

**BEFORE THE PUBLIC UTILITY COMMISSION
OF OREGON**

UG 390

In the Matter of

CASCADE NATURAL GAS
CORPORATION,

Application for a General Rate Revision.

ORDER

DISPOSITION: FIRST PARTIAL STIPULATION, SECOND PARTIAL STIPULATION, AND THIRD STIPULATION RESOLVING ALL REMAINING ISSUES ADOPTED; APPLICATION FOR GENERAL RATE REVISION APPROVED AS REVISED

I. SUMMARY

Cascade Natural Gas Corporation seeks a 6.67 percent increase in revenues from base rates to produce \$4,507,842 in additional Oregon jurisdictional revenues. The company also seeks an increase to its amortization of deferred environmental remediation expenses which, when combined with the requested increase to base rates, would result in a total increase of \$4,871,607 or 7.21 percent. In this order, we adopt proposed settlements to resolve all issues related to the request, reducing the Oregon-allotted increase by \$1.28 million from the initial filing, and authorize an overall rate increase of 4.76 percent or \$3.23 million in revenues. Considered by itself, this order authorizes customers' bills to increase on average by \$2.71 (5.40 percent) per month for residential customers, \$7.52 (4.29 percent) per month for commercial customers, and \$40.62 (3.48 percent) for industrial customers, effective February 1, 2021.

On October 16, 2020, we authorized a purchased gas adjustment (PGA) rate decrease for Cascade.¹ In combination, these two orders reduce the overall revenue requirement increase from 7.21 percent to 4.23 percent, resulting in average monthly bills increasing

¹ *In the Matter of Cascade Natural Gas Corporation, Reflects changes to the Purchased Gas Adjustment (PGA) Tariff, Schedule 177 and Schedule 191 Temporary Gas Cost Rate Adjustment, Docket No. UG 397, Order No. 20-362 (Oct 16, 2020).*

for residential customers by \$2.55 (5.08 percent), for commercial customers by \$6.98 (3.99 percent), and for industrial customers by \$8.86 (0.76 percent).

II. BACKGROUND AND PROCEDURAL HISTORY

Cascade is a public utility providing gas service within the meaning of ORS 757.005, and is subject to our jurisdiction with respect to the prices and terms of service for its Oregon retail customers.

On March 31, 2020, Cascade filed revised tariff schedules to take effect on April 30, 2020. By Order No. 20-109 entered April 7, 2020, the tariff sheets were suspended for nine months as authorized by ORS 757.215. During the course of these proceedings, the Alliance of Western Energy Consumers (AWEC) filed a petition to intervene, which was granted. The Oregon Citizens' Utility Board (CUB) intervened as a matter of right under ORS 774.180.

The parties and Staff of the Public Utility Commission of Oregon conducted discovery, filed testimony, and engaged in settlement discussions. The issues were ultimately resolved by Cascade, CUB, AWEC, and Staff through the execution of a first partial stipulation filed on July 1, 2020, a second partial stipulation filed on August 28, 2020, and a third stipulation resolving all remaining issues filed on September 30, 2020. The stipulations were supported by joint testimony of all parties filed on August 11, 2020, August 28, 2020, and September 30, 2020, respectively. In addition to participating in the August 11, 2020 joint testimony in support of the first partial stipulation, Staff filed separate testimony in support of the first partial stipulation on August 14, 2020. The three stipulations are attached as Appendices A, B, and C, respectively. The Administrative Law Judge issued a ruling closing the record on November 9, 2020.

III. DISCUSSION

The parties were able to settle all issues in these proceedings. We outline the nature of the stipulations, summarize each initially disputed issue that was the subject of the negotiated settlement in the stipulations, and provide our decision.

A. First Partial Stipulation—Cost of Capital Issues

In its opening testimony, the company requested that cost of capital be set based on a capital structure of 50 percent equity and 50 percent debt, return on equity (ROE) of 9.40 percent, and long-term debt of 4.75 percent. The overall rate of return (ROR) requested by the company was 7.075 percent.

In the first partial stipulation, the stipulating parties agreed to recommend that the Commission maintain Cascade's current capital structure and authorized ROE, resulting in a balanced capital structure of 50 percent equity and 50 percent debt, and an ROE of 9.40 percent. The stipulating parties further agreed to decrease the company's cost of long-term debt from 5.140 percent to 4.741 percent. The parties' agreement on these cost of capital components yields an overall ROR of 7.071 percent, as follows:

	PERCENT OF TOTAL CAPITAL	COST	COMPONENT
Long Term Debt	50%	4.741 percent	2.371 percent
Common Equity	50%	9.40 percent	4.700 percent
Total	100%		7.071 percent

1. Capital Structure

The balanced capital structure in the first partial stipulation is based on Cascade's actual capital structure over the last six years. As of December 31, 2019, the company's actual capital structure was 54.7 percent equity. The Commission adopted a 50/50 capital structure for Cascade in 2019, in docket UG 347, and a capital structure of 49 percent common equity and 51 percent long-term debt for Cascade in 2016, in docket UG 305.² Staff recommends that the Commission find a 50 percent common equity capital structure reasonable, as being both consistent with Commission precedent, and actual and projected values for capital structure.³

Commission Resolution. We adopt the parties' conclusions as reasonable and representing an appropriate balance between debt and equity.

2. Return on Equity

The company proposed a 9.40 percent ROE as a means to reduce consulting fees and administrative time costs to all parties and states that an ROE of 9.40 percent is reasonable and adequate. The parties agree that it is consistent with the Commission's recent determination for ROE in Cascade's last general rate case, which was effective

² Cascade-Staff-CUB-AWEC/100, Mickelson-Muldoon-Gehrke-Kaufman/5, citing *In the Matter of Cascade Natural Gas Corporation, Application for a General Rate Revision*, Docket No. UG 347, Order No. 19-088 at 8 (Mar 14, 2019), and *In the Matter of Cascade Natural Gas Corporation, Application for a General Rate Revision*, Docket No. UG 305, Order No. 16-477 at 3 (Dec 12, 2016).

³ Staff/1200, Muldoon-Enright-Dlouhy/5.

April 1, 2019, as well as the most recent general rate case for another natural gas utility.⁴ The parties further agreed that 9.40 percent was within a reasonable range of ROEs for Cascade and contend that maintaining Cascade's ROE at the level which it was recently set in its last rate case would benefit both the company and its customers by providing stability and certainty. As such, customers avoid an increase in ROE, while the settlement provides Cascade with a return that will ensure sufficient revenues to allow it to continue to invest in necessary infrastructure and fund operations as required to provide safe and reliable utility service.⁵

Commission Resolution. We adopt the first partial stipulation's continuation of the currently authorized return on equity in furtherance of the overall settlement as being in the public interest.

3. Cost of Long-Term Debt

In its initial filing, Cascade calculated that its cost of long term debt was 4.75 percent with a weighted cost of 2.375 percent.⁶ Staff recommended a cost of long-term debt of 4.741 percent with a weighted cost of 2.731 percent, representing the cost of all outstanding and recently issued debt, and stated that it is representative of the 2021 test year.⁷ The agreed-upon 4.741 percent cost of long-term debt represents a compromise between the modeling performed by the company and Staff, and results from extensive discussions during the settlement process. The stipulating parties agree that this is a reasonable adjustment and contributes to the fair resolution of this case.⁸

Commission Resolution. The adjustment to the cost of long-term debt represents a reasonable compromise between the modeling performed by the company and Staff, and supports the overall settlement in the public interest.

4. Overall Rate of Return (ROR)

The overall ROR based on the settled components is 7.071 percent. The parties agree that the settled ROR represents a decrease from Cascade's current authorized ROR of 7.270 percent—which is a benefit to Cascade's customers but is nevertheless sufficient to assure confidence in the financial soundness of the utility.⁹

⁴ Cascade-Staff-CUB-AWEC/100, Mickelson-Muldoon-Gehrke-Kaufman/5-6, citing *In the Matter of Avista Corp., dba Avista Utilities, Request for a General Rate Revision*, Docket No. UG 366, Order No. 19-331 (Oct 8, 2019).

⁵ Cascade-Staff-CUB-AWEC/100, Mickelson-Muldoon-Gehrke-Kaufman/6.

⁶ CNGC/100, Kivisto/8.

⁷ Staff/1200, Muldoon-Enright-Dlouhy/3, 6.

⁸ Staff/1200, Muldoon-Enright-Dlouhy/7.

⁹ Staff/1200, Muldoon-Enright-Dlouhy/7-8.

Commission Resolution. We adopt the first partial stipulation’s ROR compromise as a reasonable adjustment that contributes to the fair resolution of the issues in furtherance of the overall settlement, and find it to contribute to the public interest in providing reliable service at fair, just, and reasonable rates.

B. Second Partial Stipulation—Rate Spread and Rate Design Issues

1. Rate Spread

In its initial filing, Cascade proposed a revenue allocation where Schedules 101-residential service, 105-industrial service, and 163-general distribution system transportation service, would receive a higher than average increase to move them closer to parity, while the remaining schedules, which are below parity, would receive an average or below average increase. The company proposed increasing overall gas margin revenue by 12.2 percent while moving rate schedules closer to parity, with the following increases to the margin revenue:¹⁰

Schedule No. and Description	Average Increase
Schedule 101 – Residential Service	16.0%
Schedule 104 – Commercial Service	2.4%
Schedule 105 – Industrial Service	40.2%
Schedule 111 – Large Volume Service	1.8%
Schedule 163 – General Transportation	17.1%
Schedule 170 – Interruptible	--

As a result of settlement discussions, the parties agreed to recommend that the Commission approve a rate spread in which the overall system average increase, based on the final revenue requirement established for this rate case, would be multiplied by the relative increase amount for each individual rate schedule. The agreed rate spread effect is shown in the table below:

Schedule No. and Description	Final Increase Relative to System Average
Schedule 101 – Residential Service	1.17x
Schedule 104 – Commercial Service	1.17x
Schedule 105 – Industrial Service	1.01x
Schedule 111 – Large Volume Service	0.33x

¹⁰ CNGC/500, Archer/3, 14. Cascade subsequently filed supplemental testimony, CNGC/600, Archer/1-2, to correct an allocation error.

