

**BEFORE THE WASHINGTON
UTILITIES AND TRANSPORTATION COMMISSION**

In the Matter of

CASCADE NATURAL GAS CORPORATION

Petition for an Accounting Order for Cascade’s
Voluntary Renewable Natural Gas Program

PETITION OF CASCADE NATURAL
GAS CORPORATION

I. INTRODUCTION

1 Pursuant to WAC 480-07-370(3)(b), WAC 480-90-203, and RCW 80.28.068, Cascade Natural
2 Gas Corporation (“Cascade” or the “Company”) files this petition (“Petition”) with the
3 Washington Utilities and Transportation Commission (the “Commission”) seeking an order
4 authorizing deferred accounting treatment starting July 1, 2024, for all costs and revenues
5 associated with Cascade’s Voluntary Renewable Natural Gas (“RNG”) Program, established in
6 Cascade’s Schedule 705, proposed in Advice No. W24-02-01. The Company offers its Voluntary
7 RNG Program in compliance with RCW 80.28.390 and the Commission’s *Report and Policy*
8 *Statement on Investigation of Renewable Natural Gas Programmatic Design and Pipeline*
9 *Safety Standards* (“Policy Statement on RNG Programs”), issued December 16, 2020, in Docket
10 U-190818.
11

II. BACKGROUND

12 Cascade is a natural gas utility and public service company doing business in the state of
13 Washington and is subject to the jurisdiction of the Commission regarding rates, service, and
14 accounting practices. The Company’s principal place of business is 8113 W. Grandridge Blvd.,
15 Kennewick, Washington 99336.
16

1 **III. COMMUNICATIONS**

2 Communications regarding this Petition should be addressed to:

3 Cascade Natural Gas
4 Regulatory Affairs
5 8113 W. Grandridge Blvd.
6 Kennewick, WA 99336
7 Telephone: (509) 734-4593
8 Email: cngcregulatory@cngc.com

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

10 RCW 80.28.390 requires that each gas utility offer a voluntary renewable natural gas
11 program. The Commission’s Policy Statement on RNG Programs states that “[c]osts
12 associated with programs developed under RCW 80.28.385 and RCW 80.28.390 must be
13 tracked and classified separately to support cost recovery specific to each program.”¹ The
14 Commission’s Policy Statement further requires that “all costs related to voluntary RNG
15 programs must be borne by customers selecting such voluntary service.”² To comply with
16 the Commission’s requirements the Company requests authorization to defer costs
17 associated with its Voluntary RNG Program. Program costs include the price of renewable
18 thermal credits (“RTCs”) and Program administration, including ongoing program
19 management, communications, and RTC verification.

20 **V. PROPOSED ACCOUNTING TREATMENT**

21 If this application is approved, beginning July 1, 2024, Cascade proposes to record the
22 deferral amount as a regulatory asset in FERC Account 182.3 (Other Regulatory
23 Assets), crediting various applicable FERC accounts. The Company requests that it be
24 allowed to accrue interest on the unamortized balance at its actual cost of debt,

¹ Washington Utility and Transportation Commission, Report and Policy Statement on Investigation of Renewable Natural Gas Programmatic Design and Pipeline Safety Standards,” U-190818, December 16, 2020, ¶17, 6.

² *Id.*, ¶ 29, 7.

1 updated semi-annually on July 1 and January 1. In the absence of deferred accounting,
2 Cascade would record such expenses in the appropriate sub-account for FERC Account
3 908.

4 **VI. ESTIMATED AMOUNTS SUBJECT TO DEFERRAL**

5 The Company does not have a good estimate of the costs it will defer other than the costs
6 of the RTCs deferred will correspond to the number of voluntary offsets purchased.

7 **VII. COST RECOVERY OF DEFERRED COSTS**

8 Cascade will periodically submit an advice filing with the Commission to revise the block price
9 for RTCs in Schedule 705, Voluntary RNG Program, whereby ensuring cost recovery and
10 preventing cross-subsidization.

11 **VIII. REQUEST FOR RELIEF**

12 WHEREFORE, Cascade respectfully requests that the Commission issue an Order
13 approving the requested deferred accounting, as described above.

14 Dated this 1st day of March 2024.

15
16 Respectfully Submitted,

17
18 */s/ Lori A. Blattner*

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20 Lori A. Blattner
21 Director, Regulatory Affairs
22 Cascade Natural Gas
23 8113 W. Grandridge Blvd.
24 Kennewick, WA 99336
25 Phone: (208) 377-6015
26 Email: lori.blattner@intgas.com