



August 1, 2023

Oregon Public Utility Commission
Attn: Filing Center
201 High Street S.E., Suite 100
Salem, OR 97301-3398

Re: UM-2191 – Reauthorization for Deferred Accounting Treatment of Lost Revenue Associated with Special Contracts

In accordance with Oregon Revised Statutes (ORS) 757.259(2)(e), ORS 752.072(4), and Oregon Administrative Rule (OAR) 860-027-0300(4), Cascade Natural Gas Corporation (Cascade or Company) files the attached application (Application) for an order reauthorizing deferred accounting treatment for lost revenue associated with special contracts.

The Company initially filed a petition in the subject docket (UM-2191) on August 31, 2021. The docket remains open, and the Commission has not acted upon the Company's initial filing. As such, the Company requests that the Commission act upon its initial filing as well as the attached.

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

Sincerely,

/s/ Mike Parvinen

Mike Parvinen
Manager, Regulatory Affairs
Cascade Natural Gas Corporation
8113 W. Grandridge Blvd.
Kennewick, WA 99336-7166
michael.parvinen@cngc.com

Enclosures

BEFORE THE PUBLIC UTILITY COMMISSION OF OREGON

UM 2191

In the Matter of

CASCADE NATURAL GAS CORPORATION

Amended Application for Approval of Deferred Accounting for Lost Revenue Associated with Special Contracts

**APPLICATION FOR
REAUTHORIZATION FOR
DEFERRED ACCOUNTING**

I. INTRODUCTION

In accordance with Oregon Revised Statutes (ORS) 757.259(2)(e), ORS 752.072(4), and Oregon Administrative Rule (OAR) 860-027-0300(4), Cascade Natural Gas Corporation (Cascade or Company) files this application (Application) with the Public Utility Commission of Oregon (Commission) for an order reauthorizing the Company to record and defer with interest the lost revenue associated with special contracts with PacifiCorp and Hermiston Generating Company, L.P. The authorization timeframe would be the 12-month period beginning August 1, 2023.

II. COMMUNICATIONS

Cascade waives paper service in this docket and requests that all communications in this docket be addressed to the following:

Lori Blattner
Director, Regulatory Affairs
Cascade Natural Gas Corporation
8113 West Grandridge Blvd
Kennewick, WA 99336-7166
Telephone: (208) 377-6015
Email: CNGCregulatory@cngc.com

Department of Regulatory Affairs
Cascade Natural Gas Corporation
8113 West Grandridge Blvd
Kennewick, WA 99336-7166
Email: CNGCregulatory@cngc.com

IV. APPLICATION FOR AUTHORIZATION TO DEFER

In compliance with the requirements established in OAR 860-027-0300(4) Cascade submits the following:

A. Description of Utility Expense or Revenue [OAR 860-027-0300(3)(a)]

Cascade requests authorization to defer the lost revenue associated with the special contracts between the Company and PacifiCorp and Hermiston Generating L.P.

B. Reasons for Deferral [OAR 1 860-027-0300(3)(b)]

Pursuant to 757.259(2)(e), Cascade seeks deferred accounting treatment of revenues associated with the special contracts. The ability to defer costs and revenues associated with the special contracts will minimize the frequency of rate changes and match appropriately 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 the deferred amounts in rates in a subsequent proceeding.

C. Proposed Accounting [OAR 860-027-0300(3)(c)]

The proposed accounting treatment for the lost revenues is to track them in a separate schedule but not record them on the Company's financial statements. Unlike costs approved for deferral under an accounting order that may be recorded as a regulatory asset until determination is made in a future rate proceeding, generally accepted accounting principles do not allow for a regulated utility to record revenue approved for deferral until that revenue is approved for rate recovery, except in certain limited circumstances. Specifically, revenue approved for deferral that does not meet the definition of an "alternative revenue program" under Accounting Standards Codification 980-605-25 and may not be recorded on a regulated utility's financial statement until a rate order for recovery is approved.

D. Estimate of Amounts [OAR 860-027-0300(3)(d)]

The estimated revenue reduction will be approximately \$595,000 per year based on the twelve months ended October 2022.

E. Notice [OAR 860-27-0300(3)(e)]

A copy of the Notice of Application and a list of persons served with the notice are attached as Appendix A to this application.

F. A description and explanation of the entries in the deferred account to the date of the application for reauthorization [OAR 860-027-0300(4)(a)]

Please see the workpaper attached as “UM-2191-CNGC-Pet-Acct-WP-08-01-23.xlsx” for a summary of the costs deferred since November 1, 2021, per the original request. Please note that Cascade neglected to file for reauthorization at the conclusion of the original request and is showing zero for the months of November 2022 through July 2023.

G. The Reason for Continuation of Deferred Accounting [OAR 860-027-0300(4)(b)]

The Company requests the reauthorization for use of deferred accounting for a second time frame (August 1, 2023, through July 31, 2024) because the lost revenues are continuing in nature.

Respectfully submitted this 1st day of August 2023.

Sincerely,

/s/ Mike Parvinen

Mike Parvinen

Manager, Cascade Natural Gas Corporation

8113 W. Grandridge Blvd

Kennewick, WA 99336

michael.parvinen@cngc.com

APPENDIX A

Cascade Natural Gas Corporation

August 1, 2023

NOTICE OF APPLICATION TO DEFER COSTS

To All Parties Who Participated in UG-390

Please be advised that today, Cascade Natural Gas Corporation (“Cascade” or the “Company”) applied for reauthorization to defer lost revenue associated with special contracts. 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
lori.blattner@intgas.com

Public Utility Commission of Oregon
Attn: Ishraq Ahmed
201 High Street SE, Suite 100
Salem, OR 97301-3398
971-208-0850
Ishraq.ahmed@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.

APPENDIX A

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 REAUTHORIZAION TO DEFER LOST REVENUE ASSOCIATED WITH SPECIAL CONTRACTS upon all parties of record in UG-390, which is the Company's latest 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@doj.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 1st day of August 2023.

/s/ Jacob Betterbed
Jacob Betterbed
Regulatory Analyst I
Cascade Natural Gas Corporation
8113 W Grandridge Blvd
Kennewick, WA 99336
jacob.betterbed@cngc.com