Schedule 163 – General Transportation	0.00x
Schedule 902-2 – Special Contract	0.00x
Schedule 170 – Interruptible	0.00x

This increase relative to system average approach will involve two steps. First, based on the final revenue requirement amount, Cascade will determine the overall system average increase. The company's overall system average increase based on its initial filing was 12.29 percent, but this amount was changed to 8.74 percent based on the final revenue requirement amount agreed upon by the parties in the third stipulation. Second, Cascade will multiply the overall system average increase by the relative increase amount of the individual rate schedule.¹¹

Commission Resolution. We adopt the second partial stipulation's approach on rate spread as reasonable, as it moves the rate schedules closer to cost parity and fairly distributes the increase among rate schedules that require an increase to move closer to parity. As such, we find that it contributes to the fair resolution of the differences among classes of customers, and will result in fair, just, and reasonable rates.

2. *Rate Design*

In the initial filing, Cascade proposed increasing the monthly service charge to \$6, \$12, and \$35 for Schedules 101, 104, and 105, respectively, to recover more fixed costs through the basic service charge. The company also proposed increasing the basic service charge to \$144 for Schedule 111 and \$719 for Schedule 163 for the same reason.¹² The company did not propose making any changes to its original revenue allocation and rate design proposals, even though a revised cost of service analysis indicated that larger general transportation customers were paying well above parity for cost of service, while residential customers were paying less than parity. Moving residential customers closer to parity would have meant an increase in the residential customer parity rate from 0.80 to 0.92, further increasing monthly bills. Cascade proposed to not implement the parity ratio adjustments because it wanted to lessen the financial impact on residential and small commercial customers who, according to Cascade's arrearage and regional unemployment data, appeared to be disproportionately adversely affected by COVID-19 events.¹³

For rate design, the parties agreed to recommend that the Commission approve an increase in the monthly basic service charge for four of the company's seven customer

¹¹ Cascade-Staff-CUB-AWEC/200, Archer-St. Brown-Gehrke-Kaufman/5.

¹² CNGC/500, Archer/3, 17.

¹³ CNGC/600, Archer/4-5.

classes, with the remaining increase for each rate schedule going into volumetric charges. The resulting proposed basic rate service charges are as follows:

Schedule	Current Rate/Month	Proposed Rate/Month
101– Residential Service	\$5.00	\$6.00
104– Commercial Service	\$10.00	\$12.00
105– Industrial Service	\$30.00	\$35.00
111– Large Volume Service	\$125.00	\$144.00

The parties agreed not to propose changes in the basic charges for any other rate schedules.¹⁴

Commission Resolution. We adopt the second partial stipulation’s compromise on rate design as a reasonable compromise that contributes to the fair resolution of the differences among classes of customers, and find that they will result in fair, just, and reasonable rates.

C. Third Stipulation—Revenue Requirement and Policy and Process Changes (Including all Remaining Issues)

The third stipulation resolved all of the remaining issues in the case and covered matters pertaining to the overall revenue requirement along with policy and process changes relating to officer attestation, documentation supporting capital investments, residential customer deposits, decoupling adjustments, and an agreement on conducting future workshops.

1. Adjustments to Revenue Requirement

In its initial filing, Cascade requested an increase in its revenue requirement of \$4,507,841.93, exclusive of environmental remediation costs, on a rate base of \$132,613,684 million.¹⁵ The parties agreed to the following adjustments which reduced the overall revenue requirement increase by \$1.28 million, yielding a total reduction of \$1,227,374 on a rate base of \$130.095 million.¹⁶ The adjustments are summarized as follows:

¹⁴ Cascade-Staff-CUB-AWEC/200, Archer-St. Brown-Gehrke-Kaufman/3, 6-7.

¹⁵ Initial Application, Executive Summary at 1 and Executive Summary Exhibit A at 1 (Mar 31, 2020).

¹⁶ Third Stipulation Resolving All Remaining Issues at 2-3.

Company's Initially Proposed Revenue Requirement		\$4,507,841.93
Issue	Adjustment	Revenue Requirement Effect
1	Other Gas Supply Expense	(\$21,661.34)
2	Distribution Operation and Maintenance (O&M) Expense	(\$22,147.17)
3	Rate Case Expense	(\$51,863.43)
4	Wages and Salaries	(\$496,718.13)
5	Advertising Expense	(\$4,080.43)
6	Pension Expense	(\$24,365.37)
7	Utility Plant Additions	(\$219,479.74)
8	Protected Excess Deferred Income Taxes	(\$30,162.88)
9	Other Income (unprotected EDIT)	(\$16,753.09)
10	Taxes other than Income--Corporate Activity Tax (CAT)	\$257,873.04
11	Depreciation Settlement in UM 2073	(\$376,114.50)
12	Depreciation Final Utility Plant in Rate Base	(\$102,711.84)
13	Meals and Entertainment	(\$163,687.64)
14	First Stipulation Cost of Capital	(\$7,496.42)
15	First Stipulation Interest Synchronization based on Cost of Long-term debt	\$2,024.15
	Total Adjustments	(\$1,277,343.78)
	Incremental Revenue Requirement	\$3,230,498.16

The reductions in the summary reflect the following adjustments:

a. Other Gas Supply Expense

In its initial filing, Cascade included \$113,000 for other gas supply expense. Staff proposed to remove (1) the Oregon-allocated amount of a one-time damage payment related to Puget Sound Energy – Fredonia in 2019 (\$21,000); and (2) non-labor costs from the escalation calculation. Staff also proposed to use a three-year average of expense instead of the company's approach, which was to begin with base year costs and escalate to arrive at test year expenses. The total impact of Staff's proposal in its response testimony was a disallowance of \$24,000.¹⁷

¹⁷ Staff/100, Fjeldheim/14-15.

As a result of their settlement discussions, and in the context of the overall settlement, the stipulating parties agreed to a \$21,000 reduction in other gas supply expense, which has a revenue requirement impact of (\$21,661.34).¹⁸

Commission Resolution. We adopt the stipulating parties' reduction in other gas supply expense as part of the overall settlement that furthers the public interest in providing reliable service at fair, just, and reasonable rates.

b. Distribution O&M Expense

In its initial filing, Cascade calculated its test year distribution O&M expense, beginning with Base Year expense and escalating by a consumer price index of 1.8 percent. In its response testimony, Staff proposed using a three-year average of non-labor O&M expense and a 0.7 percent escalation rate. Staff's proposals resulted in a proposed \$187,000 reduction to distribution O&M expense.¹⁹

As a result of their settlement discussions and in the context of the overall settlement, the stipulating parties agreed to a \$21,471 reduction in distribution O&M expense, which has a revenue requirement impact of (\$22,147.17).²⁰

Commission Resolution. We adopt the stipulating parties' reduction in distribution O&M expense as part of the overall settlement that furthers the public interest in providing reliable service at fair, just, and reasonable rates.

c. Rate Case Expense

In its initial filing, Cascade included \$178,055 in rate case expense, which reflected (1) the incremental costs associated with filing this rate case normalized over a three-year period, plus the amount of rate case expense from previous rate cases that has yet to be collected; and (2) the expense associated with the outside expert, Concentric, which prepared the company's depreciation study, normalized over a five year period.

Staff raised concerns regarding the company's inclusion of expense from previous rate cases and the company's proposal to normalize expenses related to Concentric over five years rather than three years. To address these concerns, Staff proposed a reduction of \$93,000.²¹

¹⁸ Cascade-Staff-CUB-AWEC/300, Mickelson-Fjeldheim-Gehrke-Kaufman/4.

¹⁹ Staff/100, Fjeldheim/15, 20.

²⁰ Cascade-Staff-CUB-AWEC/300, Mickelson-Fjeldheim-Gehrke-Kaufman/5.

²¹ Staff/100, Fjeldheim/5.

As a result of their settlement discussions, the stipulating parties noted that Cascade has been filing a rate case in Oregon at least every two years, and concluded on that basis that it was appropriate to amortize rate case costs (including the Concentric expenses) over that period. Therefore, in the context of the overall settlement, the parties agreed to a \$50,280 reduction in rate case expense, which has a revenue requirement impact of (\$51,863.43).²²

Commission Resolution. We adopt the stipulating parties' reduction in rate case expense as part of the overall settlement that furthers the public interest in providing reliable service at fair, just, and reasonable rates.

d. Wages and Salaries

In its initial filing, Cascade included Oregon-allocated expense of \$8.043 million for wages and salaries and \$615,681 for overtime. Staff applied its wage and salary model and recommended a revenue adjustment of \$2.4 million (allocated \$1.9 million O&M and \$586,000 capital). Staff also recommended a decrease in overtime by \$1,660 (allocated \$1,262 O&M and \$400 capital).²³ Staff's adjustments were based on a data response with incomplete information from the company, which was updated and clarified in a subsequent data response.

Based on the updated information, the stipulating parties agreed on a reduction in expense of \$469,634.99 and reduction in rate base of \$135,282.58, with a revenue requirement impact of (\$496,718.13), which the stipulating parties agreed to in the context of the overall settlement.²⁴

Commission Resolution. We adopt the stipulating parties' wage and salary adjustment as part of the overall settlement that furthers the public interest in providing reliable service at fair, just, and reasonable rates.

e. Advertising Expense

In its initial filing, Cascade included \$91,750 in Category A advertising expense. In its response testimony, Staff proposed an adjustment of \$7,912 because Cascade's proposal exceeded the Commission's guideline for Category A advertising by that amount.²⁵ As a

²² Cascade-Staff-CUB-AWEC/300, Mickelson-Fjeldheim-Gehrke-Kaufman/5-6.

²³ Staff/200, Cohen/6.

²⁴ Cascade-Staff-CUB-AWEC/300, Mickelson-Fjeldheim-Gehrke-Kaufman/6.

