

**BEFORE THE WASHINGTON STATE
UTILITIES AND TRANSPORTATION COMMISSION**

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| In the manner of the Petition of |) | DOCKET NO. UG-051481 |
| |) | |
| CASCADE NATURAL GAS |) | ORDER NO. 01 |
| CORPORATION, |) | |
| |) | |
| For an Accounting Order |) | |
| Authorizing Deferred Accounting |) | |
| Treatment of Demand –Side |) | |
| Management Program Costs |) | |
| Associated with a Low-Income |) | ORDER APPROVING |
| Weatherization Rebate Program. |) | ACCOUNTING PETITION |
| |) | |

BACKGROUND

- 1 On September 30, 2005, Cascade Natural Gas Corporation (CNG or Company) filed with the Washington Utilities and Transportation Commission under WAC 480-07-370(b) a petition seeking an Accounting Order authorizing CNG to defer Demand-Side Management (DSM) program costs associated with a low-income weatherization rebate 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). The program costs will be limited to \$250,000 per year.

- 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 AND CONCLUSIONS

- 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 September 30, 2005, Cascade Natural Gas filed with the Commission, a petition to defer DSM program costs associated with a low-income weatherization rebate program to a sub-account of Account 186.
- 6 (4) The proposed Accounting petition by Cascade is reasonable and should be approved.
- 7 (5) The Washington Utilities and Transportation Commission has jurisdiction over the subject matter of this petition.
- 8 (6) CNG is engaged in the business of providing natural gas service within the state of Washington as a public service company, and is subject to the jurisdiction of the Commission.
- 9 (7) CNG is subject to the provisions of Chapter 480-07-370(b) WAC allowing companies to file a petition.

ORDER

THE COMMISSION ORDERS:

- 10 (1) Cascade Natural Gas Corporation is authorized to defer DSM program costs associated with its low-income weatherization rebate 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) Cascade must file a report, coincident with its amortization recovery request, containing the number of units installed and therm savings associated with the costs to be recovered.
- 12 (3) Interest will be applied to the deferred balances consistent with WAC 480-90-233(4).
- 13 (4) 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.
- 14 (5) The Commission retains jurisdiction over the subject matter and Cascade Natural Gas to effectuate the provisions of this Order.

The Commissioners, having determined this Order to be consistent with the public interest, directed the Secretary to enter this Order.

DATED at Olympia, Washington, and effective this 26th day of October, 2005.

WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

CAROLE J. WASHBURN, Secretary