

ORDER NO. 25-424

ENTERED Oct 28 2025

**BEFORE THE PUBLIC UTILITY COMMISSION
OF OREGON**

UM 1336(17)(18), UM 2338(1)

In the Matters of

CASCADE NATURAL GAS
CORPORATION,

Application for Reauthorization to Defer
Costs Related to Intervenor Funding Grants
(UM 1336(17)(18)); and

Application for Reauthorization to Defer
Renewable Natural Gas Program Costs and
Revenues (UM 2338(1)).

ORDER

DISPOSITION: STAFF'S RECOMMENDATION ADOPTED

At its Special Public Meeting on October 28, 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



A party may request rehearing or reconsideration of this order under 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 860-001-0720. A copy of the request must also be served on each party to the proceedings as provided in OAR 860-001-0180(2). A party may appeal this order by filing a petition for review with the Circuit Court for Marion County in compliance with ORS 183.484.

**PUBLIC UTILITY COMMISSION OF OREGON
STAFF REPORT
SPECIAL PUBLIC MEETING DATE: October 28, 2025**

REGULAR _____ **CONSENT** X **EFFECTIVE DATE** October 31, 2025

DATE: October 16, 2025

TO: Public Utility Commission

FROM: Julie Dyck

THROUGH: Anna Kim and Scott Gibbens **SIGNED**

SUBJECT: CASCADE NATURAL GAS:
(Docket Nos. ADV 1749/Advice No. O25-07-02, ADV 1750/Advice
No. O25-07-03), UM 1336(17)(18), and UM 2338(1))
Consolidated Staff Memo – Non-Gas Dockets Accompanying 2025
Purchased Gas Adjustment Filings.

STAFF RECOMMENDATION:

Staff recommends Cascade Natural Gas Corporation's (Cascade, CNG, or Company) Advice Nos. O25-07-02 and O25-07-03 be approved for service rendered on and after October 31, 2025.

DISCUSSION:

Purpose

The purpose of this memo is to provide the Commission with a consolidated summary of the non-commodity cost rate changes that are filed in conjunction with the 2025 Purchased Gas Adjustment (PGA) of Cascade Natural Gas Corporation.¹ Each year, the natural gas utilities file annual updates to their PGA tariff to reflect updated projected costs of natural gas and a true-up of actual gas costs from the previous year. In addition, utilities submit non-commodity cost tariff updates addressing cost recovery for programs and initiatives that are ongoing. This memo compiles Staff's review and recommendations on a majority Cascade's non-commodity cost matters.

¹ This is a new process that is implemented for the first time in 2025 in order to reduce regulatory burden and condense postings where possible.

Docket Nos. ADV 1749/Advice No. O25-07-02, ADV 1750/Advice
No. O25-07-03, UM 1336(17)(18), UM 2338(1)
October 16, 2025
Page 2

Issue

Whether the Public Utility Commission of Oregon (Commission) should approve Cascade's 2025 annual PGA non-gas tariff updates in Advice Nos. O25-07-02 and O25-07-03, and approve Cascade's requests to defer costs and revenues related to Cascade's Intervenor Funding Grants filed in Docket No. UM 1336(17)(18) and voluntary Renewable Natural Gas Program filed in Docket No. UM 2338(1).

Applicable Rule or Law

ORS 757.205 requires public utilities to file all rates, tolls, and charges with the Commission. ORS 757.210 provides that the Commission may approve tariff changes if they are fair, just, and reasonable. ORS 757.220 provides that filings that make any change in rates, tolls, charges, rules, or regulations must be filed with the Commission at least 30 days before the effective date of the changes. The Commission may, for good cause shown, allow changes without requiring 30 days' notice.

ORS 757.259(5) states that unless subject to an automatic adjustment clause, amounts deferred under ORS 757.259 shall be allowed in rates only to the extent authorized by the Commission in a proceeding under ORS 757.210 to change rates and upon review of the utility's earnings at the time of application to amortize the deferral. The Commission may require that amortization of deferred amounts be subject to refund. The Commission's final determination on the amount of deferrals allowable in the rates of the utility is subject to a finding by the Commission that the amount was prudently incurred by the utility.