²⁵ Staff/200, Cohen/14.

result of their settlement discussions and in the context of the overall settlement, the stipulating parties agreed to a reduction in advertising expense of \$3,955.85, with a revenue requirement impact of (\$4,080.43).²⁶

Commission Resolution. We adopt the stipulating parties' adjustment to advertising expense as part of the overall settlement that furthers the public interest in providing reliable service at fair, just, and reasonable rates.

f. Pension Expense

In its initial filing, Cascade based its FAS 87 pension expense on its 2019 expense for these items. In its response testimony, Staff disagreed with the discount rate used by the company to calculate its FAS 87 expense, pointing out it varied from the discount rate used by other utilities. Specifically, Staff proposed that the company's pension expense be reduced by \$23,621.47. As a result of settlement discussions and in the context of the overall settlement, Cascade agreed to Staff's proposed adjustment, which resulted in a revenue requirement impact of (\$24,365.37).²⁷

Commission Resolution. We adopt the stipulating parties' acceptance of Staff's adjustment to pension expense as part of the overall settlement that furthers the public interest in providing reliable service at fair, just, and reasonable rates.

g. Utility Plant

In its initial filing, Cascade included \$22.1 million in utility plant additions.²⁸ After the initial filing, some projects that the company expected to come online in 2020 were delayed as a result of the COVID-19 pandemic. Accordingly, in their response testimony, Staff and AWEC proposed adjustments to remove projects that would not be in service prior to the rate effective date. In addition, Staff and AWEC also proposed that, for those projects that had been completed, the estimated costs included in the case be adjusted to align with actually-incurred costs.²⁹ Staff further noted that one portion of the delayed Shevlin Park project that had been installed and "placed on nitrogen" would not be used and should not be included in rate base.³⁰

²⁶ Cascade-Staff-CUB-AWEC/300, Mickelson-Fjeldheim-Gehrke-Kaufman/6.

²⁷ Cascade-Staff-CUB-AWEC/300, Mickelson-Fjeldheim-Gehrke-Kaufman/7.

²⁸ CNGC/200, Darras/37.

²⁹ Staff/500, Fox/4-16; AWEC/100, Kaufman/7-16.

³⁰ Staff/500, Fox/11-12.

As a result of their settlement discussions and in the context of the overall settlement, the stipulating parties agreed to a \$2,415,266 reduction to rate base, which has a revenue requirement impact of (\$219,478.74). The stipulating parties also agreed that the portion of the delayed Shevlin Park project that had been placed on nitrogen would be accounted for as a plant held for future use until such time as it is used and useful.³¹

Commission Resolution. We adopt the stipulating parties' agreement adjusting plant as reasonable and in furtherance of the public interest in providing reliable service at fair, just, and reasonable rates.

h. Protected Excess Deferred Income Taxes (EDIT)

Consistent with the parties' agreement in Cascade's last general rate case, Cascade's base rates in its initial filing incorporate a benefit to customers associated with protected EDIT resulting from the Tax Cuts and Jobs Act (TCJA). As a result of responses to data requests provided by Cascade after Staff filed its response testimony, Staff proposed a reduction to expense associated with this protected EDIT, in order to more closely align Cascade's recovery to estimated expense for the test year. As a result of settlement discussions, and in the overall context of the settlement, Cascade agreed to a reduction of expense associated with protected EDIT of \$32,067 and a corresponding increase to rate base of that same amount, which in the aggregate has a revenue requirement impact of (\$30,162.88).³²

Commission Resolution. We adopt the stipulation's resolution reducing the expense associated with protected EDIT resulting from the TCJA and increasing the rate base accordingly, as a reasonable adjustment as part of the overall settlement that furthers the public interest in providing reliable service at fair, just, and reasonable rates.

i. Other Income (Unprotected EDIT)

Unprotected EDIT associated with the TCJA is refunded to Cascade's customers on a separate tariff, outside of base rates. Given that refund, in its initial filing Cascade made a corresponding decrease to other revenues in base rates.

In its response testimony, Staff expressed concern that the company's accounting for that refund in its base rates negated the impact of that refund, and therefore Staff proposed an increase to other operating revenues of \$388,527. Staff believed this increase was necessary to preserve the refund benefit to Cascade's customers.

³¹ Cascade-Staff-CUB-AWEC/300, Mickelson-Fjeldheim-Gehrke-Kaufman/7-8.

³² Cascade-Staff-CUB-AWEC/300, Mickelson-Fjeldheim-Gehrke-Kaufman/8.

During the settlement process, Cascade provided the parties with detailed information as to how it accounted for the refund in base rates. In view of the new information, and in the context of an overall settlement, the stipulating parties agreed to an increase to revenue of \$268,153, and an increase to expense of \$243,724.50, which in the aggregate has a revenue requirement impact of (\$16,753.09).³³

Commission Resolution. We adopt the stipulation's resolution regarding the accounting treatment of unprotected EDIT as a reasonable adjustment as part of the overall settlement that furthers the public interest in providing reliable service at fair, just, and reasonable rates.

j. Taxes other than Income—Corporate Activity Tax (CAT)

Cascade's initial filing did not include the new Oregon CAT in the revenue requirement,³⁴ and in its response testimony, Staff proposed to include amounts for the CAT estimate in base rates.³⁵ As part of the stipulated settlement, the stipulating parties agreed to a \$250,000 increase in expense, which has a revenue requirement impact of \$257,873.04.

Commission Resolution. We adopt the stipulating parties' adjustment reflecting the Oregon CAT as part of the overall settlement that furthers the public interest in providing reliable service at fair, just, and reasonable rates.

k. Depreciation—Settlement in Docket No. UM 2073

Cascade, Staff, and AWEC recently reached a settlement in docket UM 2073 regarding the company's depreciation study.³⁶ As part of the overall settlement in this proceeding, the stipulating parties agreed to incorporate the impact of the docket UM 2073 settlement into this case. Specifically, the stipulating parties agreed to a \$364,631.47 reduction in expense, which has a revenue requirement impact of (\$376,114.50).³⁷

Commission Resolution. We adopt the stipulating parties' resolution incorporating the impact of the settlement in docket UM 2073 as part of the overall settlement that furthers the public interest in providing reliable service at fair, just, and reasonable rates.

³³ Cascade-Staff-CUB-AWEC/300, Mickelson-Fjeldheim-Gehrke-Kaufman/8-9.

³⁴ Staff/500, Fox/20.

³⁵ Staff/500, Fox/20, 26.

³⁶ *In the Matter of Cascade Natural Gas Corporation, Petition to File Depreciation Study*, Docket No. UM 2073, Stipulation (Sept 2, 2020).

³⁷ Cascade-Staff-CUB-AWEC/300 Mickelson-Fjeldheim-Gehrke-Kaufman/9.

l. Depreciation—Final Utility Plant in Rate Base

As a result of their settlement discussions and in the context of the overall settlement, the stipulating parties agreed to a \$99,575.98 reduction in expense, which has a revenue requirement impact of (\$102,711.84).³⁸

Commission Resolution. We adopt the stipulating parties' adjustment to depreciation as part of the overall settlement that furthers the public interest in providing reliable service at fair, just, and reasonable rates.

m. Meals and Entertainment

In its response testimony, Staff proposed a reduction to Cascade's non-labor O&M related to the removal of certain O&M expenses that Staff believed should not be recoverable. As a result of settlement discussions, and in the context of the overall settlement, the stipulating parties agreed to a \$158,690.14 reduction in expense, which has a revenue requirement impact of (\$163,687.64).³⁹

Commission Resolution. We adopt the stipulating parties' adjustment to meals and entertainment expense as part of the overall settlement that furthers the public interest in providing reliable service at fair, just, and reasonable rates.

2. Conversion Factor

In its initial filing, the company included a conversion rate factor, of 0.70584, which yields a net-to-gross-up factor of 1.41675.⁴⁰ Staff corrected an error in the company's calculation and recommended a conversion rate factor of 0.70760 and a net-to-gross-up factor of 1.41322.⁴¹

Commission Resolution. We adopt the adjustment arising out of the correction to Cascade's calculation of the conversion rate factor as part of the overall settlement that furthers the public interest in providing reliable service at fair, just, and reasonable rates.

³⁸ Cascade-Staff-CUB-AWEC/300 Mickelson-Fjeldheim-Gehrke-Kaufman/10.

³⁹ Cascade-Staff-CUB-AWEC/300 Mickelson-Fjeldheim-Gehrke-Kaufman/10.

⁴⁰ CNGC/302, Peters/1; Staff/100, Fjeldheim/38-39.

⁴¹ Staff/100, Fjeldheim/38-39; Staff/111, Fjeldheim/1.

3. *Policy and Process Issues*

a. *Officer Attestation*

To ensure customers are only paying for plant that will be online and serving customers by the rate effective date, CUB requested that Cascade provide an officer attestation for its capital projects greater than \$200,000.⁴² The stipulating parties agreed to include this recommendation in the settlement. Accordingly, prior to the rate effective date, Cascade will file an officer attestation confirming that all projects included in rate base in this case have been completed and placed in service. In addition, the attestation will present the actual cost of the project.⁴³

Commission Resolution. We adopt the stipulating parties' agreement on attestation for capital projects. By providing attestation that only projects completed by the effective rate date along with the updated costs, Cascade has ensured that the costs to ratepayers associated with the projects will be limited to used and useful plant in service, consistent with the requirements of ORS 757.355.

b. *Documentation Supporting Capital Investments*

The stipulating parties agree that, beginning with its next general rate case, Cascade will provide support for all individual capital investments occurring in 2020 and thereafter that are estimated to cost more than \$150,000. The supporting information will include detailed documentation providing the justification for the investment, a project summary, a demand study/analysis, the expected cost of the project, the alternatives considered, and the rationale for the investment.⁴⁴

Commission Resolution. We adopt the stipulating parties' agreement and find that this documentation will enhance Staff's and other parties' ability to assess the prudence of investments presented in the company's rate cases and thereby ensure that rates are fair, just, and reasonable.

4. *Residential Customer Deposits*

Under Cascade's residential customer deposit pilot program, which was agreed upon in the company's last rate case, Cascade suspended collection of residential customer deposits through April 1, 2021. CUB proposed that Cascade extend the pilot program for

⁴² CUB/100, Gehrke/2-4.

⁴³ Cascade-Staff-CUB-AWEC/300, Mickelson-Fjeldheim-Gehrke-Kaufman/11.

