

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

In the Matter of the Petition of

CASCADE NATURAL GAS  
CORPORATION,

Petitioner,

For An Accounting Order Authorizing  
Deferred Accounting Treatment of  
Expenses Related to the Low-Income  
Energy Discount Program and Arrearage  
Management Program.

DOCKET UG-230243

ORDER 01

GRANTING ACCOUNTING  
PETITION

**BACKGROUND**

- 1 On April 12, 2023, 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 costs and revenues associate with Cascade’s energy discount and arrearage management programs for its low-income customers, established in compliance with Washington Senate Bill 5295 (SB 5295).
- 2 On June 30, 2023, Cascade filed a revised petition that updated the program name, Cascade Arrearage Relief Energy Savings (CARES) Program, and program cost estimates.
- 3 SB 5295, codified as RCW 80.28.068, was signed into law on May 3, 2021, and became effective on July 25, 2021. This law required “[e]ach gas or electric company to propose a low-income assistance program comprised of a discount rate for low-income senior customers and low-income customers as well as grants and other low-income assistance programs.”
- 4 On June 30, 2023, Cascade filed its tariff revision to introduce Rule 20, CARES Program, which establishes the qualifying parameters for Cascade’s low-income energy burden bill discount and arrearage relief program. The filing also introduces Schedule 302, CARES Discount Rates, which establishes the income percentage tiers and their associated

discount levels for energy burden and arrearage relief within the CARES program. Next, the filing introduces Schedule 592, CARES Cost Recovery, the program funding recovery mechanism. Lastly, the filing revises Cascade's Schedule 303, Washington Energy Assistance Fund (WEAF) Program, to clarify that the current low-income program will not be offered after September 30, 2023.

5 The Company requests authorization to defer revenues and costs associated with implementing its CARES Program, which include administration, design, implementation, distribution, marketing, and identification of qualifying low-income customers who will be auto enrolled upon program implementation.

6 Cascade requests to record the deferred costs in FERC Account 182.3, Other Regulatory Assets – and that interest accrue on the deferral at the Company's actual cost of debt, which will be updated semi-annually on July 1 and January 1.

7 The threshold for granting accounting petitions is a demonstration of extraordinary circumstances. Cascade contends that the low-income assistance program is an extraordinary circumstance because it is beyond the Company's control, and the cost is material.

8 Commission staff (Staff) recommends that the Commission grant the request for the deferral of revenues and program implementation costs with interest accruing at the actual cost of debt, updated semi-annually.

### DISCUSSION

9 We grant Cascade's Revised Petition. We agree that this low-income assistance program is an extraordinary circumstance because this is a cost beyond the Company's control. We find that tracking this cost in FERC Account 182.3, Other Regulatory Assets, is appropriate, and that incurring interest on the Company's cost of debt, updated semi-annually, is fair.

10 We also agree with Staff that the actual cost of debt should be updated semi-annually on July 1 and January 1, which will compensate the Company for the actual cost of acquiring the money.

### 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 Revised Petition in Docket UG-230243 including related work papers.
- 15 (5) Staff recommends the Commission grant the Revised Petition.
- 16 (6) This matter came before the Commission at its regularly scheduled Open Meeting on July 27, 2023.
- 17 (7) After reviewing Cascade's Revised Petition filed on June 30, 2023, in Docket UG-230243, 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 for Cascade's Increased Costs associated with the Low-Income Discount Program Approved in Senate Bill 5295 (2021) 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 July 27, 2023.

WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

AMANDA MAXWELL  
Executive Director and Secretary