ORS 757.259(6) states that the overall average rate impact of the amortizations authorized under this section in any one year may not exceed three percent of the utility's gross revenues for the preceding calendar year. ORS 757.259(7) allows the Commission to consider an overall average rate impact greater than that specified in subsection (6) for natural gas commodity and pipeline transportation costs incurred by a natural gas utility, if the Commission finds that allowing a higher amortization rate is reasonable under the circumstances.

OAR 860-022-0025 requires that revised tariff filings include statements showing the change in rates, the number of customers affected and resulting change in annual revenue, and the reasons for the tariff revision.

OAR 860-022-0030 requires that tariff filings which result in increased rates include statements showing the number of customers affected, the annual revenue under existing schedules, the annual revenue under proposed schedules, the average monthly

Docket Nos. ADV 1749/Advice No. O25-07-02, ADV 1750/Advice
No. O25-07-03, UM 1336(17)(18), UM 2338(1)
October 16, 2025
Page 3

bills under existing and proposed schedules, and the reasons supporting the proposed tariff.

The PGA mechanism was originally established by Order No. 89-1046 to minimize the frequency of gas cost-related rate changes and the fluctuation of rate levels pursuant to ORS 757.259(2)(e). Since the mechanism's creation in 1989, the Commission has issued a series of orders concerning PGA filings through open-docket UM 1286.² Order No. 18-144 is the most recent of these orders and revises the Commission's procedures and requirements of the Natural Gas Portfolio Development Guidelines in Docket No. UM 1286 by adding language concerning review and approval of long-term hedging instruments in a local distribution company's (LDC) natural gas portfolio. No changes were made to the PGA Filing Guidelines previously established in Order No. 14-238. The Company's PGA filing is included in a separate Staff memo.

On December 16, 2021, the Department of Environmental Quality (DEQ) adopted the Oregon Climate Protection Program (CPP) rules, which set a cap on greenhouse gas emissions from transportation fuels and natural gas. These rules were invalidated in December 2023 by the Oregon Court of Appeals following challenges by multiple parties. The DEQ adopted a revised CPP on November 21, 2024. The first compliance period started Jan. 1, 2025, and covers emissions through the end of 2027. The Company's CPP filing is included in a separate Staff memo.

Analysis

This section covers the winter rate moratorium that impacted all PGA filings, provides a summary table of all of the filings included in this memo, and provides a brief section covering Staff's analysis of each of the filings.

The passage of House Bill (HB) 3179 specifies that "[a]ny increase in residential rates may not take effect from November 1 to March 31."³ On August 11, 2025, Staff of the Public Utility Commission of Oregon filed a motion to amend the previously effective date of November 1 to October 31 in the Purchased Gas Adjustment (PGA) Guidelines as adopted in Order No. 14-238. The Chief Administrative Law Judge issued Order No. 25-308 granting the motion.

² Order No. 08-504 established the form of the PGA Mechanism. PGA Guidelines were acknowledged by the Commission in Docket No. UM 1286, Order No. 09-248, on June 23, 2009. The Guidelines in Docket No. UM 1286 have been modified four different times since they were first acknowledged by the Commission, in Order No. 10-197, in Order No. 11-196, in Order No. 14-238, and in Order No. 18-144.

³ Section 3(7) HB 3179.

Docket Nos. ADV 1749/Advice No. O25-07-02, ADV 1750/Advice
 No. O25-07-03, UM 1336(17)(18), UM 2338(1)
 October 16, 2025
 Page 4

The following is a list of the tariff updates analyzed in this memorandum. Staff will address each of the updates separately below. The tariffs amortize amounts deferred under ORS 757.259(2)(e) and (3). Amounts deferred under ORS 757.259(2)(e) may only be amortized into rates after a prudence review and review of the Company's earnings for a period that is representative of the deferral period, unless the updates are part of an automatic adjustment clause (AAC). If part of an AAC, the earnings review is discretionary. Staff reviewed the prudence of the costs at issue and Cascade's earnings for calendar year 2024. Staff did not find the amounts subject to review were imprudent or that amortization of the deferrals at issue is inappropriate in light of Cascade's earnings during the deferral period.