⁴⁴ Cascade-Staff-CUB-AWEC/300, Mickelson-Fjeldheim-Gehrke-Kaufman/11.

an additional two years, through April 1, 2023, because extending the program would help protect economically vulnerable customers during the COVID-19 pandemic and would provide additional data for the pilot program.⁴⁵ The stipulating parties agreed to CUB's proposal to extend the pilot through April 1, 2023.⁴⁶

Commission Resolution. We adopt the stipulating parties' agreement with respect to residential customer deposits and find that the proposal to extend the pilot through April 1, 2023, furthers the public interest.

5. *Decoupling Adjustments*

In its response testimony, CUB proposed that, on a going forward basis, Cascade make a change to the recovery of its decoupling adjustment to separate out the amortization of its conservation and weather variances by rate class, between Schedule 101 (Residential) and Schedule 104 (Commercial). CUB argued that this approach would better align decoupling rates under the principle of cost causation, and further would align the amortization of Cascade's decoupling adjustment with Avista's decoupling account.⁴⁷

The stipulating parties agreed to accept CUB's proposal, which will be implemented beginning with Cascade's annual decoupling filing that will be effective November 1, 2021.⁴⁸

Commission Resolution. We adopt the stipulating parties' agreement on decoupling adjustments and find that it furthers the public interest in providing reliable service at fair, just, and reasonable rates.

6. *Informational Workshop*

During the course of this case, Staff and the other parties expressed a desire for more information regarding Cascade's capital project planning and documentation process, which they believe will assist them in reviewing capital costs included in future rate cases. In addition, these parties expressed a desire for more information regarding how costs incurred by Cascade's affiliated companies are allocated among Cascade and its affiliates. Finally, these parties expressed a desire for more information regarding how Cascade calculates and applies adjustments to base year costs to arrive at test year revenue requirement for its rate cases.

⁴⁵ CUB/100, Gehrke/4-5.

⁴⁶ Cascade-Staff-CUB-AWEC/300, Mickelson-Fjeldheim-Gehrke-Kaufman/12.

⁴⁷ CUB/100, Gehrke/5-8.

⁴⁸ Cascade-Staff-CUB-AWEC/300, Mickelson-Fjeldheim-Gehrke-Kaufman/12.

Cascade agreed to participate in and present information at one or more workshops to address these issues, and Staff agreed to take responsibility for scheduling such workshops.⁴⁹

Commission Resolution. We adopt the stipulating parties' agreement on workshop participation.

IV. CONCLUSION

We have reviewed the terms of the first partial stipulation, second partial stipulation, and third stipulation resolving all remaining issues, and supporting joint testimony of the parties. We find that the terms of the stipulations are reasonable and that the stipulations were freely entered into by the parties. We further find that the proposed changes to the company's tariffs and conditions described therein will result in fair, just, and reasonable rates in furtherance of the public interest.

V. ORDER

IT IS ORDERED that:

1. The first partial stipulation, second partial stipulation, and third stipulation resolving all remaining issues between Cascade Natural Gas Corporation, Staff of Public Utility Commission of Oregon, Oregon Citizens' Utility Board, and Alliance of Western Energy Consumers, attached as Appendices A, B, and C, are adopted.
2. Prior to the rate effective date, Cascade Natural Gas Corporation shall file an officer attestation confirming that all projects included in rate base in this case have been completed and placed in service, including the actual cost of each such project.
3. Advice No. O20-03-01 filed on March 31, 2020, is permanently suspended.

⁴⁹ Cascade-Staff-CUB-AWEC/300, Mickelson-Fjeldheim-Gehrke-Kaufman/13.

4. Cascade Natural Gas Corporation shall file tariffs consistent with this order with an effective date of January 31, 2021.

Made, entered, and effective Jan 06 2021.

Megan W. Decker

Megan W. Decker
Chair

Letha Tawney

Letha Tawney
Commissioner



Mark R. Thompson

Mark R. Thompson
Commissioner

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 Court of Appeals in compliance with ORS 183.480 through 183.484.

**BEFORE THE PUBLIC UTILITY COMMISSION
OF OREGON**

UG 390

In the Matter of

CASCADE NATURAL GAS
CORPORATION

Application for a General Rate Revision.

FIRST PARTIAL STIPULATION

INTRODUCTION

1 This First Partial Stipulation (“Stipulation”) is entered into to resolve cost of capital
2 issues in this case. The parties to this Stipulation are Cascade Natural Gas Corporation
3 (“Cascade” or “Company”), Public Utility Commission of Oregon Staff (“Staff”), the Oregon
4 Citizens’ Utility Board (“CUB”), and the Alliance of Western Energy Consumers (“AWEC”)
5 (individually, “Stipulating Party,” and collectively, “Stipulating Parties”). The Stipulating Parties
6 are the only parties to this proceeding, and they expect this Stipulation will resolve the
7 following cost of capital components: Return on Equity (“ROE”), Cost of Long-Term Debt
8 (“LTD”), Capital Structure, and in aggregate Rate of Return (“ROR”).

BACKGROUND

9 On March 31, 2020, Cascade filed a request for a general rate increase and revised
10 tariff sheets to become effective February 1, 2021 (“Initial Filing”). In the Initial Filing, the
11 Company proposed an increase to the Company’s Oregon jurisdictional revenues of \$4.507
12 million, or approximately 6.67 percent over current rates.¹ The filing was suspended by the
13 Commission on April 7, 2020, per its Order No. 20-109. Administrative Law Judge Allan Arlow
14 convened a Prehearing Conference on May 14, 2020.

¹ Initial Filing at 1.

1 On June 2, 2020, the Stipulating Parties participated in a settlement conference to
 2 address cost of capital issues. As a result of the settlement discussions, the Stipulating
 3 Parties agreed to settle all issues in the docket regarding cost of capital. This Stipulation
 4 memorializes the Stipulating Parties' agreements reached at that time.

TERMS OF AGREEMENT

5 The Stipulation resolves the issues addressed below:

6 1. Cost of Capital. The Stipulating Parties agree to an overall ROR of 7.071
 7 percent, which is based on a capital structure of 50.0 percent equity and 50.0 percent long-
 8 term debt, ROE of 9.40 percent, and LTD cost of 4.741 percent. This combination of capital
 9 structure and capital costs is shown in the table below.

Stipulated Cost of Capital			
	Percent of Total Capital	Cost	Component
Long-Term Debt	50.0%	4.741%	2.371%
Common Equity	50.0%	9.40%	4.700%
Total	100.0%		7.071%

10

11 2. The Stipulating Parties recommend and request that the Commission approve
 12 the cost of capital components discussed herein as appropriate and reasonable.

13 3. The Stipulating Parties agree that this Stipulation is in the public interest, and
 14 will result in rates that are fair, just and reasonable, consistent with the standard in
 15 ORS 756.040.

16 4. This Stipulation sets forth the entire agreement between the Stipulating Parties
 17 and supersedes any and all prior communications, understandings, or agreements, oral or
 18 written, between the Stipulating Parties pertaining to the subject matter of this Stipulation.

1 5. This Stipulation will be offered into the record as evidence pursuant to
2 OAR 860-001-350(7). The Stipulating Parties agree to support this Stipulation throughout
3 this proceeding and any appeal, provide witnesses to sponsor this Stipulation at hearing,
4 and recommend that the Commission issue an order adopting the Stipulation. The
5 Stipulating Parties also agree to cooperate in drafting and submitting joint testimony in
6 support of the Stipulation in accordance with OAR 860-001-0350(7).

7 6. If this Stipulation is challenged, the Stipulating Parties agree that they will
8 continue to support the Commission's adoption of the terms of this Stipulation. The
9 Stipulating Parties agree to cooperate in cross-examination and put on such a case as they
10 deem appropriate to respond fully to the issues presented, which may include raising issues
11 that are incorporated in the settlements embodied in this Stipulation.

12 7. The Stipulating Parties have negotiated this Stipulation as an integrated
13 document. If the Commission rejects all or any material portion of this Stipulation or imposes
14 additional material conditions in approving this Stipulation, any of the Stipulating Parties are
15 entitled to withdraw from the Stipulation or exercise any other rights provided in OAR 860-
16 001-0350(9). To withdraw from the Stipulation, a Stipulating Party must provide written
17 notice to the Commission and other Stipulating Parties within five days of service of the final
18 order rejecting, modifying, or conditioning this Stipulation.

19 8. By entering into this Stipulation, no Stipulating Party approves, admits, or
20 consents to the facts, principles, methods, or theories employed by any other Stipulating
21 Party in arriving at the terms of this Stipulation, other than those specifically identified in the
22 body of this Stipulation. No Stipulating Party shall be deemed to have agreed that any
23 provision of this Stipulation is appropriate for resolving issues in any other proceeding,
24 except as specifically identified in this Stipulation.

1 9. This Stipulation is not enforceable by any Stipulating Party unless and until
2 adopted by the Commission in a final order. Each signatory to this Stipulation avers that
3 they are signing this Stipulation in good faith and that they intend to abide by the terms of
4 this Stipulation unless and until the Stipulation is rejected or adopted only in part by the
5 Commission. The Stipulating Parties agree that the Commission has exclusive jurisdiction
6 to enforce or modify the Stipulation. If the Commission rejects or modifies this Stipulation,
7 the Stipulating Parties reserve the right to seek reconsideration or rehearing of the
8 Commission order under ORS 756.561 and OAR 860-001-0720 or to appeal the
9 Commission order under ORS 756.610.

10 10. This Stipulation may be executed in counterparts and each signed counterpart
11 shall constitute an original document. Given the circumstances surrounding physical access
12 to facsimile or other forms of signature due to the COVID-19 pandemic, the Stipulating
13 Parties further agree that any electronically-generated Stipulating Party signatures are valid
14 and binding to the same extent as an original signature.

1 This Stipulation is entered into by each Stipulating Party on the date entered below
2 such Stipulating Party's signature.

