



222 FAIRVIEW AVENUE N., SEATTLE WASHINGTON 98109-5312 206-624-3900
FACSIMILE 206-654-4039
www.cngc.com

August 3, 2009

Ms. Vikie Bailey-Goggins
Oregon Public Utility Commission
550 Capitol Street NE #215
Salem, OR 97308-2148

Dear Ms. Bailey-Goggins:

Cascade Natural Gas Corporation files the enclosed Application for Reauthorization of the Deferred Accounting Treatment of Intervenor Funding Grants. Initial authorization was approved in Docket UM 1336, Order No. 07-397, with an effective date of September 13, 2007.

Should you have any questions regarding this filing, please contact Katherine Barnard at (206) 381-6824.

Sincerely,

A handwritten signature in black ink, appearing to read "Jon T. Stoltz", is written over a faint, larger version of the same signature.

Jon T. Stoltz
Sr. Vice President
Regulatory & Gas Supply

Enclosures

"In The Community To Serve"

1 **BEFORE THE PUBLIC UTILITY COMMISSION**
2 **OF OREGON**

3 **DOCKET NO. 1336**

4
5 In the Matter of the Application of
6 **CASCADE NATURAL GAS CORPORATION**
7 for Reauthorization to Defer Expenses for
Intervenor Funding Grants

APPLICATION

8
9 In accordance with ORS 757.259 and OAR 860-027-0300, Cascade Natural Gas
10 Corporation (or the “Company”) applies to the Public Utility Commission of Oregon
11 (“Commission”) for an accounting order reauthorizing the Company to record and defer, on an
12 ongoing basis, the cost of intervenor funding grants provided to qualifying organizations
13 pursuant to the provisions of ORS 757.259 (3), as amended by Or Laws 2003, ch 234
14 (“Intervenor Funding Grants). The Company respectfully requests that the deferral commence as
15 of the date of this filing, for later amortization in rates.

16 In support of this Application, Casacade states:

17 1. **CASCADE NATURAL GAS CORPORATION**

18 Cascade Natural Gas Corporation is a public utility engaged in the distribution of
19 natural gas in the states of Oregon and Washington and is subject to the jurisdiction of the
20 Commission with regard to its rates, service and accounting practices.

21 2. **STATUTORY AUTHORITY**

22 This Application is filed pursuant to ORS 757.259, which empowers the
23 Commission to authorize the deferral of expenses or revenues of a public utility for later
24 incorporation in rates.

1 3. **COMMUNICATIONS**

2 Communications regarding this Application should be addressed to:

3 Jon Stoltz
4 Sr. Vice President, Regulatory & Gas Supply
5 Cascade Natural Gas Corporation
6 222 Fairview Avenue North
7 Seattle, WA 98109
8 Telephone: (206) 381-6824
9 Facsimile: (206) 654-4039
10 E-mail: jstoltz@cngc.com

11 4. **BASIS FOR APPLICATION**

12 Statutory Authority

13 On June 6, 2003, the Governor signed Or Laws 2003, ch 234 (the “Intervenor
14 Funding Act”) into law. Section 2 of the intervenor Funding Act authorizes the
15 Commission to approve written agreements for intervenor funding grants between
16 electric and natural gas utilities and qualifying organizations representing broad customer
17 interests. Such grants would be used by these qualifying organizations when
18 participating in certain types of regulatory proceedings before the Commission. Section
19 2 of the intervenor funding act also authorizes the Commission to establish rules with
20 respect to funding agreements for determining which organizations are eligible for
21 financial assistance, the amount of assistance that may be provided, the manner in which
22 assistance will be distributed, and other necessary administrative matters.

23 Moreover, Section 2 of the Intervenor Funding Act provides:

24 “The commission shall allow a public utility that
25 provides financial assistance under this section to recover
26 the amounts so provided in rates. The commission shall
 allow a public utility to defer inclusion of those amounts in
 rates as provided in ORS 757.259 if the public utility so
 elects.”

1 ORS 757.259(3), as amended by section 3 of the Intervenor Funding Act,
2 provides:

3 “Upon request of the public utility, the commission
4 by order shall allow deferral of amounts provided as
5 financial assistance under an agreement entered into under
6 section 2 of this 2003 Act for later incorporation in rates.”

