

**BEFORE THE WASHINGTON
UTILITIES AND TRANSPORTATION COMMISSION**

In the Matter of

CASCADE NATURAL GAS
CORPORATION

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
No. 01 in U-210595)

DOCKET NO. UG-22 _____

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 Order authorizing the accounting detailed in this Petition related to the costs associated with participatory funding agreements entered into pursuant to RCW 80.28.430 and the Commission’s Policy Statement in U-210595. 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.

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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
and cngcregulatory@cngc.com

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

Regulatory Affairs
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 Washington Utilities and Transportation Commission (“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 Parties¹ 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.

¹ 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

8 In its policy statement, the Commission set the initial level of funding for Cascade at \$265,512 for the first year.² The Interim Agreement and Order 01 maintained this level of funding.³ 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. In order to defer such costs, the Commission's policy statement requires that utilities file an accounting petition requesting deferral treatment to FERC Account 182.3, Other Regulatory Assets.⁴ Paragraph 69 of the Commission's policy statement further provides that utilities can seek recovery of the deferrals in a general rate case or through a separate tariff schedule with an annual true-up. Ultimately, paragraph 10 of Order 01 requires that utilities must file an annual tariff filing to recover deferred amounts. However, historically, petitions for deferral treatment do not address recovery of the deferrals. Therefore, this petition does not request the rate making treatment of the financial assistance. It only requests the ability to defer those costs and the rate recovery of the deferral will be addressed in a separate proceeding.

V. PROPOSED ACCOUNTING TREATMENT

9 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. In accordance with Article 7.9 of the Agreement, Cascade proposes to defer these and any other net costs related to the execution of the Agreement for later recovery from customers. 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). Amounts included in this deferral will include a carrying cost equal to

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

³ Page 4 of Attachment A to Order 01 in U-210595.

⁴ Policy Statement, at paragraph 69.

Cascade's authorized rate of return, until such time that the deferral is amortized, where it will then receive a return using the then-published FERC rate⁵. To mitigate the potential impact of such carrying costs on its customers, the Company plans to make a separate filing to request annual tariff revisions to recover these deferred costs, with adjustments taking place on November 1st of each year to coincide with several existing Company rate filings.

VI. REQUEST FOR RELIEF

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

Dated this 19th day of September 2022.

Respectfully Submitted,

/s/ Lori A. Blattner

Cascade Natural Gas

Lori A. Blattner

Director, Regulatory Affairs

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Kennewick, WA 99336

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⁵ <https://www.ferc.gov/interest-calculation-rates-and-methodology>