DATED this 1st day of July 2020

CASCADE NATURAL GAS
CORPORATION

By: Jordan R. Schoonover

Date: July 1, 2020

PUBLIC UTILITY COMMISSION OF
OREGON STAFF

By: _____

Date: _____

OREGON CITIZENS' UTILITY BOARD

By: _____

Date: _____

ALLIANCE OF WESTERN ENERGY
CONSUMERS

By: _____

Date: _____

1 This Stipulation is entered into by each Stipulating Party on the date entered below
2 such Stipulating Party's signature.

DATED this ___ day of July 2020

CASCADE NATURAL GAS
CORPORATION

PUBLIC UTILITY COMMISSION OF
OREGON STAFF

By: _____

By: Stephanie Andrus

Date: _____

Date: July 1, 2020

OREGON CITIZENS' UTILITY BOARD

ALLIANCE OF WESTERN ENERGY
CONSUMERS

By: _____

By: _____

Date: _____

Date: _____

1 This Stipulation is entered into by each Stipulating Party on the date entered below
2 such Stipulating Party's signature.

DATED this ___ day of July 2020

CASCADE NATURAL GAS
CORPORATION

PUBLIC UTILITY COMMISSION OF
OREGON STAFF

By: _____

By: _____

Date: _____

Date: _____

OREGON CITIZENS' UTILITY BOARD

ALLIANCE OF WESTERN ENERGY
CONSUMERS

By:  _____

By: _____

Date: 7/1/2020 _____

Date: _____

1 This Stipulation is entered into by each Stipulating Party on the date entered below
2 such Stipulating Party's signature.

DATED this ___ day of July 2020

CASCADE NATURAL GAS
CORPORATION

PUBLIC UTILITY COMMISSION OF
OREGON STAFF

By: _____

By: _____

Date: _____

Date: _____

OREGON CITIZENS' UTILITY BOARD

ALLIANCE OF WESTERN ENERGY
CONSUMERS

By: _____

By:  _____

Date: _____

Date: 06/30/2020 _____

**BEFORE THE PUBLIC UTILITY COMMISSION
OF OREGON**

UG 390

In the Matter of

CASCADE NATURAL GAS
CORPORATION

Application for a General Rate Revision.

SECOND PARTIAL STIPULATION

INTRODUCTION

1 This Second Partial Stipulation (“Stipulation”) is entered into to resolve issues of rate
2 spread and rate design in this case. The parties to this Stipulation are Cascade Natural Gas
3 Corporation (“Cascade” or “Company”), Public Utility Commission of Oregon Staff (“Staff”),
4 the Oregon Citizens’ Utility Board (“CUB”), and the Alliance of Western Energy Consumers
5 (“AWEC”) (individually, “Stipulating Party,” and collectively, “Stipulating Parties”). The
6 Stipulating Parties are the only parties to this proceeding, and they expect this Stipulation will
7 resolve rate spread and rate design issues in this case.

BACKGROUND

8 On March 31, 2020, Cascade filed a request for a general rate increase and revised
9 tariff sheets to become effective February 1, 2021 (“Initial Filing”). In the Initial Filing, the
10 Company proposed an increase to the Company’s Oregon jurisdictional revenues of \$4.507
11 million, or approximately 6.67 percent over current rates.¹ The filing was suspended by the
12 Commission on April 7, 2020, per its Order No. 20-109. Administrative Law Judge Allan Arlow
13 convened a Prehearing Conference on May 14, 2020.

14 On June 2, 2020, the Stipulating Parties participated in a settlement conference to
15 address cost of capital issues. As a result of those settlement discussions, the Stipulating

¹ Initial Filing at 1.

1 Parties agreed to settle all issues in the docket regarding cost of capital, as memorialized in
2 a First Partial Stipulation that was filed with the Commission on July 1, 2020.

3 The Stipulating Parties subsequently participated in a settlement conference on July
4 16, 2020, regarding cost of service, rate spread, and rate design, followed by additional
5 discussions on these same topics via email correspondence on July 21, 22, and 23, 2020.
6 These discussions culminated in an agreement resolving rate spread and rate design in this
7 proceeding. This Stipulation memorializes the Stipulating Parties' agreements reached
8 through these discussions regarding rate spread and rate design.

TERMS OF AGREEMENT

9 The Stipulation resolves the issues addressed below:

- 10 1. Rate Spread. The Stipulating Parties agree to the rate spread shown in Table
11 1, below.

12 **Table 1. Rate Spread**

Schedule No. and Description	Final Increase Relative to System Average
Schedule 101 – Residential Service	1.17x
Schedule 104 – Commercial Service	1.17x
Schedule 105 – Industrial Service	1.01x
Schedule 111 – Large Volume Service	0.33x
Schedule 163 – General Transportation	0.00x
Schedule 9xx – Special Contracts	0.00x
Schedule 170 – Interruptible	0.00x

13

14 Because the parties have reached an agreement regarding rate spread before any final
15 determination regarding revenue requirement has been made, the amount of the increase
16 in Table 1 is stated relative to the system average increase.

- 17 2. Increase Relative to System Average Approach. The Stipulating Parties
18 further agree that the calculation of the increase relative to system average approach will
19 involve two steps. First, the overall system average increase is based on the final revenue

1 requirement amount. The Company's overall system average increase based on its Initial
2 Filing was 12.29 percent, but this amount may change based on the final revenue
3 requirement amount. Second, Cascade will multiply the overall system average increase
4 by the relative increase amount of the individual rate schedule to achieve the final revenue
5 requirement. For example, if the overall system average is 10 percent, then Schedule 101
6 customers would receive an increase of 11.7 percent (10 percent x 1.17 = 11.7 percent).

7 3. Rate Design. The Stipulating Parties agree to change the monthly basic
8 service charges as follows:

- 9 (1) Schedule 101 will increase from \$5.00 to \$6.00 per month;
10 (2) Schedule 104 will increase from \$10.00 to \$12.00 per month;
11 (3) Schedule 105 will increase from \$30.00 to \$35.00 per month; and
12 (4) Schedule 111 will increase from \$125.00 to \$144.00 per month.

13 The Stipulating Parties further agree that the monthly basic service charges will not
14 change for Schedules 163, 170, and 9xx. Finally, the Stipulating Parties agree that the
15 remaining increase for each rate schedule will go into volumetric charges.

16 4. Outstanding Data Requests. The Stipulating Parties agree to withdraw any
17 outstanding data requests regarding issues related to the cost of service, rate spread, and
18 rate design.

19 5. The Stipulating Parties recommend and request that the Commission approve
20 the terms regarding rate spread and rate design discussed herein as appropriate and
21 reasonable.

22 6. The Stipulating Parties agree that this Stipulation is in the public interest, and
23 will result in rates that are fair, just, and reasonable, consistent with the standard in
24 ORS 756.040.

1 7. This Stipulation sets forth the entire agreement between the Stipulating Parties
2 and supersedes any and all prior communications, understandings, or agreements, oral or
3 written, between the Stipulating Parties pertaining to the subject matter of this Stipulation.

4 8. This Stipulation will be offered into the record as evidence pursuant to
5 OAR 860-001-350(7). The Stipulating Parties agree to support this Stipulation throughout
6 this proceeding and any appeal, provide witnesses to sponsor this Stipulation at hearing,
7 and recommend that the Commission issue an order adopting the Stipulation. The
8 Stipulating Parties also agree to cooperate in drafting and submitting joint testimony in
9 support of the Stipulation in accordance with OAR 860-001-0350(7).

10 9. If this Stipulation is challenged, the Stipulating Parties agree that they will
11 continue to support the Commission's adoption of the terms of this Stipulation. The
12 Stipulating Parties agree to cooperate in cross-examination and put on such a case as they
13 deem appropriate to respond fully to the issues presented, which may include raising issues
14 that are incorporated in the settlements embodied in this Stipulation.

15 10. The Stipulating Parties have negotiated this Stipulation as an integrated
16 document. If the Commission rejects all or any material portion of this Stipulation or imposes
17 additional material conditions in approving this Stipulation, any of the Stipulating Parties are
18 entitled to withdraw from the Stipulation or exercise any other rights provided in OAR 860-
19 001-0350(9). The Stipulating Parties agree that if the Commission rejects all or any material
20 portion of this Stipulation or imposes additional material conditions in approving this
21 Stipulation, the Stipulating Parties will meet in good faith within ten days and discuss next
22 steps. A Stipulating Party may withdraw from the Stipulation after this meeting by providing
23 written notice to the Commission and to the other Stipulating Parties.

24 11. By entering into this Stipulation, no Stipulating Party approves, admits, or
25 consents to the facts, principles, methods, or theories employed by any other Stipulating

1 Party in arriving at the terms of this Stipulation, other than those specifically identified in the
2 body of this Stipulation. No Stipulating Party shall be deemed to have agreed that any
3 provision of this Stipulation is appropriate for resolving issues in any other proceeding,
4 except as specifically identified in this Stipulation.

5 12. This Stipulation is not enforceable by any Stipulating Party unless and until
6 adopted by the Commission in a final order. Each signatory to this Stipulation avers that
7 they are signing this Stipulation in good faith and that they intend to abide by the terms of
8 this Stipulation unless and until the Stipulation is rejected or adopted only in part by the
9 Commission. The Stipulating Parties agree that the Commission has exclusive jurisdiction
10 to enforce or modify the Stipulation. If the Commission rejects or modifies this Stipulation,
11 the Stipulating Parties reserve the right to seek reconsideration or rehearing of the
12 Commission order under ORS 756.561 and OAR 860-001-0720 or to appeal the
13 Commission order under ORS 756.610.

14 13. This Stipulation may be executed in counterparts and each signed counterpart
15 shall constitute an original document. Given the circumstances surrounding physical access
16 to facsimile or other forms of signature due to the COVID-19 pandemic, the Stipulating
17 Parties further agree that any electronically generated Stipulating Party signatures are valid
18 and binding to the same extent as an original signature.

1 This Stipulation is entered into by each Stipulating Party on the date entered below
2 such Stipulating Party's signature.

