

**BEFORE THE WASHINGTON
UTILITIES AND TRANSPORTATION COMMISSION**

In the Matter of the Petition of

CASCADE NATURAL GAS
CORPORATION,

Petitioner,

For an Order Authorizing Accounting for
Costs Associated with Participatory
Funding Agreements Pursuant to RCW
80.28.430, and the Commission's Policy
Statement and Order 01 in Docket U-
210595

DOCKET UG-220706

ORDER 02

GRANTING PETITION TO
AMEND ORDER 01

BACKGROUND

- 1 On April 21, 2023, Cascade Natural Gas Corporation (Cascade or Company) filed with the Washington Utilities and Transportation Commission (Commission) a petition seeking an Amended Accounting Order (Petition) under WAC 480-07-370(3), authorizing the accounting treatment detailed in the Petition for financial assistance distributed under the Washington Interim Participatory Funding Agreement (Extended Agreement).
- 2 In 2021, the Washington State Legislature enacted Engrossed Substitute Senate Bill 5295 (SB5295), codified as RCW 80.28.430, which provides statutory authority for electric and natural gas utilities to enter into one or more written funding agreements to provide financial assistance to organizations that represent broad customer interests to participate in regulatory proceedings before the Commission. Broad customer interests can include, but are not limited to, organizations that represent low-income, industrial customers, or highly impacted and vulnerable communities. On November 19, 2021, the Commission issued a policy statement (Policy Statement) in Docket U-210595¹ to clarify the Commission's interpretation of the statute.
- 3 The Commission is directed to determine the amount of financial assistance, if any, that may be provided to any organization; the way the financial assistance is distributed; the way the financial assistance is recovered in a utility's rates; and other matters necessary

¹ See generally Docket U-210595, Order 01 (Feb. 24, 2022).

to administer the agreement.² Investor-owned electric and natural gas companies subject to Commission jurisdiction along with organizations representing customer interests developed the Washington Interim Participatory Funding Agreement (Agreement) and presented that to the Commission on February 24, 2022. The Commission approved the Agreement with modifications in Order 01 in Docket U-210595.

4 The Agreement and Order 01 set the funding level for the first year of participatory funding for Cascade at \$265,512, consistent with the Policy Statement. RCW 80.28.430(3) provides that the Commission shall allow a utility to defer this funding.

5 Order 01 in Docket U-210595 provided that amounts in any deferred account will include a carrying cost equal to a utility's authorized rate of return, until the deferral is amortized, at which time it will receive a return at the current Federal Energy Regulatory Commission (FERC) rate.³ To mitigate the impact of carrying costs on ratepayers, the Commission in Order 01 required that utilities make an annual tariff filing to recover these deferred amounts.

6 On February 24, 2022, the Commission entered Order 01, Granting Accounting Petition (Order 01), approving deferred accounting treatment for these costs under the then Interim Agreement.

7 On February 16, 2023, in Docket U-210595, the Commission issued Order 02 approving the Washington Revised Extended Interim Funding Agreement (Extended Agreement). Order 02 in Docket U-210595 requires the Company to file a deferred accounting petition for each year.

8 The current Petition now seeks to amend Order 01 to approve deferral of financial assistance costs under the Extended Agreement.

DISCUSSION

9 Per WAC 480-07-875, the Commission should amend a previously issued order if there are sufficient material changed conditions since the [C]ommission entered the order, and “[h]arm to the petitioner resulting from the order that the [C]ommission did not anticipate when it entered the order”. Here, the finalization of the Extended Agreement constitutes sufficient change necessary to justify amendment, and the Company has shown that it

² *Id.* ¶ 2.

³ *Id.* ¶ 10.

would suffer harm if unable to defer the associated costs now that the Interim Agreement is no longer in effect. The Commission thus grants the Petition to allow the proposed accounting treatment and to Amend Order 01 as requested.

FINDINGS AND CONCLUSIONS

- 10 (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 natural gas companies.
- 11 (2) Cascade is a natural gas company providing service within the state of Washington. As a public service company, it is subject to Commission jurisdiction.
- 12 (3) WAC 480-07-370(3) allows companies to file petitions, including that for which Cascade seeks approval.
- 13 (4) Staff has reviewed the Petition filed in Docket UG-220706, including related work papers. Staff believes the proposed accounting order Cascade requests is reasonable and should be granted, and that the Petition is consistent with the public interest.
- 14 (5) This matter came before the Commission at its regularly scheduled meeting on December 21, 2023.
- 15 (6) After reviewing Cascade's Petition filed in Docket UG-220706, and giving due consideration to all relevant matters and for good cause shown, the Commission finds that the Petition should be granted. Order 01 is Amended as requested in the Petition.

ORDER

THE COMMISSION ORDERS:

- 16 (1) Cascade Natural Gas Company's request to use deferred accounting for financial assistance distributed through the revised, extended interim participatory funding agreement and accrue interest as detailed in the Petition is granted.

- 17 (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.
- 18 (3) The Commission retains jurisdiction over the subject matter and Cascade Natural Gas Company to effectuate the provisions of this Order.

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 December 21, 2023.

WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

KATHY HUNTER
Acting Executive Director and Secretary