6 Additionally, the Company notes that deferred amounts under ORS 757.259(3)
7 are not subject to the percentage of gross revenues limitation on amortization or other
8 provisions of subsections (5), (6), (7), and (8) of the amended section.

9 Commission Approval of the Intervenor Funding Agreement

10 On December 19, 2007, the Commission issued Order No. 07-564, which
11 approved amendments to the original Intervenor Funding Agreement previously
12 approved in Order No. 03-338. The parties to this amended Intervenor Funding
13 Agreement are Portland General Electric Company, PacifiCorp, Cascade Natural Gas
14 Corporation, Avista Corporation, Industrial Customers of Northwest Utilities (ICNU),
15 Citizens’ Utility Board of Oregon (CUB), and Northwest Industrial Gas Uses (NWIGU).
16 The Intervenor Funding Agreement sets forth the amount of funding to be contributed by
17 each utility and the procedures for budget submittals by intervenors, Commission
18 approval of budgets, and the payment of grants by utilities. In its subsequent Order No.
19 08-006, the Commission directed the utilities to pay to CUB the amounts made available
20 for the CUB Fund Grants as defined and provided for in the Intervenor Funding
21 Agreement (\$30,000 for Cascade). Express Commission approval for payment was
22 necessitated by Section 7.1 of the Intervenor Funding Agreement, which provides that
23 “upon request by CUB, the Commission will direct the Participating Public Utilities to
24 pay the amounts made available for CUB Fund Grants...”

1 **5. CASCADE PROPOSAL**

2 In accordance with the statutory authority provided by ORS 757.259(3), as
3 amended, and the Commission’s approval of the Intervenor Funding Agreement, Cascade
4 proposes to record and defer, on an ongoing basis, any and all Intervenor Funding Grants
5 as defined and provided for in the Intervenor Funding Agreement, for later incorporation
6 in rates. The Company will record and defer these ongoing costs upon payment of the
7 Intervenor Funding Grants following the Commission’s approval of the Intervenor
8 Funding Grant and issuance of an Order directing the Company to make payment,
9 pursuant to the intervenor Funding Agreement.

10 At the time of consideration for incorporation into rates, Cascade will propose an
11 appropriate amortization period for the Intervenor Funding Grants for the Commission’s
12 consideration.

13 **6. AMOUNTS SUBJECT TO DEFERRAL**

14 Cascade anticipates that the maximum amounts to be deferred during the 12-
15 month period subsequent to the Application are:

<u>Fund</u>	
CUB Fund	\$ 30,000
Preauthorized Matching Fund	\$ 30,000
Issue Fund	<u>\$ 30,000</u>
Total	<u>\$ 90,000</u>

21
22 For the 12-month period covered by this Application, Cascade expects that the
23 amount subject to this deferral will not exceed \$ 90,000. The Intervenor Funding
24 Agreement permits under certain circumstances for an advance of funds that would
25 otherwise be available in future years for Intervenor Funding Grants from the CUB Fund
26 and the Preauthorized Matching Fund. If an advance is made under the applicable


1 provision of the Intervenor Funding Agreement, the maximum annual amounts of
2 Intervenor Funding Grants from the CUB Fund or the Preauthorized Grant Fund could
3 exceed the level specified in this paragraph in which case the amount deferred under this
4 Application could exceed \$ 90,000.

5
6 **7. ACCOUNTING**

7 Cascade proposes to record payment of Intervenor Funding Grants in a sub-
8 account of Account 186. In the absence of the Commission's approval of this
9 Application, the company would not incur the cost of Intervenor Funding Grants. Were
10 such costs incurred, however, they would be recorded in an appropriate sub-account of
11 FERC Account 401.

12 WHEREFORE, Cascade respectfully requests that in accordance with ORS 757.259(3),
13 as amended, the Commission issue an order reauthorizing the Company to record and defer, on
14 an ongoing basis and commencing as of the date of this filing, Intervenor Funding Grants
15 incurred by the Company pursuant to the Intervenor Funding Agreement, as described in this
16 Application.