DATED this ___ day of August 2020

CASCADE NATURAL GAS
CORPORATION

By:  _____

Date: 8/28/2020 _____

PUBLIC UTILITY COMMISSION OF
OREGON STAFF

By: _____

Date: _____

OREGON CITIZENS' UTILITY BOARD

By: _____

Date: _____

ALLIANCE OF WESTERN ENERGY
CONSUMERS

By: _____

Date: _____

1 This Stipulation is entered into by each Stipulating Party on the date entered below
2 such Stipulating Party's signature.

DATED this ___ day of August 2020

CASCADE NATURAL GAS
CORPORATION

PUBLIC UTILITY COMMISSION OF
OREGON STAFF

By: _____

By: Stephanie Andrus

Date: _____

Date: August 27, 2020

OREGON CITIZENS' UTILITY BOARD

ALLIANCE OF WESTERN ENERGY
CONSUMERS

By: _____

By: _____

Date: _____

Date: _____

1 This Stipulation is entered into by each Stipulating Party on the date entered below
2 such Stipulating Party's signature.

DATED this ___ day of August 2020

CASCADE NATURAL GAS
CORPORATION

PUBLIC UTILITY COMMISSION OF
OREGON STAFF

By: _____

By: _____

Date: _____

Date: _____

OREGON CITIZENS' UTILITY BOARD

ALLIANCE OF WESTERN ENERGY
CONSUMERS

By:  _____

By: _____

Date: 8/27/20 _____

Date: _____

1 This Stipulation is entered into by each Stipulating Party on the date entered below
2 such Stipulating Party's signature.

DATED this ___ day of August 2020

CASCADE NATURAL GAS
CORPORATION

PUBLIC UTILITY COMMISSION OF
OREGON STAFF

By: _____

By: _____

Date: _____

Date: _____

OREGON CITIZENS' UTILITY BOARD

ALLIANCE OF WESTERN ENERGY
CONSUMERS

By: _____

By:  _____

Date: _____

Date: 08-27-2020 _____

**BEFORE THE PUBLIC UTILITY COMMISSION
OF OREGON**

UG 390

In the Matter of

CASCADE NATURAL GAS
CORPORATION

Application for a General Rate Revision.

**THIRD STIPULATION RESOLVING ALL
REMAINING ISSUES**

I. INTRODUCTION

1 This Third Stipulation (“Stipulation”) is entered to resolve all issues remaining in this
2 docket. The parties to this Stipulation are Cascade Natural Gas Corporation (“Cascade” or
3 “Company”), Public Utility Commission of Oregon Staff (“Staff”), the Oregon Citizens’ Utility
4 Board (“CUB”), and the Alliance of Western Energy Consumers (“AWEC”) (individually,
5 “Stipulating Party,” and collectively, “Stipulating Parties”). The Stipulating Parties are the only
6 parties to this proceeding and expect that with the filing of this Stipulation and the Supporting
7 Testimony, all issues raised by all parties to this proceeding are fully resolved and presented
8 for the approval of the Public Utility Commission of Oregon (“Commission”).

II. BACKGROUND

9 On March 31, 2020, Cascade filed a request for a general rate increase and revised
10 tariff sheets to become effective February 1, 2021 (“Initial Filing”). In the Initial Filing, the
11 Company proposed an increase to the Company’s Oregon jurisdictional revenues of \$4.507
12 million, or approximately 6.67 percent over current rates.¹ The filing was suspended by the
13 Commission on April 7, 2020, per its Order No. 20-109. Administrative Law Judge Allan Arlow
14 convened a Prehearing Conference on May 14, 2020.

¹ Initial Filing at 1.

1 On June 2, 2020, the Stipulating Parties participated in a settlement conference to
2 address cost of capital issues. As a result of those settlement discussions, the Stipulating
3 Parties agreed to settle all issues in the docket regarding cost of capital, as memorialized in
4 the First Partial Stipulation that was filed with the Commission on July 1, 2020.

5 The Stipulating Parties subsequently participated in a settlement conference on July
6 16, 2020, regarding cost of service, rate spread, and rate design, followed by additional
7 discussions on these same topics via email correspondence on July 21, 22, and 23, 2020.
8 These discussions culminated in an agreement resolving rate spread and rate design in this
9 proceeding, which was memorialized in the Second Partial Stipulation that was filed on August
10 28, 2020.

11 On August 18 and 19, 2020, the Stipulating Parties participated in additional
12 settlement discussions regarding all remaining issues in the docket. Through these
13 discussions, the Stipulating Parties agreed to settle all remaining issues. This Third
14 Stipulation memorializes the Stipulating Parties' agreements.

III. TERMS OF AGREEMENT

15 The Stipulation resolves the issues addressed below:

16 1. Revenue Requirement. The Stipulating Parties agree that the total increase in
17 Cascade's annual revenue requirement as a result of this Stipulation should be
18 \$3,230,498.16. The annual revenue requirement increase in this proceeding is based on
19 the Stipulating Parties' agreement that the Company's requested Oregon-allocated increase
20 to annual revenue requirement shall be reduced by a total of \$1,277,343.78 from the Initial
21 Filing amount of \$4,507,841.93 based on the following overall revenue impact adjustments²:

² Appendix A is Staff's Revenue Requirement Model reflecting the agreed-upon adjustments and revenue requirement.

- 1 (a) Other Gas Supply Expense. Reduction to revenue requirement of
2 \$21,661.34;
- 3 (b) Distribution O&M Expense. Reduction to revenue requirement of
4 \$22,147.17;
- 5 (c) Rate Case Expense. Reduction to revenue requirement of \$51,863.43;
- 6 (d) Wages and Salaries. Reduction to revenue requirement of
7 \$496,718.13;
- 8 (e) Advertising Expense. Reduction to revenue requirement of \$4,080.43;
- 9 (f) Pension Expense. Reduction to revenue requirement of \$24,365.37;
- 10 (g) Utility Plant. Reduction to revenue requirement of \$219,478.74;
- 11 (h) Protected EDIT. Reduction to revenue requirement of \$30,162.88;
- 12 (i) Other Income (Unprotected Excess Deferred Income Taxes).
13 Reduction to revenue requirement of \$16,753.09;
- 14 (j) Taxes Other than Income - Corporate Activity Tax. Increase to revenue
15 requirement of \$257,873.04;
- 16 (k) Impact of Depreciation Settlement Reached in Docket UM 2073.
17 Reduction to revenue requirement of \$376,114.50;
- 18 (l) Depreciation Final Utility Plant in Rate Base. Reduction to revenue
19 requirement of \$102,711.84;
- 20 (m) Meals and Entertainment. Reduction to revenue requirement of
21 \$163,687.64;
- 22 (n) First Stipulation, Cost of Capital. Reduction to revenue requirement of
23 \$7,496.42;
- 24 (o) Interest Sync based on Cost of Long-term Debt in First Stipulation.
25 Increase to revenue requirement of \$2,024.15; and

1 (p) Conversion Factor. Public Utility Commission of Oregon
2 (“Commission”) fee of 0.0035, franchise fee of 0.02372, and Staff’s application of state income
3 tax multiplied by revenue percentage net of revenue sensitive items.

4 2. Policy and Process Changes. The Stipulating Parties further agree to the
5 following policy and process changes:

6 (a) Officer Attestations. Cascade will provide officer attestations
7 confirming that all capital investments remaining in the case are in service prior to the rate
8 effective date of February 1, 2021. Appendix B is a list of the capital projects proposed for
9 inclusion in rate base that have not been completed as of the date of this filing.

10 (b) Documentation Supporting Capital Investments. Beginning with
11 Cascade’s next general rate case, the Company will provide support for all individual capital
12 investments occurring in 2020 and thereafter that are estimated to cost more than \$150,000,
13 including detailed documentation providing the justification for the investment, a project
14 summary, a demand study/analysis, the costs, the alternatives considered, and the rationale
15 for the investment.

16 (c) Residential Customer Deposits. Cascade agrees to a two-year
17 extension (until April 1, 2023) of the current pilot program under which residential customer
18 deposits are suspended.

19 (d) Decoupling Adjustment. Cascade agrees to separate out the
20 amortization of its conservation and weather variances by rate class, between Schedule 101
21 (Residential) and Schedule 104 (Commercial), beginning with its annual filing that will be
22 effective November 1, 2021.

23 (e) Agreement to Workshop. Cascade agrees to participate in a workshop
24 to provide additional information and support regarding documentation for capital investments,
25 rate case adjustments, and allocation practices.

1 3. The Stipulating Parties recommend and request that the Commission approve
2 the revenue requirement and other terms discussed herein as appropriate and reasonable.

3 4. The Stipulating Parties agree that this Stipulation is in the public interest, and
4 will result in rates that are fair, just, and reasonable, consistent with the standard in
5 ORS 756.040.

6 5. This Stipulation sets forth the entire agreement between the Stipulating Parties
7 and supersedes any and all prior communications, understandings, or agreements, oral or
8 written, between the Stipulating Parties pertaining to the subject matter of this Stipulation.

9 6. This Stipulation will be offered into the record as evidence pursuant to
10 OAR 860-001-350(7). The Stipulating Parties agree to support this Stipulation throughout
11 this proceeding and any appeal, provide witnesses to sponsor this Stipulation at hearing,
12 and recommend that the Commission issue an order adopting the Stipulation. The
13 Stipulating Parties also agree to cooperate in drafting and submitting joint testimony in
14 support of the Stipulation in accordance with OAR 860-001-0350(7).

15 7. If this Stipulation is challenged, the Stipulating Parties agree that they will
16 continue to support the Commission's adoption of the terms of this Stipulation. The
17 Stipulating Parties agree to cooperate in cross-examination and put on such a case as they
18 deem appropriate to respond fully to the issues presented, which may include raising issues
19 that are incorporated in the settlements embodied in this Stipulation.

20 8. The Stipulating Parties have negotiated this Stipulation as an integrated
21 document. If the Commission rejects all or any material portion of this Stipulation or imposes
22 additional material conditions in approving this Stipulation, any of the Stipulating Parties are
23 entitled to withdraw from the Stipulation or exercise any other rights provided in OAR 860-
24 001-0350(9). The Stipulating Parties agree that if the Commission issues an order rejecting
25 all or any material portion of this Stipulation or imposes additional material conditions in

1 approving this Stipulation, the Stipulating Parties will meet in good faith within ten days of
2 the issuance of that order and discuss next steps. A Stipulating Party may withdraw from
3 the Stipulation after this meeting by providing written notice to the Commission and to the
4 other Stipulating Parties.

