

**BEFORE THE WASHINGTON
UTILITIES AND TRANSPORTATION COMMISSION**

In the Matter of

CASCADE NATURAL GAS
CORPORATION

For an Order Authorizing Deferred Accounting
Treatment for Increased Costs Associated With
the Updated WUTC Regulatory Fee Approved
in Senate Bill 5634 (2022)

DOCKET NO. UG-22 _____

PETITION OF CASCADE NATURAL
GAS CORPORATION

I. INTRODUCTION

I 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 the increase in the Commission’s regulatory fee to 0.4 percent that was approved in Senate Bill 5634 (2022) and signed into law by Governor Jay Inslee on March 24, 2022. Statutes and rules at issue in this Petition include RCW 80.01.040, RCW 80.28.020, RCW 80.24.010, WAC 480-90-203, 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 Senate Bill 5634, which is effective June 9, 2022, and amends RCW
80.24.010, increased the Commission regulatory fee from 0.2 percent of revenues to the
newly approved level of 0.4 percent. Based on RCW 80.24.010, as this new rate applies to
“gross operating revenue from intrastate operations for the preceding calendar year”, it will
apply to all of calendar year 2022 applicable revenues and will become payable to the
Commission in May 2023.

6 Cascade’s current rates are calculated using a rate of 0.2 percent applied to all revenues, all
post-test year adjustments made to revenues to which the regulatory fee applies, and in the
conversion factor as approved in Cascade’s last general rate case, Docket UG-210755. The
updated rate enacted by Senate Bill 5634 will effectively double the regulatory fee to 0.4
percent that Cascade pays to the Commission and, thus, Cascade’s revenues will no longer
be set at a level to recover this additional cost.

V. PROPOSED ACCOUNTING TREATMENT

7 Cascade seeks authorization to defer the increased regulatory fee expense resulting from

the approval of Senate Bill 5634. The calculation of the deferral would be determined by multiplying Cascade's revenues that are subject to the regulatory fee, as defined by RCW 80.24.010, which do not include the increased regulatory fee by .002, which is the difference between the new regulatory fee of 0.4% and old regulatory fee of 0.2%. The result reflects the additional expense Cascade will incur as a result of the increase to the regulatory fee. Cascade estimates that around \$635 thousand will be recorded in the deferred account for the 12-month period subsequent to this Application.

8 The Company proposes to defer the incremental increase in regulatory fee expense as a regulatory asset in FERC Account 182.3, Regulatory Assets and will record a carrying charge at its actual weighted average cost of debt while being deferred and during the amortization period, updated semi-annually, and included as the after federal tax interest rate. Cascade seeks to defer the increased regulatory fees until the rates from its next general rate case go into effect, at which time it will also seek recovery of this deferral, if approved.

VI. REQUEST FOR RELIEF

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

Dated this 9th day of December 2022.

Respectfully Submitted,

/s/ Lori A. Blattner

Cascade Natural Gas

Lori A. Blattner

Director, Regulatory Affairs

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