

ORDER NO. 25-370

ENTERED Sep 17 2025

**BEFORE THE PUBLIC UTILITY COMMISSION
OF OREGON**

LC 83

In the Matter of

CASCADE NATURAL GAS
CORPORATION,

2023 Integrated Resource Plan.

ORDER

DISPOSITION: STAFF'S RECOMMENDATION ADOPTED

At its public meeting on September 16, 2025, the Public Utility Commission of Oregon adopted Staff's recommendation in this matter. The Staff Report with the recommendation is attached as Appendix A.

BY THE COMMISSION:



Alison Lackey

Chief Administrative Law Judge



ITEM NO. RA2

**PUBLIC UTILITY COMMISSION OF OREGON
STAFF REPORT
PUBLIC MEETING DATE: September 16, 2025**

REGULAR X CONSENT _____ EFFECTIVE DATE _____ N/A _____

DATE: September 9, 2025

TO: Public Utility Commission

FROM: Ryan Kern

THROUGH: Caroline Moore and Kim Herb **SIGNED**

SUBJECT: CASCADE NATURAL GAS COMPANY:
(Docket No. LC 83)
Request for Temporary Exemption from OAR 860-027-0400(3),
Requesting a Twelve-Month Extension to its May 31, 2026, IRP Filing.

STAFF RECOMMENDATION:

Approve Cascade Natural Gas Corporation's (Cascade or the Company) request for an extension pursuant to OAR 860-027-0400(3), thereby extending the due date of the Company's next Integrated Resource Plan (IRP) to May 2027, contingent upon the Company meeting the conditions outlined in this memo.

DISCUSSION:

Issue

Whether the Commission should grant Cascade's extension request pursuant to OAR 860-027-0400(3), and as such, extending the due date of the Company's next IRP to no later than May 23, 2027.

Applicable Rule or Law

Under OAR 860-027-0400(3) an energy utility must file an IRP within two years of its previous IRP acknowledgement order or as otherwise directed by the Commission. If the energy utility does not intend to take any significant resource action for at least two years after its next IRP is due, the energy utility may request an extension of its filing date from the Commission

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OAR 860-027-0400(11) places an obligation on the utility to file an IRP Update of its most recently acknowledged IRP on or before the one-year anniversary of the acknowledgement date.

Analysis

IRP Extension Request

Cascade's most recent IRP (LC 83) was acknowledged in-part in Order No. 24-158; wherein the Commission acknowledged some of Cascade's near-term action plan, but did not acknowledge Cascade's long-term plan and preferred resource portfolio.¹

Cascade then filed its extension application for its next IRP on May 30, 2025. In its request, Cascade provided four reasons for requesting an extension of its next IRP filing.

1. **CPP rules:** The new CPP went into effect on January 1, 2025, the Company seeks additional time to more fully understand the new CPP rules and their implications. And while the currently filed IRP Update does include a reassessment of total resource needs, the Company states that an extension for filing its next IRP will support the development of a more robust and informed IRP in the future.
2. **IRP and RFP Modernization efforts:** Cascade states that the formal rulemaking process in Docket No. AR 669 has the potential to impact planning strategies. Under the current schedule, AR 669 is scheduled to conclude by September 16, 2025. The Company's next Oregon IRP would be published May 31, 2026. The Company purports that allowing for more time between the next IRP and the finalization of these rules would enable the development of a more comprehensive and effective IRP.
3. **Equity Advisory Group and Distributional Equity Analysis:** To further assist Cascade's IRP development process Cascade has begun forming an Equity Advisory Group that will help develop distributional equity analysis. This group is still being formed.
4. **New Technology:** The Company is investigating geothermal energy in Washington and is also performing a hybrid heat pump analysis in Oregon. The results of these efforts may assist with planning and thus better align Washington and Oregon IRPs.

¹ *In the Matter of Cascade Natural Gas Corporation, 2023 Integrated Resource Plan, Docket No. LC 83, Order No. 24-158 (May 31, 2024).*

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Based on its request, Cascade's proposed IRP schedule would be as follows:

- May 21, 2026 – 2023 IRP Update (OR).
- May 21, 2027 – 2027 IRP (OR and WA).