5 9. By entering into this Stipulation, no Stipulating Party approves, admits, or
6 consents to the facts, principles, methods, or theories employed by any other Stipulating
7 Party in arriving at the terms of this Stipulation, other than those specifically identified in the
8 body of this Stipulation. No Stipulating Party shall be deemed to have agreed that any
9 provision of this Stipulation is appropriate for resolving issues in any other proceeding,
10 except as specifically identified in this Stipulation.

11 10. This Stipulation is not enforceable by any Stipulating Party unless and until
12 adopted by the Commission in a final order. Each signatory to this Stipulation avers that
13 they are signing this Stipulation in good faith and that they intend to abide by the terms of
14 this Stipulation unless and until the Stipulation is rejected or adopted only in part by the
15 Commission. The Stipulating Parties agree that the Commission has exclusive jurisdiction
16 to enforce or modify the Stipulation. If the Commission rejects or modifies this Stipulation,
17 the Stipulating Parties reserve the right to seek reconsideration or rehearing of the
18 Commission order under ORS 756.561 and OAR 860-001-0720 or to appeal the
19 Commission order under ORS 756.610.

20 11. This Stipulation may be executed in counterparts and each signed counterpart
21 shall constitute an original document. Given the circumstances surrounding physical access
22 to facsimile or other forms of signature due to the COVID-19 pandemic, the Stipulating
23 Parties further agree that any electronically generated Stipulating Party signatures are valid
24 and binding to the same extent as an original signature.

1 This Stipulation is entered into by each Stipulating Party on the date entered below
2 such Stipulating Party's signature.

DATED this ___ day of September 2020

CASCADE NATURAL GAS
CORPORATION

By: 

Date: 9/30/2020

PUBLIC UTILITY COMMISSION OF
OREGON STAFF

By: _____

Date: _____

OREGON CITIZENS' UTILITY BOARD

By: _____

Date: _____

ALLIANCE OF WESTERN ENERGY
CONSUMERS

By: _____

Date: _____

1 This Stipulation is entered into by each Stipulating Party on the date entered below
2 such Stipulating Party's signature.

DATED this ___ day of September 2020

CASCADE NATURAL GAS
CORPORATION

PUBLIC UTILITY COMMISSION OF
OREGON STAFF

By: _____

By: Stephanie Andrus

Date: _____

Date: September 30, 2020

OREGON CITIZENS' UTILITY BOARD

ALLIANCE OF WESTERN ENERGY
CONSUMERS

By: _____

By: _____

Date: _____

Date: _____

1 This Stipulation is entered into by each Stipulating Party on the date entered below
2 such Stipulating Party's signature.

DATED this ___ day of September 2020

CASCADE NATURAL GAS
CORPORATION

PUBLIC UTILITY COMMISSION OF
OREGON STAFF

By: _____

By: _____

Date: _____

Date: _____

OREGON CITIZENS' UTILITY BOARD

ALLIANCE OF WESTERN ENERGY
CONSUMERS

By:  _____

By: _____

Date: 9/30/20

Date: _____

1 This Stipulation is entered into by each Stipulating Party on the date entered below
2 such Stipulating Party's signature.

DATED this __ day of September 2020

CASCADE NATURAL GAS
CORPORATION

PUBLIC UTILITY COMMISSION OF
OREGON STAFF

By: _____

By: _____

Date: _____

Date: _____

OREGON CITIZENS' UTILITY BOARD

ALLIANCE OF WESTERN ENERGY
CONSUMERS

By: _____

By:  _____

Date: _____

Date: 09-30-2020 _____

BEFORE THE
PUBLIC UTILITY COMMISSION OF OREGON
DOCKET NO. UG 390
Cascade Natural Gas Corporation

THIRD STIPULATION

Staff's Revenue Requirement Model

Appendix A

September 30, 2020

Cascade Natural Gas
UG 390
Twelve Months Ended December 31, 2020

	2019 Results Per Company Filing	Summary of Adjustments	2020 Test Year Adjusted Total	Company Filed Required Change for Reasonable Return	Company Filed 2020 Results at Reasonable Return	Staff Adjustments to Company 2020 Results	Staff Adjusted 2020 Company Results (3) + (6)	Staff Required Change for Reasonable Return	Staff Results at Reasonable Return (7) + (8)	
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	
SUMMARY SHEET										
1	Operating Revenues									
2	General Business	62,668,726	268,828	62,937,554	4,507,842	67,445,396	(11,677)	62,925,878	3,230,498	66,156,376
3	Transportation	4,432,276	238,781	4,671,057	-	4,671,057	-	4,671,057	-	4,671,057
4	Other Revenues	(30,415)	-	(30,415)	-	(30,415)	268,153	237,738	-	237,738
5	Total Operating Revenues	67,070,587	507,609	67,578,196	4,507,842	72,086,038	256,476	67,834,673	3,230,498	71,065,171
6	Operating Expenses									
7	Gas Purchased	31,489,133	(907,676)	30,581,457	-	30,581,457	-	30,581,457	-	30,581,457
8	Production	110,977	1,998	112,974	-	112,974	(21,000)	91,974	-	91,974
9	Distribution	6,651,691	59,116	6,710,807	-	6,710,807	(21,471)	6,689,336	-	6,689,336
10	Customer Accounts	1,907,206	34,510	1,941,716	15,357	1,957,073	874	1,942,590	11,005	1,953,595
11	Customer Service	307,924	-	307,924	-	307,924	-	307,924	-	307,924
12	Sales	2,074	(7,718)	(5,644)	-	(5,644)	-	(5,644)	-	(5,644)
13	Administrative and General	6,254,289	(245,178)	6,009,112	-	6,009,112	(706,182)	5,302,929	-	5,302,929
14	Total Operation & Maintenance	46,723,293	(1,064,947)	45,658,345	15,357	45,673,702	(747,780)	44,910,566	11,005	44,921,571
15	Depreciation & Amortization	7,772,990	1,664,373	9,437,362	-	9,437,362	(496,274)	8,941,088	-	8,941,088
16	Taxes Other than Income	5,734,175	267,549	6,001,723	-	6,001,723	493,725	6,495,448	-	6,495,448
17	Revenue Taxes (Franchise Addon & ODOE)			0	122,271	122,271	6,957	6,957	87,624	94,581
18	State & Federal Income Taxes	191,406	88,759	280,165	1,188,396	1,468,561	287,557	567,722	845,730	1,413,452
19	Total Operating Expenses	60,421,863	955,733	61,377,596	1,326,024	62,703,620	(455,816)	60,921,780	944,359	61,866,139
20	Net Operating Revenues	6,648,724	(448,124)	6,200,600	3,181,818	9,382,418	712,293	6,912,893	2,286,139	9,199,032
21	Average Rate Base									
22	Utility Plant in Service	254,933,050	22,119,221	277,052,271	-	277,052,271	(2,550,549)	274,501,722	-	274,501,722
23	Less: Accumulated Depreciation & Amortization	(109,428,349)	(9,437,362)	(118,865,711)	-	(118,865,711)	-	(118,865,711)	-	(118,865,711)
24	Accumulated Deferred Income Taxes	(27,470,311)	(20,545)	(27,490,856)	-	(27,490,856)	32,067	(27,458,789)	-	(27,458,789)
25	Accumulated Deferred Inv. Tax Credit	-	-	-	-	-	-	-	-	-
26	Net Utility Plant	118,034,390	12,661,313	130,695,703	-	130,695,703	(2,518,482)	128,177,222	-	128,177,222
27	Plant Held for Future Use	-	-	-	-	-	-	-	-	-
28	Acquisition Adjustments	-	-	-	-	-	-	-	-	-
29	Working Capital	2,358,018	-	2,358,018	-	2,358,018	-	2,358,018	-	2,358,018
30	Fuel Stock	-	-	-	-	-	-	-	-	-
31	Materials & Supplies	-	-	-	-	-	-	-	-	-
32	Customer Advances for Construction	(440,037)	-	(440,037)	-	(440,037)	-	(440,037)	-	(440,037)
33	Weatherization Loans	-	-	-	-	-	-	-	-	-
34	Prepayments	-	-	-	-	-	-	-	-	-
35	Misc. Deferred Debits & Credits	-	-	-	-	-	-	-	-	-
36	Misc. Rate Base Additions/(Deductions)	-	-	-	-	-	-	-	-	-
37	Total Average Rate Base	119,952,371	12,661,313	132,613,684	-	132,613,684	(2,518,482)	130,095,203	-	130,095,203
38	Rate of Return	5.543%		4.676%		7.075%		5.314%		7.071%
39	Implied Return on Equity	4.601%		4.601%		9.400%		5.885%		9.400%

BEFORE THE
PUBLIC UTILITY COMMISSION OF OREGON
DOCKET NO. UG 390
Cascade Natural Gas Corporation

THIRD STIPULATION

**List of Capital Projects for
Inclusion in Attestations
Appendix B**

September 30, 2020

Cascade Natural Gas Corporation
2020 PLANT ADDITIONS
UG 390
Twelve Months Ended December 31, 2019

