-month  
15 period beginning March 26, 2022 (the "Deferral Period"). Additionally, Cascade will seek  
16 amortization of the Deferred Amount in a future Commission proceeding.  
17

18 In support of this Application, the Company states:

19 Cascade provides natural gas service in central and northeastern Oregon and is a public utility  
20 subject to the Commission’s jurisdiction under ORS 757.005(1)(a)(A). Cascade requests that all  
21 notices, pleadings and correspondence regarding this Application be sent to the following:

22 Lori A. Blattner  
23 Director, Rates and Regulatory Affairs  
24 Cascade Natural Gas Corporation  
25 8113 W Grandridge Blvd.  
26 Kennewick, WA 99336-7166  
27 (208) 377-6015  
31 lori.blattner@intgas.com

Christopher T. Mickelson  
Manager, Regulatory Affairs  
Cascade Natural Gas Corporation  
8113 W Grandridge Blvd.  
Kennewick, WA 99336-7166  
(509) 734-4549  
christopher.mickelson@cngc.com

1           This Application is filed pursuant to ORS 757.259, which empowers the Commission to  
2 reauthorize the deferral of expenses or revenues of a public utility for later incorporation into  
3 rates. As required by ORS 757.259(4), any amortization of the Deferred Amount will be  
4 subject to an earnings review and a finding by the Commission that the costs were prudently  
5 incurred. Cascade does not expect that amortization of the Deferred Amount will cause Cascade  
6 to meet or exceed its most recently reauthorized return on equity.

7       **I.       OAR 860-027-0300(3) Requirements**

8       The following is provided pursuant to OAR 860-027-0300(3):

9           **A.       Background Description**

10           On March 8, 2020, Oregon Governor Kate Brown declared a state of emergency due to  
11 the international COVID-19 pandemic. On March 16, 2020 Cascade suspended the processing  
12 of all service disconnections and revised its tariff to allow for late payment fees to be  
13 waived<sup>1</sup>. These suspensions resulted in significant increases in Cascade’s write-off expense and  
14 lost revenue from late payment fees. The Company also incurred direct costs and benefits  
15 associated with its operations and benefits from federal tax acts during the COVID-19 pandemic.  
16 Cascade filed its initial application to use deferred accounting related to the COVID-19 pandemic  
17 on March 26, 2020. The Commission subsequently approved the Company’s initial deferral  
18 application with Order No. 20-379.

19           **B.       Reason for Deferral**

20           Cascade seeks this deferral pursuant to ORS 757.259(2)(e). This deferral will match  
21 appropriately the costs borne and benefits received by customers. Cascade also seeks this deferral

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<sup>1</sup> CNGC Advice No. O20-03-02, approved by the Commission March 20, 2020.

1 because of the potential magnitude and extraordinary nature of the COVID-19 impacts. Because  
2 the COVID-19 emergency is so unprecedented, Cascade believes that the impacts are outside of  
3 reasonable business risk.

4 Under ORS 757.259(2)(e), deferral of utility expenses or revenues is allowed when it will  
5 appropriately match the costs borne and benefits received by customers. Deferral of these  
6 restoration costs will align the costs of Cascade’s service with the benefits Cascade customers  
7 receive from such service.

8 **C. Proposed Accounting**

9 Cascade proposes to record the deferral as a regulatory asset in FERC Account 182.3 (Other  
10 Regulatory Assets), crediting various applicable FERC accounts. In the absence of a  
11 deferred accounting order, Cascade would record the costs to a variety of accounts.

12 **D. Estimate of Amounts**

13 While Cascade cannot estimate the total costs and offsetting benefits associated with  
14 COVID-19 the Company is reporting these amounts on a quarterly basis within docket, UM 2072.  
15 A copy of the most recent filing containing costs and benefits estimated as of January 25, 2022, is  
16 included with this application as Attachment A.

17 **E. Notice**

18 A copy of the Notice of Application for Deferral of Costs Associated with the COVID-19  
19 Emergency and a list of persons served with the Notice are attached to the application as  
20 Attachment B.