Overall, Staff finds that it would be reasonable to extend Cascade's IRP deadline to 2027. Staff finds merit to the four reasons given by the Company to justify Cascade's extension. Staff believes that by granting the extension with an additional IRP Update in 2026, a 2027 IRP then is allowed to be more responsive to the ongoing uncertainty and changes in the planning landscape and new IRP direction without sacrificing any insights or engagement between the Company and stakeholders.

That said, by granting this extension Cascade can file a single IRP covering both Washington and Oregon at the same time. Staff finds—that much like with the Avista IRP—the publishing of a single IRP for Washington and Oregon is more reflective of covering both states. Aligning IRP filings across Oregon and Washington includes benefits such as a reduction in resource needs for regional stakeholders and increasing the transparency of Cascade's planning efforts, thus, making it clear whether and how the Washington and Oregon decarbonization efforts are complementary or at odds.

As such, Staff supports Cascade's extension request upon the Company meeting the following condition and sub-conditions:

- The Company files a second update to the 2023 IRP by May 21, 2026, including the following information:
 - A description of what the utility has done to implement the action plan. This should also include an assessment of what has changed since the acknowledgement order that affects the action plan. Staff further requests that special attention be paid to changes in the strategy and volumes of resources needed to achieve CPP compliance, as well as changes to the IRP and RFP modernization and competitive bidding rules, as a result of the current rulemaking docket AR 669.
 - A CPP compliance strategy update detailing anticipated costs, risks, and the Company's emissions trajectory based on sales to date and current growth rates.
 - A section detailing how the new AR 669 rules will impact the planning strategies being developed for the 2027 IRP filing.
 - An update on the formation of the equity advisory group, including meeting dates, items discussed, and attendees.

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- A progress report on the geothermal study and the hybrid heat pump analysis, including any results to date.
- An analysis of the Line Extension Allowance (LEA) in the Oregon service territory. This must include the number of LEAs in Oregon per year since 2019, the estimated annual cost to ratepayers, and an analysis of how a phase-out of ratepayer-funded LEAs in Oregon may impact customer growth rates.

Line Extension Allowance Policy

This docket has received twenty-six recent public comments regarding Cascade's LEA. All of the comments have to do with Cascade not filing an updated LEA policy early in 2025 and prior to the current IRP Update.

Further, most comments call for the interruption of Cascade's LEA in support of electrification of new development given the population and economic growth, especially in Bend, Oregon. Green Energy Institute's comments call for an interim LEA tariff by Cascade, to be filed as part of the ongoing IRP Update's proceeding, with the final tariff proposed and deliberated-upon by the Commission outside of the LC 83 docket.

Staff understands Stakeholder's urgency in requesting LEA updates from the Company given the Commission's direction in LC 83 fifteen months ago:

... we note that we agree that CNG's line extension allowance policies need to be revisited, but that it would be best to do so in a future general rate case. We expect that if CNG does not file a general rate case by early 2025, it will make a separate filing so that we may address CNG's line extension policies.²

Staff recommends review of LEA changes in the context of a general rate case proceeding. This provides an opportunity to make rate design choices with a holistic view of rate spread and rate design factors. If Cascade has not filed a general rate case with LEA changes by the end of 2025, Staff commits to returning to the Commission in the first quarter of 2026 with new recommendations for direction to the Company. Staff supports Cascade hosting at least one workshop before its next rate case to refine its LEA update based on stakeholder feedback.

Conclusion

² See Order No. 24-158, page 11.

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Staff supports granting Cascade's extension request pursuant to OAR 860-027-0400(3) extending the due date of the Company's next Natural Gas IRP to May 21, 2027, and that the Company file an additional IRP Update to the 2023 IRP by May 21, 2026. This IRP Update should include information that meets Staff's listed conditions. Finally, while Cascade must address its LEA policy soon, such action is most appropriately handled in a rate case. Staff has included an expectation regarding LEA data to be included as part of the May 2026 IRP update.

PROPOSED COMMISSION MOTION:

Approve Cascade's request for an extension pursuant to OAR 860-027-0400(3), extending the due date of the Company's next IRP to May 2027, subject to the conditions and sub-conditions outlined in this memo.

RA2 - Cascade Natural Gas Application for Extension for Filing of its 2026 Integrated Resource Plan