

**BEFORE THE WASHINGTON  
UTILITIES AND TRANSPORTATION COMMISSION**

In the Matter of

CASCADE NATURAL GAS  
CORPORATION

For an Amended Accounting Order Authorizing  
Deferral of Costs Associated with the  
Provisions of Funds to Qualified Parties  
Pursuant to the Washington Interim  
Participatory Funding Agreement and Future  
Participatory Agreements

DOCKET NO. UG-220706

PETITION OF CASCADE NATURAL  
GAS CORPORATION

**I. INTRODUCTION**

1 Pursuant to WAC 480-07-370(3)(b) and 480-90-203, Cascade Natural Gas Corporation (“Cascade” or “Company”) files this petition (“Petition”) with the Washington Utilities and Transportation Commission (“Commission”) for an amended Order authorizing the accounting detailed in this Petition related to the financial assistance distributed under the Washington Interim Participatory Funding Agreement entered into pursuant to RCW 80.28.430 and the Commission’s Policy Statement in U-210595 and future Participatory Agreements. Statutes and rules at issue in this Petition include RCW 80.01.040, RCW 80.28.020, WAC 480-90-203, WAC 480-100-203 and WAC 480-07-370.

**II. BACKGROUND**

2 Cascade is a natural gas utility and public service company doing business in the State of Washington and is subject to the jurisdiction of the Commission regarding rates, service, and accounting practices. The Company’s principal place of business is 8113 W. Grandridge Blvd., Kennewick, Washington 99336.

///

**III. COMMUNICATIONS**

3 Communications regarding this Petition should be addressed to:

Lori Blattner  
Director, Regulatory Affairs  
Cascade Natural Gas  
8113 W. Grandridge Blvd.  
Kennewick, WA 99336  
Telephone: (509) 734-4593  
Email: [lori.blattner@intgas.com](mailto:lori.blattner@intgas.com)

4 In addition, Cascade respectfully request that all data requests be addressed to:

Regulatory Affairs  
[cngcregulatory@cngc.com](mailto:cngcregulatory@cngc.com)

#### **IV. REASONS FOR REQUEST FOR DEFERRED ACCOUNTING**

5 Newly enacted RCW 80.28.430 provides statutory authority for energy utilities to provide financial assistance to certain organizations participating in regulatory processes before the Commission. The statute requires a gas or electrical company to enter into one or more written funding agreements with organizations that represent broad customer interests in regulatory proceedings before the Commission.

6 In response to RCW 80.28.430, on November 19, 2021, the Commission issued a policy statement under U-210595 entitled “Policy Statement on Participatory Funding for Regulatory Proceedings”.

7 On February 14, 2022, Joint Parties<sup>1</sup> filed a petition under U-210595 requesting approval of an Interim Agreement that was established by the Joint Parties. The Commission heard the matter at an open meeting held on February 24, 2022 and approved the agreement with modifications in Order 01 in that docket.

8 In its policy statement, the Commission set the initial level of funding for Cascade at

---

<sup>1</sup> 1 Puget Sound Energy (“PSE”), Avista Corporation (“Avista”), PacifiCorp, Cascade Natural Gas Corporation (“Cascade”), Northwest Natural Gas (“NW Natural”), Alliance of Western Energy Consumers (“AWEC”), NW Energy Coalition (“NVEC”), The Energy Project (“TEP”), Sierra Club, Front & Centered, and Spark Northwest

\$265,512 for the first year.<sup>2</sup> The Interim Agreement and Order 01 maintained this level of funding.<sup>3</sup> RCW 80.28.430 (3) provides that the Commission shall allow a utility to defer the amount of financial assistance provided if the utility so elects. Following approval of the Interim Agreement, Cascade filed a petition seeking an Accounting Order authorizing the accounting treatment for financial assistance distributed under the Interim Agreement. The Commission granted Cascade's petition by way of Order 01 in Docket UG-220706. As of March 31, 2023, Cascade has deferred \$75,250, excluding interest, of costs associated with financial assistance distributed under the Interim Agreement.

9 On December 20, 2022, the Joint Parties filed with the Commission a petition seeking an order authorizing approval of the Extended Agreement. Much of the Extended Agreement remain unchanged from the Interim Agreement. The Extended Agreement has a two-year term, terminating on December 31, 2024. On February 9, 2023, the Commission issued Order 02 approving the Extended Agreement subject to the removal of paragraph 7.9, which pre-approved accounting treatment for the duration of the Interim Agreement. The Commission also clarified "that the current deferrals granted pertain only to funds distributed in 2022 and are not ongoing, so either new or amended petitions must be filed for funds distributed under the Extended Agreement". Based on Order 02 as described above, Cascade hereby petitions the Commission for an Amended Accounting Order, granting the Company to defer costs associated with providing financial assistance under the Extended Agreement and all future Participatory Funding Agreements. While the Commission approved the proposed two-year term of the Extended Agreement, they directed Staff and the Joint Parties to work toward a permanent agreement. Knowing there

---

<sup>2</sup> Docket U-210595, Policy Statement on Participatory Funding for Regulatory Proceedings, paragraph 49 page 15.

<sup>3</sup> Page 4 of Attachment A to Order 01 in U-210595.

will be a permanent agreement coming, Cascade seeks approval from the Commission to utilize this deferral for the future permanent agreement.

## **V. PROPOSED ACCOUNTING TREATMENT**

10 Pursuant to the terms of the approved Agreement, Cascade is to establish a Consumer Access Fund through which \$265,512 will be made available for distribution to qualifying organizations for each calendar year during which the Agreement is valid. The Company will record these costs to FERC Account 182.3 (Other Regulatory Assets). The offsetting credit will be to FERC Account 407.4 (Regulatory Credits). For the Extended Agreement and future Participatory Funding Agreements, Cascade requests a carrying cost equal to Cascade's actual cost of debt, as approved in its most recent general rate case, rather than the Company's authorized rate of return as included in original Agreement. Cascade understands the actual cost of debt to be a preferred carrying cost to be used by the Commission, as seen in the Commission's recent approvals of deferred accounting for incremental cost attributed to the Climate Commitment Act. Cascade also proposes that the carrying cost be updated following the conclusion of future general rate cases. Finally, Cascade plans on filing an annual tariff adjustment to seek recovery of the deferral, with rates going into effect on November 1, 2023. Cascade will file an annual update each year to adjust the rates accordingly to coincide with several existing Company rate filings.

## **VI. REQUEST FOR RELIEF**

11 WHEREFORE, Cascade respectfully requests that the Commission issue an Order approving the requested deferred accounting as set forth in this Petition.

Dated this 21st day of April 2023.

Respectfully Submitted,

/s/ Lori A. Blattner  
Cascade Natural Gas  
Lori A. Blattner  
Director, Regulatory Affairs  
8113 W. Grandridge Blvd.  
Kennewick, WA 99336  
Phone: (208) 377-6015  
Email: [Lori.blattner@intgas.com](mailto:Lori.blattner@intgas.com)