

**BEFORE THE WASHINGTON
UTILITIES AND TRANSPORTATION COMMISSION**

In the Matter of

CASCADE NATURAL GAS CORPORATION

Petition for an Accounting Order for Cascade’s
Low-Income Energy Discount Program and its
Arrearage Management Program

PETITION OF CASCADE NATURAL
GAS CORPORATION

I. INTRODUCTION

1 Pursuant to WAC 480-07-370(3)(b), 480-90-203, and RCW 80.28.068, Cascade Natural Gas Corporation (“Cascade” or the “Company”) files this petition (“Petition”) with the Washington Utilities and Transportation Commission (the “Commission”) seeking an order authorizing deferred accounting treatment starting April 14, 2023, for all costs and revenues associated with Cascade’s energy discount and arrearage management programs for its low-income customers, established in compliance with Washington Senate Bill 5295 (“SB 5295”). Cascade will make a filing later in 2023 detailing an energy discount and arrearage management program proposal and related tariff changes to provide for the implementation and recovery of program costs.

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.

III. COMMUNICATIONS

3 Communications regarding this Petition should be addressed to:

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

IV. REASONS FOR REQUEST FOR DEFERRED ACCOUNTING

4 On July 25, 2021, the provisions in Washington SB 5295 were codified in RCW 80.28.068, which in part requires each gas utility in Washington State to propose a low-income assistance program comprised of a rate discount for qualifying customers and other low-income assistance programs. Cascade is currently designing the required programs in collaboration with its Washington Energy Assistance Advisory Group (“Advisory Group”), comprised of Public Counsel, Commission Staff, the Energy Project, NW Energy Coalition, Cascade Staff, and representatives from the Community Action Agencies. The Company and its Advisory Group’s work is expected to be completed and filed with the Commission by July 1, 2023, with a requested implementation date of October 1, 2023.

The Company requests authorization to defer associated program costs in advance of its filing as program design and implementation costs, including modifying the customer billing system to accommodate the programs and identifying qualifying low-income customers who will be enrolled upon program

implementation, must occur in advance of the effective date of the program.

Cascade requests authorization to defer the costs and revenues associated with implementation, distribution, administration, and marketing of its energy discount and arrearage management programs. This program will replace Cascade's existing Washington Energy Assistance Fund ("WEAF").

V. PROPOSED ACCOUNTING TREATMENT

5 If this application is approved, beginning April 14, 2023, Cascade proposes to record the deferral amount as a regulatory asset in FERC Account 182.3 (Other Regulatory Assets), crediting various applicable FERC accounts. The deferred balance will record a carrying charge at its actual cost of debt while being deferred and during the amortization period, updated semi-annually on July 1 and January 1. In the absence of deferred accounting, Cascade would record such expenses in the appropriate sub-account for FERC Account 908.

VI. ESTIMATED AMOUNTS SUBJECT TO DEFERRAL

6 The Company and the Advisory Group are still developing the proposed low-income energy discount program and its arrearage management program. Thus, the potential program cost and impacts are still unknown at this time, but the best estimate of costs for the Washington programs is based on a similar program offered in the Company service territory. Cascade expects its Washington programs to incur a cost of \$4 million in the first year based on approximately 9,000 low-income customers being initially enrolled. Once full enrollment is reached, Cascade estimates \$30 million annually in program cost

based on 60,000 possible low-income eligible customers within Cascade's service area. The Company will seek Commission approval to recover the deferred program costs plus on-going program costs equitably from all customers through a separate recovery mechanism charge.

VII. REQUEST FOR RELIEF

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

Dated this 14th day of April 2023.

Respectfully Submitted,

/s/ Lori A. Blattner

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