17 DATED: August 3, 2009.

18
19
20 
21 _____
22 Jon T. Stoltz
23 Sr. Vice President
24 Regulatory & Gas Supply
25 Cascade Natural Gas Corporation
26 222 Fairview Avenue North
Seattle, WA 98109
Phone: (206) 381-6823
Facsimile: (206) 654-4039
E-mail: jstoltz@cngc.com

CERTIFICATE OF SERVICE

I certify that I have this day served the foregoing NOTICE OF APPLICATION FOR REAUTHORIZATION TO DEFER EXPENSES FOR INTERVENOR FUNDING GRANTS upon all parties of record in the (UM 1283) proceeding, by emailing an electronic copy to the following parties or attorneys of parties:

**CABLE HUSTON BENEDICT
HAAGENSEN & LLOYD LLP**
CHAD M STOKES
1001 SW 5TH - STE 2000
PORTLAND OR 97204
cstokes@cablehuston.com

**CASCADE NATURAL GAS
CORPORATION**
JIM ABRAHAMSON
2004 SE CLATSOP ST
PORTLAND OR 97202
jim.abrahamson@cngc.com

CITIZENS' UTILITY BOARD OF OREGON
LOWREY R BROWN
UTILITY ANALYST
610 SW BROADWAY - STE 308
PORTLAND OR 97205
lowrey@oregoncub.org

JASON EISDORFER
ENERGY PROGRAM DIRECTOR
610 SW BROADWAY STE 308
PORTLAND OR 97205
dockets@oregoncub.org

ROBERT JENKS
610 SW BROADWAY STE 308
PORTLAND OR 97205
bob@oregoncub.org

DEPARTMENT OF JUSTICE
JASON W JONES
ASSISTANT ATTORNEY GENERAL
REGULATED UTILITY & BUSINESS
SECTION
1162 COURT ST NE
SALEM OR 97301-4096
jason.w.jones@state.or.us

ENERGY ACTION NORTHWEST
EDWARD A FINKLEA
PO BOX 8308
PORTLAND OR 97207
efinklea@energyactionnw.org

MDU RESOURCES GROUP, INC.
DANIEL S KUNTZ
ASSISTANT GENERAL COUNSEL
PO BOX 5650
BISMARCK ND 58506-5650
dan.kuntz@mduresources.com

NORTHWEST ENERGY COALITION
STEVEN WEISS
SR POLICY ASSOCIATE
4422 OREGON TRAIL CT NE
SALEM OR 97305
steve@nwenergy.org

NORTHWEST INDUSTRIAL GAS USERS
PAULA E PYRON
EXECUTIVE DIRECTOR
4113 WOLF BERRY CT
LAKE OSWEGO OR 97035-1827
ppyron@nwigu.org

NORTHWEST NATURAL
ELISA M LARSON
ASSOCIATE COUNSEL
220 NW 2ND AVE
PORTLAND OR 97209
elisa.larson@nwnatural.com

C ALEX MILLER
220 NW 2ND AVE
PORTLAND OR 97209
c2m@nwnatural.com.

PACIFICORP
JOHN RYAN
DIRECTOR, FINANCIAL ANALYSIS
825 NE MULTNOMAH
SUITE 2000
PORTLAND OR 97232
john.ryan@pacificorp.com

PACIFICORP OREGON DOCKETS
OREGON DOCKETS
825 NE MULTNOMAH ST
STE 2000
PORTLAND OR 97232
oregondockets@pacificorp.com

PERKINS COIE LLP
LAWRENCE REICHMAN
1120 NW COUCH ST - 10 FL
PORTLAND OR 97209-4128
lreichman@perkinscoie.com

JAMES M VAN NOSTRAND
1120 NW COUCH STREET, 10TH FLOOR
PORTLAND OR 97209-4128
jvannostrand@perkinscoie.com

**PUBLIC UTILITY COMMISSION OF
OREGON**
BRYAN CONWAY
PO BOX 2148
SALEM OR 97308-2148
bryan.conway@state.or.us

DATED at Seattle, Washington, this 3rd day of August, 2009

/s/ Curt Lulias
Curt Lulias
Regulatory
Cascade Natural Gas Corporation