

**BEFORE THE PUBLIC UTILITY COMMISSION  
OF OREGON**

UI 274(1)

In the Matter of

CASCADE NATURAL GAS  
CORPORATION

Amendment to Intercompany  
Administrative Services Agreement with  
MDU Resources Group, Inc.

ORDER

**DISPOSITION: APPLICATION APPROVED WITH CONDITION**

On March 18, 2009, Cascade Natural Gas Corporation (Cascade) filed an application with the Public Utility Commission of Oregon (Commission) pursuant to ORS 757.015, ORS 757.495, OAR 860-027-0040 and OAR 860-027-0041, requesting approval of an amendment to the Intercompany Administrative Services Agreement between Cascade and MDU Resources Group, Inc. (MDU). Cascade is requesting the Commission approve the addition of Intermountain Gas Company (IGC) to the Intercompany Administrative Services Agreement. MDU acquired IGC on October 1, 2008. A full description of the filing is contained in the Staff Report, attached as Appendix A and incorporated by reference.

Based on a review of the application and the Commission's records, the Commission finds that the application satisfies applicable statutes and administrative rules. At its Public Meeting on April 21, 2009, the Commission adopted Staff's recommendation.

**OPINION**

**Jurisdiction**

ORS 757.005 defines a "public utility," and Cascade Natural Gas is a public utility subject to the Commission's jurisdiction.

**Affiliation**

An affiliated interest relationship exists, as defined under ORS 757.015.

**Applicable Law**

ORS 757.495 requires public utilities to seek approval of contracts with affiliated interests within 90 days after execution of the contract.

ORS 757.495(3) requires the Commission to approve the contract if the Commission finds that the contract is fair and reasonable and not contrary to the public interest. However, the Commission need not determine the reasonableness of all the financial aspects of the contract for ratemaking purposes. The Commission may reserve that issue for a subsequent proceeding.

**CONCLUSIONS**

1. The Company is a public utility subject to the jurisdiction of the Commission.
2. An affiliated interest relationship exists.
3. The agreement is fair, reasonable, and not contrary to the public interest.
4. The application should be granted, as modified herein, including one condition.

**ORDER**

IT IS ORDERED that the application of Cascade Natural Gas Corporation for the addition of Intermountain Gas Company to the Intercompany Administrative Services Agreement with MDU Resources Group, Inc. is approved, subject to the condition stated in Appendix A.

Made, entered, and effective APR 27 2009.



BY THE COMMISSION:

*Becky L. Beier*  
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**Becky L. Beier**  
Commission Secretary

A party may request rehearing or reconsideration of this order pursuant to ORS 756.561. A request for rehearing or reconsideration must be filed with the Commission within 60 days of the date of service of this order. The request must comply with the requirements in OAR 860-014-0095. A copy of any such request must also be served on each party to the proceeding as provided by OAR 860-013-0070(2). A party may appeal this order by filing a petition for review with the Court of Appeals in compliance with ORS 183.480-183.484.

ITEM NO. CA2

**PUBLIC UTILITY COMMISSION OF OREGON  
STAFF REPORT  
PUBLIC MEETING DATE: April 21, 2009**

REGULAR  CONSENT  EFFECTIVE DATE \_\_\_\_\_ NA \_\_\_\_\_

DATE: March 25, 2009

TO: Public Utility Commission

FROM: Marion Anderson *MSA*

THROUGH: *ln* Lee Sparling, *A* Marc Hellman, and *my* Michael Dougherty

SUBJECT: CASCADE NATURAL GAS: (Docket No. UI 274(1)) Application requesting approval of an amendment to the Intercompany Administrative Services Agreement with MDU Resources Group, Inc.

**STAFF RECOMMENDATION:**

The Public Utility Commission should approve the addition of Intermountain Gas Company (IGC) to the Intercompany Administrative Services Agreement between Cascade Natural Gas (Cascade) and MDU Resources Group, Inc. (MDUR) under the following condition:

1. Conditions 1 through 4 from Order No. 07-418, dated September 25, 2007 in this docket shall continue to apply to Cascade.

**DISCUSSION:**

This application was filed on March 18, 2009, pursuant to ORS 757.015, ORS 757.495, OAR 860-027-0040, and OAR 860-027-0041. MDUR acquired IGC on October 1, 2008.

**PROPOSED COMMISSION MOTION:**

Cascade Natural Gas's application for the addition of Intermountain Gas Company to the Intercompany Administrative Services Agreement with MDU Resources Group, Inc. be approved subject to the recommended condition.

UI 274(1)