

BEFORE THE WASHINGTON UTILITIES AND TRANSPORTATION
COMMISSION

Petition of

CASCADE NATURAL GAS
CORPORATION,

For an Accounting Order Authorizing
Deferred Accounting Treatment of
Demand-Side Management Program
Costs Associated with a Residential
High-Efficiency Equipment Program.

DOCKET NO. UG-021117

ORDER GRANTING ACCOUNTING
PETITION

MEMORANDUM

- 1 On August 30, 2002, Cascade Natural Gas Corporation (CNG or Company) filed with the Washington Utilities and Transportation Commission under WAC 480-09-420(7) a petition seeking an Accounting Order authorizing CNG to defer Demand-Side Management (DSM) program costs associated with a residential high-efficiency equipment program. The Company proposes to defer all investment costs, including administrative costs, associated with the DSM program in a sub-account of Account 186 (miscellaneous deferred debits) for recovery through the temporary technical adjustment mechanism in the deferral tracking portion of its annual Purchased Gas Adjustment (PGA) filing. CNG also proposes to accumulate interest on the unamortized balances consistent with WAC 480-90-233(4).
- 2 The DSM program is shown to be cost-effective under the Total Resource Cost test and the cost expectations appear to be reasonable. Deferral of cost-effective conservation costs is consistent with the Commission's treatment of other gas companies.

FINDINGS

- 3 (1) Cascade Natural Gas is engaged in the business of gas service within the state of Washington as a public service company, and is subject to the jurisdiction of the Commission.
- 4 (2) The DSM program is shown to be cost-effective under the Total Resource Cost test.

- 5 (3) On August 30, 2002, Cascade Natural Gas filed with the Commission a petition to defer DSM program costs associated with a residential high-efficiency equipment program to a sub-account of Account 186.
- 6 (4) The proposed Accounting petition by Cascade is reasonable and should be approved.

CONCLUSIONS OF LAW

- 7 (1) The Washington Utilities and Transportation Commission has jurisdiction over the subject matter of this petition.
- 8 (2) CNG is engaged in the business of providing gas service within the state of Washington as a public service company, and is subject to the jurisdiction of the Commission.
- 9 (3) CNG is subject to the provisions of Chapter 480-09-420(7) WAC allowing companies to file a petition.

ORDER

- 10 (1) Authorization is given to Cascade Natural Gas Corporation to defer DSM program costs associated with its residential high-efficiency equipment program as defined in its petition to a sub-account of Account 186 and to amortize the costs through a temporary technical adjustment at the time of the Company's applicable Purchase Gas Adjustment filings.
- 11 (2) Interest will be applied to the deferred balances consistent with WAC 480-90-233(4).
- 12 (3) The Order shall in no way affect the authority of this Commission over rates, services, accounts, evaluations, estimates, or determination of costs on any matters whatsoever that may come before it, nor shall anything herein be construed as an acquiescence in any estimate or determination of costs claimed or asserted.
- 13 (4) The Commission retains jurisdiction over the subject matter and Cascade Natural Gas to effectuate the provisions of this Order.

DATED at Olympia, Washington, and effective this 25th day of September, 2002.

WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

MARILYN SHOWALTER, Chairwoman

PATRICK J. OSHIE, Commissioner