

1 **BEFORE THE WASHINGTON UTILITIES**  
2 **AND TRANSPORTATION COMMISSION**  
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6 In the Matter of the Petition of  
7 CASCADE NATURAL GAS CORPORATION  
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9 For an Order Approving a Change in  
10 Depreciation Rates Applicable to Natural  
11 Gas Property  
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DOCKET UG-200278  
  
CASCADE NATURAL GAS  
CORPORATION'S PETITION FOR  
AN ACCOUNTING ORDER

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27 **I. INTRODUCTION**

28 In accordance with WAC 480-07-370(3)(b), Cascade Natural Gas Corporation ("Cascade" or the  
29 "Company") petitions the Washington Utilities and Transportation Commission ("Commission") for an  
30 accounting order authorizing a change in depreciation rates applicable to Cascade's depreciation natural  
31 gas plant consistent with the Company's 2020 depreciation study (Depreciation Study). Cascade  
requests that the accounting order allow the new depreciation rates to be reflected on the books of the  
Company effective January 1, 2021.

Cascade is a gas utility and public service company doing business in the state of Washington  
under RCW 80.04.010, and its public utility operations, retail rates, service, and accounting practices are  
subject to the Commission's jurisdiction. The Company's principal place of business is 8113 W.  
Grandridge Blvd., Kennewick, WA 99336.

27 **II. DISCUSSION**

28 **A. Depreciation Study**

29 Cascade files this Petition under RCW 80.04.350, which authorizes the Commission to determine  
30 the proper and adequate rates of depreciation of property used in the rendering of retail natural gas  
31 service. Under this statute, the Commission may ascertain and set the proper and adequate rates of

1 depreciation of utility property. Each utility must conform its depreciation accounts to the rates ordered  
2 by the Commission.

3 Cascade retained Concentric Consultants, a third-party evaluator, to perform the depreciation  
4 study and the Study was completed in March 2020. The Study updates the company's book  
5 depreciation on all natural gas plant in service as of December 31, 2018. The results of the  
6 Study show that the Company's current depreciation expense, which is based on a depreciation  
7 study of plant in service as of January 1, 2015, should be increased by approximately \$1.2  
8 million on a system basis. The new Study's rates will replace depreciation rates that have been  
9 in effect since January 1, 2016. Cascade currently has a similar petition pending before the Public  
10 Utility Commission of Oregon and the Company is asking that the results of this Study be  
11 coordinated with the results of the study in Oregon.

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### III. COMMUNICATIONS

14 Cascade hereby waives service by means of other than service by electronic mail. Consistent  
15 with that waiver, please address communications regarding this Application to each of the following:

16 Michael Parvinen  
17 Cascade Natural Gas  
18 8113 W. Grandridge Blvd  
19 Kennewick, WA 99336  
20 Email: [michael.parvinen@cngc.com](mailto:michael.parvinen@cngc.com)

Department of Regulatory Affairs  
Cascade Natural Gas  
8113 W. Grandridge Blvd  
Kennewick, WA 99336  
Email: [CNGCregulatory@cngc.com](mailto:CNGCregulatory@cngc.com)

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### IV. CONCLUSION

24 Cascade respectfully requests that the Commission issue an order finding the Depreciation  
25 Study recommendations regarding depreciation rates are proper and adequate depreciation rates for  
26 Cascade Natural Gas Corporation and that adoption of the Depreciation Study's recommendations will  
27 result in fair and reasonable rates. Further, Cascade asks that the results of this Study be coordinated  
28 with the results of the study currently filed in Oregon.

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DATED: August 31, 2020

Sincerely,

*/s/ Michael Parvinen*

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Michael Parvinen  
Director, Regulatory Affairs  
Cascade Natural Gas Corporation  
8113 W. Grandridge Blvd  
Kennewick, WA 99336  
[michael.parvinen@cngc.com](mailto:michael.parvinen@cngc.com)