The impact of the filings included in this consolidated memo is an increase of \$1,007,177 in revenue and a 0.88 percent increase compared to 2024 gross revenue. This does not include the impacts from the Company's ADV 1751 filing; this filing and its associated impacts are included in a separate Staff memo.

Table 1: Cascade Summary Table

Docket Number	Issue	Type	Proposed Residential Rate % Change	Staff Recommendation
UM 1336(17)(18)	Defer Intervenor Funding	Deferral	N/A	Approve
UM 2338(1)	Defer Voluntary Renewable Natural Gas Costs and Revenues	Deferral	N/A ⁴	Approve
ADV 1749	UM 1336 Intervenor Funding	Tariff Change	0.05%	Approve
ADV 1750	UM 1557 Conservation Alliance Plan	Tariff Change	1.69%	Approve

⁴ The Company does not have a good estimate of the costs it will defer other than the costs of the RTCs deferred will correspond to the number of voluntary offsets purchased as well as the revenue from Schedule 805 (see UM 2338 filing on the next page). In addition, there is not yet a request for amortization.

Docket Nos. ADV 1749/Advice No. O25-07-02, ADV 1750/Advice
No. O25-07-03, UM 1336(17)(18), UM 2338(1)
October 16, 2025
Page 5

UM 1336(17)(18)

Summary of Filing:

On July 31, 2024 and July 30, 2025, the Company filed an application for reauthorization to record and defer—on an ongoing basis—all costs associated with intervenor funding grants in the dockets UM 1336(17) and UM 1336(18), respectively.

Background:

The continuation of intervenor funds is justified per Commission Order No. 22-506 approving the terms of the Agreement, which directs the Company to pay to intervenors the amounts made available as defined and provided for in the agreement. Cascade Natural Gas continues to record payment of Intervenor Funding Grants in a sub-account of Account 186. Staff has not previously recommended sharing for this deferral.

Key Facts:

The maximum amount that can be deferred per the agreement during the 12-month period November 1, 2024 through October 31, 2025, is \$130,313; the amortized balance will accrue interest at a rate of 5.13 percent. The amount for the UM 1336(17) deferral was \$54,535.40 for CUB and \$29,888.15 for AWEC.

The 12-month period from November 1, 2025 through October 31, 2026, also has maximum amount that can be deferred of \$130,313; the amortized balance will accrue interest at a rate of 5.40 percent. The amount for the UM 1336(18) deferral was \$78,318.07 for CUB and \$20,583.57 for AWEC.

UM 2338(1)

Summary of Filing:

The Company seeks an order reauthorizing deferred accounting for the 12-month period, starting September 1, 2025, for all costs and revenues associated with Cascade's Voluntary Renewable Natural Gas (RNG) Program, established in Cascade's Schedule 805.

Background:

Cascade's Voluntary RNG Program is offered through Schedule 805, and allows customers to voluntarily choose to purchase blocks of RNG or renewable thermal credits (RTCs) derived from RNG. Cascade plans to periodically revise the Schedule 805 block charge for renewable natural gas to true up the difference in revenues and expenses. By using deferred accounting for revenues and expenses, and truing-up the block rate as needed, the Company states that it will ensure it recovers all costs from participating customers.

Docket Nos. ADV 1749/Advice No. O25-07-02, ADV 1750/Advice
No. O25-07-03, UM 1336(17)(18), UM 2338(1)
October 16, 2025
Page 6

Key Facts:

Cascade does not have any customers enrolled in the Voluntary RNG Program, and does not yet acquire therms for its Voluntary RNG Program.

ADV 1749

Summary of Filing:

In this request, Cascade proposes to amortize amounts deferred under Docket No. UM 1336(17), which are intervenor funding grants, with an effective date of October 31, 2025.

