

**BEFORE THE WASHINGTON STATE  
UTILITIES AND TRANSPORTATION COMMISSION**

|   |                              |
|---|------------------------------|
| In the Matter of the Petition of  | DOCKET UG-240150             |
| CASCADE NATURAL GAS CORPORATION,  | ORDER 01                     |
| Petitioner,   | GRANTING ACCOUNTING PETITION |
| For An Accounting Order Authorizing Deferred Accounting Treatment of Revenues and Expenses Associated with Voluntary Renewable Natural Gas Program. |                              |

**BACKGROUND**

- 1 On March 1, 2024, Cascade Natural Gas Corporation (Cascade or Company) filed with the Washington Utilities and Transportation Commission (Commission) a petition (Petition) pursuant to WAC 480-19-370(3)(b), 480-90-203, and RCW 80.28.068 requesting an order authorizing deferred accounting treatment of revenues and expenses associate with Cascade’s proposed Schedule 705, Voluntary Renewable Natural Gas Program (RNG Program). Cascade is seeking an order authorizing deferred accounting treatment starting July 1, 2024.
- 2 The Company offers this Voluntary Program to comply with RCW 80.28.390 and the Commission’s Report and Policy Statement on Investigation of Renewable Natural Gas Programmatic Design and Pipeline safety Standards (Policy Statement on RNG Programs), issued December 16, 2020, in Docket U-190818. RCW 80.28.390 requires that each gas utility offer a voluntary renewable natural gas program. The Commission’s Policy Statement on RNG Programs states that “[c]osts associated with programs developed under RCW 80.28.385 and RCW 80.28.390 must be tracked and classified separately to support cost recovery specific to each program.”<sup>1</sup> Further, the Statement requires that “all costs related to voluntary RNG Programs must be borne by customers selecting such voluntary service.”<sup>2</sup>

---

<sup>1</sup> Washington Utility and Transportation Commission, Report and Policy Statement on Investigation of Renewable Natural Gas Programmatic Design and Pipeline Safety Standards,” U-190818, December 16, 2020, ¶17, 6.

<sup>2</sup> Washington Utility and Transportation Commission, Report and Policy Statement on Investigation of Renewable Natural Gas Programmatic Design and Pipeline Safety Standards,” U-190818, December 16, 2020, ¶29, 7.

- 3 Cascade proposes to record the deferral amount as a regulatory asset in FERC Account 182.3 (Other Regulatory Assets) and credit to various applicable FERC accounts. The Company requests that it be allowed to accrue interest on the unamortized balance at its actual cost of debt, updated semi-annually on January 1 and July 1. Otherwise, Cascade would record these expenses in the appropriate sub-account for FERC Account 908 (Customer Assistance expenses).
- 4 This program allows customers to voluntarily choose to purchase blocks of renewable thermal credits (RTCs) derived from renewable natural gas (RNG). The Company does not have a good estimate of the costs it will defer other than the costs of the RTCs that have already been deferred. Cascade will revise the block price for RTCs in Schedule 705, Voluntary RNG Program, to ensure cost recovery and prevent cross-subsidization by submitting an advice filing with the Commission.
- 5 Commission staff (Staff) has reviewed the Accounting Petition. Staff recommends that the Commission grant the request for the deferral of revenues and expenses with interest accruing at the actual cost of debt, updated semi-annually.

### DISCUSSION

- 9 We grant Cascade's Accounting Petition. We agree that this Voluntary Program complies with RCW 80.28.390 and the Commission's Report and Policy Statement on Investigation of Renewable Natural Gas Programmatic Design and Pipeline safety Standards. Participants are responsible for all costs related to voluntary RNG Programs. We find that tracking this cost in FERC Account 182.3, Other Regulatory Assets, is appropriate, and that incurring interest at the Company's cost of debt, updated semiannually, is fair and reasonable.

### FINDINGS AND CONCLUSIONS

- 11 (1) The Commission is an agency of the State of Washington vested by statute with the authority to regulate the rates, rules, regulations, practices, accounts, securities, transfers of property and affiliated interests of public service companies, including gas companies.
- 12 (2) Cascade is a gas company and a public service company subject to Commission jurisdiction.

- 13 (3) WAC 480-07-370(1)(b) allows companies to file petitions including that for which Cascade seeks approval.
- 14 (4) Staff has reviewed the Accounting Petition in Docket UG-240150 including related work papers.
- 15 (5) Staff recommends the Commission grant the Accounting Petition.
- 16 (6) This matter came before the Commission at its regularly scheduled Open Meeting on June 27, 2024.
- 17 (7) After reviewing Cascade's Accounting Petition filed on March 1, 2024, in Docket UG-240150, and giving due consideration to all relevant matters and for good cause shown, the Commission finds that the proposed petition should be granted.

**ORDER**

**THE COMMISSION ORDERS:**

- 18 (1) Cascade Natural Gas Corporation's Petition for an Accounting Order Authorizing deferred accounting treatment of revenues and expenses associated with Cascade's proposed Schedule 705, Voluntary Renewable Natural Gas Program (RNG Program) is granted.
- 19 (2) This Order shall not affect the Commission's authority over rates, services, accounts, valuations, estimates, or determination of costs, on any matters that may come before it. Nor shall this Order granting Petition be construed as an agreement to any estimate or determination of costs, or any valuation of property claimed or asserted.
- 20 (3) The Commission retains jurisdiction over the subject matter and Cascade Natural Gas Corporation to effectuate the provisions of this Order.

21 The Commissioners, having determined this Order to be consistent with the public interest, directed the Secretary to enter this Order.

DATED at Lacey, Washington, and effective June 27, 2024.

WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

JEFF KILLIP  
Executive Director and Secretary