21 **II. Summary of Filing Conditions**

22 **A. Earnings Review**

23 Cost recovery for costs associated with the COVID-19 emergency will be subject to an  
24 earnings review in accordance with ORS 757.259(5).





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

January 25, 2022

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

**Regarding: RG 91 - Cascade COVID-19 Deferred Accounting Quarterly Report**

Cascade Natural Gas Corporation (Cascade or the Company) hereby submits an updated COVID-19 deferred accounting quarterly report for the period of October 1, 2021, to December 31, 2021. This quarterly report complies with those conditions in the Stipulation in Docket UM 2114. As of December 31, 2021, Cascade has identified the following direct costs and benefits associated with the COVID-19 pandemic.<sup>1</sup> The details summarized in table below are included in the file “RG 91 CNGC Oregon Attachment A WP 01-25-2022.xlsx.”

<b>Oregon COVID-19 Deferral Summary as of 12/31/2021</b>	
	<b>OR</b>
Bad Debt Expense	(21,483)
Assistance Program	578,531
Past Due Interest	41,524
Other Direct Costs	222,442
Reconnect Fees/Late Payment Fees	566,452
<b>Total 186</b>	<b>1,387,466</b>
Other Direct Benefits	(426,628)
Cares Act Benefit	(32,425)
<b>Total 253</b>	<b>(459,053)</b>
<b>Total Ending Balance 12.31.2021</b>	<b>928,413</b>

If there are any questions regarding this report, please contact me at (509) 734-4549.

*/s/ Christopher Mickelson*

Christopher Mickelson  
 Manager, Regulatory Affairs

<sup>1</sup> Order No. 20-379 in Docket UM 2072 was entered on October 27, 2020, approving the Company’s application for deferred accounting of COVID-19 related costs. On November 5, 2020, the Commission adopted Order 20-401 approving the Stipulated Agreement on the Effects of COVID-19 Pandemic on Energy Utility Customers.

## Attachment A

Cascade Natural Gas Corporation

RG 91

Page 2

Cascade Natural Gas Corporation  
8113 W. Grandridge Blvd.  
Kennewick, WA 99336-7166  
[christopher.mickelson@cngc.com](mailto:christopher.mickelson@cngc.com)

Attachments

**Attachment B**

**Cascade Natural Gas Corporation**

March 1, 2022

**NOTICE OF APPLICATION FOR REAUTHORIZATION  
OF DEFERAL OF CERTAIN COSTS**

To All Parties Who Participated in UG-390:

Please be advised that today, Cascade Natural Gas Corporation (“Cascade” or “Company”) applied for reauthorization to defer certain costs associated with the impacts of the COVID-19 emergency. 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: Lori Blattner  
8113 W Grandridge Blvd  
Kennewick, WA 99336  
(208)-377-6015  
CNGCregulatory@cngc.com

Public Utility Commission of Oregon  
Attn: Filing Center  
201 High Street SE, Suite 100  
Salem, OR 97301-3398  
(503)-378-6678

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.



Attachment B

**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 REAUTHORIZATION OF DEFERRED OF CERTAIN COSTS upon all parties of record in UG-390, which is the Company's last general rate case.

Oregon Citizens' Utility Board dockets@oregoncub.org	Michael Goetz Oregon Citizens' Utility Board mike@oregoncub.org
Tommy A Brooks Cable Huston LLP tbrooks@cablehuston.com	Chad M Stokes Cable Huston LLP cstokes@cablehuston.com
Jocelyn C Pease McDowell, Rackner & Gibson PC jocelyn@mrg-law.com	Edward Finklea Alliance of Western Energy Consumers efinklea@awec.solutions
Stephanie S Andrus PUC Staff – Dept of Justice stephanie.andrus@state.or.us	Lisa F Rackner McDowell, Rackner & Gibson PC dockets@mrg-law.com
William Gehrke Oregon Citizens' Utility Board will@oregoncub.com	

Dated this 1<sup>st</sup> day of March 2022.

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