Background:

An Intervenor Funding Agreement (IFA) governs intervenor funding grants available to organizations representing customer interests in Commission proceedings and funded by energy utilities.⁵ The IFA sets forth eligibility criteria, regulatory procedures, and payment issuance and review. Use of intervenor funding grants for this deferral period are in accordance with the Fifth Amended and Restated Intervenor Funding Agreement, which was approved by the Commission in Order No. 22-506, and by Commission Order No. 23-033, which approved a separate intervenor funding agreement specific to environmental justice and low-income advocate organizations. The Commission most recently approved deferral of Cascade's intervenor funding costs in Docket No. UM 1336(16), Order No. 23-361, for the 12 months beginning October 31, 2023.

Key Facts:

The net effect of the new temporary adjustment for intervenor funding, proposed to go into effect October 31, 2025, will result in an increase in the Company's annual revenues in the amount of approximately \$12,202. Per ORS 757.259(4), the amortization of Intervenor Funding is not subject to an earnings review, and the Intervenor Funding amortization balance is not included in the three percent test.

Customer Impact:

74,530 customers are impacted. For Schedule 101, an average customers bill is expected to increase from \$61.60 to \$61.63. For Schedule 105, an average customer bill is expected to decrease from \$1,434.16 to \$1,433.79. For Schedule 111, an average customer bill is expected to decrease from \$12,526.42 to \$12,522.86. For Schedule 170, an average customer bill is expected to decrease from \$37,971.39 to \$37,959.97. For Schedule 163, an average customer bill is expected to decrease from \$14,538.78 to \$14,485.94.

⁵ Intervenor funding grants include the CUB Fund, Preauthorized Matching Fund, Issues Fund and HB2475 Fund.

Docket Nos. ADV 1749/Advice No. O25-07-02, ADV 1750/Advice
No. O25-07-03, UM 1336(17)(18), UM 2338(1)
October 16, 2025
Page 7

ADV 1750

Summary of Filing:

The amortization is for the deferral of conservation and weather variances for the 12-month period beginning January 1, 2025, and ending December 31, 2025.

Background:

This is the ninth revision of Sheet No. 193.1 for the amortization of deferred conservation and weather variances associated with the Company's approved conservation alliance plan (CAP). The Company's deferral of the amounts was approved in Order No. 25-441 in Docket No. UM 1557.

Key Facts:

The total dollar amount for recovery (inclusive of the gross revenue factor) is \$1,187,537. The Company requests an increase in annual revenues of \$994,975, or 1.19 percent. Note that the difference between the values above is \$192,625, which is the amount that would be collected under current rates; they need to collect an additional \$994,975 in order to recover the total deferral balance of \$1,187,537. The three percent test applies, but the Company fails it (i.e., the overall annual average rate impact of amortizations authorized under ORS 757.259 and OAR 860-027-00300(9) exceeds three percent of Cascade's gross revenues for the preceding calendar year). Cascade requested a greater than three percent amortization increase.⁶ This request is addressed in Staff's Regular Agenda Item which covers Cascade's two PGA filings (UG 521 and UG 522).

Customer Impact:

84,942 customers are impacted. For Schedule 101, an average customer's bill is expected to increase from \$61.60 to \$62.64. For Schedule 104, an average customer's bill is expected to increase from \$230.81 to \$232.48.

Conclusion

Staff has reviewed the non-gas filings accompanying the 2025 Purchased Gas Adjustments for Cascade. Staff finds the filings to be consistent with Commission policy and prior practice, with the specific recommendations outlined above. Staff requests Commission approval of the recommendations provided in this memo.

Cascade has reviewed this memo.

⁶ See page 4 of the Company's UG 521 filing [ug521uac339840027.pdf](#).

Docket Nos. ADV 1749/Advice No. O25-07-02, ADV 1750/Advice
No. O25-07-03, UM 1336(17)(18), UM 2338(1)
October 16, 2025
Page 8

PROPOSED COMMISSION MOTION:

Approve Cascade's Docket Nos. UM 1336(17)(18), UM 2338(1), and Advice
Nos. O25-07-02 and O25-07-03, which update the Company's tariffs for service
rendered on and after October 31, 2025.