Line No.	Function	Description	Account No.	2020 Total - Figures exported from "Power Plan" the company's budget and plant accounting software	OR Alloc	OR
1	Gas Intangible	FP-200064 UG-Customer Self Service Web/TVR	303.00	178,531.96	24.83%	44,329.49
2	Gas Intangible	FP-200663 UG-GIS Enhancements	303.00	87,032.79	24.83%	21,610.24
3	Gas Intangible	FP-302621 UG-LV Customer Website-CNG	303.00	50,930.43	24.83%	12,646.03
4	Gas Intangible	FP-316019 UG-GIS ESRI System Upgrade	303.00	346,857.72	24.83%	86,124.77
5		FP-316047 UG-GIS Landbase Repl and Enhanc	303.00	315,348.35	24.83%	78,301.00
6	Gas Intangible	FP-316102 UG-GIS Pipeline Inspection System	303.00	158,747.54	24.83%	39,417.01
7	Gas Intangible	FP-316182 UG-CC&B Upgrade to 2.6+	303.00	1,028,923.52	24.83%	255,481.71
8	Gas Intangible	FP-316284 GIS High Acc Trans Line Surv Enhanc	303.00	155,972.76	24.83%	38,728.04
9	Gas Intangible	FP-316361 UG-GAS SCADA System Enhancements	303.00	69,223.05	24.83%	17,188.08
10	Gas Intangible	FP-317617 UG-Migrate Align CNG Direct	303.00	8,476.31	24.83%	2,104.67
11	Gas Intangible	FP-317101 UG-JDEdwards AS400 to Oracle DB	303.00	63,738.72	24.83%	15,826.32
12	Gas Intangible	FP-318822 Impl myWorld Leak Survey-CNG	303.00	5,492.14	24.83%	1,363.70
13	Gas Intangible	FP-318846 UG-Impl 2Ring Dashboard for CSC-CNG	303.00	26,509.60	24.83%	6,582.33
14	Gas Intangible	FP-318893 UG-Impl GIS Offline Mobile Maps-CNG	303.00	27,529.20	24.83%	6,835.50
15		Total Intangible Plant		2,523,314.09		626,538.89
16		RESULTS OF OPERATIONS SUMMARY SHEET				
17	Gas Distribution	FP-101170 MAIN-GROWTH-OREGON	376.30	642,990.10		642,990.10
18	Gas Distribution	FP-101171 MAIN-REINFORCE-OREGON	376.10	23.44		23.44
19	Gas Distribution	FP-101172 MAIN-RELO-REPL-OREGON	376.10	15,952.83		15,952.83
20	Gas Distribution	FP-101175 R STA-RELO-REPL-OREGON	378.00	7,978.81		7,978.81
21	Gas Distribution	FP-101177 SERV-RELO-REPL-OREGON	380.30	38,600.78		38,600.78
22	Gas Distribution	FP-101180 IND M&R-GROWTH-OREGON	385.00	25,609.27		25,609.27
23	Gas Distribution	FP-101181 IND M&R-REMOVE&REPLACE-OREGON	385.00	1,711.29		1,711.29
24	Gas Distribution	FP-101210 Gas Meters-Total Company CNGC	381.00	3,919,185.28	24.83%	973,133.71
25	Gas Distribution	FP-101259 Gas Regulators-Total Company CNGC	383.00	1,320,143.48	24.83%	327,791.63
26	Gas Distribution	FP-302370 Gas Cathodic Protection - OR	376.10	275,478.16		275,478.16
27	Gas Distribution	FP-306980 ERT Replacement 2020	381.00	363,466.80	24.83%	90,248.81
28	Gas Distribution	FP-306990 PENDLETON 4" IP REINFORCEMENT	376.30	-		0.00
29	Gas Distribution	FP-306991 PENDLETON 4" HP REINFORCEMENT	376.20	-		0.00
30	Gas Distribution	FP-312013 RP; REG STA R-9 Weston	378.00	-		0.00
31	Gas Distribution	FP-316432 RP; 2" BRIDGE XING, MILTON FREEWATE	376.10	189,446.76		189,446.76
32	Gas Distribution	FP-316479 Bend River Mall Main RPL Bend	376.30	10,604.80		10,604.80
33	Gas Distribution	FP-316574 RPL; 4" HP, MADRAS PH3	376.20	2,066,432.99		2,066,432.99
34	Gas Distribution	FP-316575 MAOP; 12" HP; BEND; 5,500' PHASE 2	376.20	726,189.91		726,189.91
35	Gas Distribution	FP-316576 RPL; 6" HP, BEND HP PH3	376.20	1,800,952.04		1,600,000.00
36	Gas Distribution	FP-317586 RF-REDM-6"S-4,750'-VETERANS WY	376.20	1,295,377.66		1,295,377.66
37	Gas Distribution	FP-317660 MAIN-GROWTH-EASTERN OREGON DISTRICT	376.30	43,216.92		43,216.92
38	Gas Distribution	FP-317661 MAIN-REPL-EASTERN OREGON DISTRICT	376.30	153,389.44		153,389.44
39	Gas Distribution	FP-317662 SERV-GROWTH-EASTERN OREGON DISTRICT	380.30	146,926.20		146,926.20
40	Gas Distribution	FP-317663 SERV-REPL-EASTERN OREGON DISTRICT	380.30	74,576.30		74,576.30
41	Gas Distribution	FP-317664 MAIN-GROWTH-PENDLETON DISTRICT	376.30	280,881.48		280,881.48
42	Gas Distribution	FP-317665 MAIN-REPLACE-PENDLETON DISTRICT	376.30	153,389.44		153,389.44
43	Gas Distribution	FP-317666 SERV-GROWTH-PENDLETON DISTRICT	380.30	659,001.00		659,001.00
44	Gas Distribution	FP-317667 SERV-REPLACE-PENDLETON DISTRICT	380.30	74,576.30		74,576.30
45	Gas Distribution	FP-317754 MAIN-GROWTH-BEND DISTRICT	376.30	1,242,358.08		1,242,358.08
46	Gas Distribution	FP-317755 MAIN-REPLACE-BEND DISTRICT	376.30	153,389.44		153,389.44
47	Gas Distribution	FP-317756 SERV-GROWTH-BEND DISTRICT	380.30	2,538,751.44		2,538,751.44
48	Gas Distribution	FP-317757 SERV-REPLACE-BEND DISTRICT	380.30	74,576.30		74,576.30
49	Gas Distribution	FP-318091 HPSS Replacements CNG OR	376.30	772,070.00		772,070.00
50	Gas Distribution	FP-318099 Reg Station Growth CNG OR	378.00	593,900.00		593,900.00
51	Gas Distribution	FP-318174 Reg Station Replace CNG OR	378.00	188,170.00		188,170.00
52	Gas Distribution	FP-318184 Sys Safety & Integ Main Repl CNG OR	376.30	1,717,615.00		1,717,615.00
53	Gas Distribution	FP-318185 Sys Safety & Integ Svcs Rpl CNG OR	380.30	1,480,055.00		1,480,055.00
54	Gas Distribution	FP-318682 RF-BEND-6"S-1100'-SHEVLIN PK	376.20	772,070.00		0.00
55	Gas Distribution	FP-318684 RF-Umat-2" River Crossing	376.30	137,983.98		137,983.98
56	Gas Distribution	FP-318741 RF-BEND-6"PE-1200'-PONDEROSA ST	376.30	235,682.00		235,682.00
57	Gas Distribution	FP-318770 RF-REDM-R-VETERANS WAY-2" STD	378.00	130,658.00		130,658.00
58	Gas Distribution	FP-318785 GR-REDM-R-THORNBURG DEV-2"STD	378.00	1.00		1.00
59	Gas Distribution	FP-318790 GR-REDM-4"S-7.7MI-THORNBURG DEV	376.20	1.00		1.00
60	Gas Distribution	FP-319230 RP; 2" ST; BEND; 2,528' PH 8 SEC 2	376.30	155,849.25		(73,150.75)
61	Gas Distribution	FP-319231 RP; 3/4" SL; BEND; PH 8 SEC 2 A SER	380.30	52,653.41		52,653.41
62	Gas Distribution	FP-319249 Westgate Phase 1,2,3,4 NW MN Bend	376.30	73,130.31		73,130.31
63		Total Distribution Plant		23,590,516.20		19,191,372.23

Line No.	Function	Description	Account No.	2020 Total - Figures exported from "Power Plan" the company's budget and plant accounting software	OR Alloc	OR
64	Gas General	FP-101163 Gas Work Equipment-CNGC	396.20	481,087.24	24.83%	119,453.96
65	Gas General	FP-101164 IT Network Equipment-CNG	397.20	290,586.04	24.83%	72,152.51
66	Gas General	FP-101215 Gas Vehicles-CNGC	392.20	2,180,374.04	24.83%	541,386.87
67	Gas General	FP-200662 Personal Computers & Peripherals	391.30	54,854.48	24.83%	13,620.37
68	Gas General	FP-306967 District Office Access Control Sys	391.30	27,223.01	24.83%	6,759.47
69	Gas General	FP-316445 Toughbook Replacements-CNG	391.30	176,798.64	24.83%	43,899.10
70	Gas General	FP-316832 Office Structure & Eq-Kennewick GO	391.50	50,980.00	24.83%	12,658.33
71	Gas General	FP-316915 Pur replacement display devices	391.30	17,333.20	24.83%	4,303.83
72	Gas General	FP-317078 Itron Mobile Radio (IMR)-CNG	397.40	76,470.00	24.83%	18,987.50
73	Gas General	FP-317743 Tools & Minor Work Equip CNG OR	394.10	31,706.50		31,706.50
74	Gas General	FP-318192 Fixed Network Equipment-CNG	397.20	509,800.00	24.83%	126,583.34
75	Gas General	FP-318197 Gas SCADA Equipment-CNG	397.20	1,223.52	24.83%	303.80
76	Gas General	FP-318706 Repl Cisco VoIP Telephone-CNG	397.30	158,321.16	24.83%	39,311.14
77	Gas General	FP-318956 Upgrade transfer prover Bend	394.10	23,450.80		23,450.80
78	Gas General	FP-319043 Mueller Equipment	394.10	76,238.35	24.83%	18,929.98
79	Gas General	FP-319045 TAP TRUCK HYDRAULIC SYSTEM	394.10	11,422.98	24.83%	2,836.33
80	Gas General	FP-319048 Mueller Equipment	394.10	13,240.14	24.83%	3,287.53
81	Gas General	FP-319052 BUILDING UPGARDES	390.10	67,673.91	24.83%	16,803.43
82	Gas General	FP-319053 NEW WELDER YAK FAB SHOP	394.10	5,955.01	24.83%	1,478.63
83	Gas General	FP-319284 12" Mueller Shell Cutter and Stoppe	394.10	5,534.02	24.83%	1,374.10
84		Total Distribution Plant		4,260,273.04		1,099,287.54
85		Total		30,374,103.33		20,917,198.65