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July 29, 2016

Oregon Public Utility Commission  
201 High Street SE  
P.O. Box 1088  
Salem, OR 97308-1088

Re: UM 1336(9) – Reauthorization for Deferred Accounting Treatment of Intervenor Funding

Attn Filing Center:

Cascade Natural Gas files the enclosed Application for Reauthorization to Defer Intervenor Funding Grants.

Should you have any questions regarding this filing, please contact me at (509)734-4593.

Sincerely,

A handwritten signature in blue ink, appearing to read "Michael Parvinen".

Michael Parvinen  
Director, Regulatory Affairs

Enclosures

BEFORE THE PUBLIC UTILITY COMMISSION  
OF OREGON  
UM 1336

In the Matter of  
Cascade Natural Gas Corporation  
For Reauthorization to Defer  
Intervenor Funding

APPLICATION FOR  
REAUTHORIZATION FOR  
DEFERRED ACCOUNTING

**I. INTRODUCTION**

In accordance with ORS 757.259 and OAR 860-027-0300, Cascade Natural Gas Corporation (“Cascade” or the “Company”) applies to the Public Utility Commission of Oregon (“Commission”) for an accounting order reauthorizing the Company to record and defer, on an ongoing basis, the cost of intervenor funding grants provided to qualifying organizations pursuant to the provisions of ORS 757.259 (3), as amended by OR Laws 2003, ch. 234 (“Intervenor Funding Grants”). The Company’s request is for the 12-month period beginning November 1, 2016, and ending October 31, 2017. In support of this application, Cascade provides the following:

**II. APPLICATION FOR REAUTHORIZATION TO DEFER**

In compliance with the requirements for applications for reauthorization to defer costs as established in OAR 860-027-0300(3) and (4,) and Commission Order No. 09-263, Cascade submits the following:

**A. Description of Utility Expense – OAR 860-027-0300(3)(a)**

In accordance with ORS 757.259(3) and the Third Amended and Restated Intervenor Funding Agreement (“Agreement”) approved by the Commission in Order No. 15-335, Cascade requests reauthorization to record and defer from November 1, 2016, through November 31, 2017, any and all Intervenor Funding Grants, as defined and provided for in the Agreement for later incorporation in rates. Cascade will record and defer these ongoing costs upon payment of

1 the Intervenor Funding Grants following the Commission’s approval of the Intervenor Funding  
2 Grant and issuance of an Order directing the Company to make payment, pursuant to the  
3 Agreement.

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

7 **B. Reason for Deferral – OAR 860-027-0300(3)(b)**

8 This request is made in accordance with ORS 757.259(3) that allows for the deferral  
9 of Intervenor funds, and Commission Order No. 15-335 Docket No. UM 1357, which directs  
10 Cascade to pay to intervenors the amounts made available as defined and provided for in  
11 the Third Amended and Restated Intervenor Funding Agreement.

12 **C. Proposed Accounting - OAR 860-027-0300(3)(c)**

13 Cascade Natural Gas proposes to record payment of Intervenor Funding Grants in a  
14 sub-account of Account 186. In the absence of the Commission’s approval of this  
15 Application, Cascade would not incur the cost of Intervenor Funding Grants. Were such  
16 costs incurred, however, they would be recorded in an appropriate sub-account of FERC  
17 Account 401.

18 **D. Estimate of Amounts - OAR 860-027-0300(3)(d)**

19 The table below shows the maximum amounts per the Agreement that may be  
20 deferred during the 12-month period, November 1, 2016, through October 31, 2017:

Fund Type as Defined in Agreement	Maximum Amount
CUB Fund	\$34,500
Preauthorized Matching Fund	\$34,500
Issue Fund	\$34,500
<b>Total</b>	<b>\$103,500</b>

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1 **E. A Copy of the Notice of Application and Certificate of Service – OAR 860-027-0300(3)(e)**

2 Attached as Appendix B is the copy of the Notice and the Certificate of Service verifying  
3 the Notice was served on parties to the Company’s most current general rate case, UG-305.

4 **F. A Description and Explanation of the Entries in the Deferred Accounts – OAR 860-027-  
5 0300(4)(a)**

6 Attached as Appendix A to this application are workpapers detailing the amounts  
7 deferred to-date under UM 1336.

8 **G. The Reason for Continuation of Deferred Accounting – OAR 860-027-030(4)(b)**

9 The continuation of intervenor funds is justified per Commission Order No. 15-335  
10 approving the terms of the Agreement.

11 **H. Requirements per Commission Order No. 09-263**

12 Below is the information required per Commission Order No. 09-263, issued in Docket  
13 UM-1286, Staff’s investigation into purchased gas adjustment mechanism.

14 **1. A complete Summary Sheet, the location in the PGA filing, and an account map that  
15 highlights the transfer of dollars from one account to another.**

16 Appendix A includes the Summary Sheet, which shows the amounts deferred  
17 and demonstrates the transfer of dollars from one account to another. Appendix A will  
18 be attached to the Company’s electronic 2016-2017 PGA filing as a file entitled, “CNGC  
19 Non Gas Cost Deferral Amortization.xlsx.”

20 **2. The effective date of the deferral**

21 This application is for the 12-month period beginning November 1, 2016, and  
22 ending October 13, 2017.

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1                    **3.     Prior Year Order Number approving the deferral**

2    Authorization to defer costs in this docket was most recently granted per  
3    Commission Order No. 15-307.

4                    **4.     The amount deferred last year**

	<b>CUB Fund</b>	<b>NWIGU Fund</b>
	<u>Acct 20443</u>	<u>Acct 20448</u>
Deferred amounts July 1, 2015, through June 30, 2016	\$74,720.13	\$49,551.88

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6                    **5.     The amount amortized last year**

	<b>CUB Fund</b>	<b>NWIGU Fund</b>
	<u>Acct 20443</u>	<u>Acct 20448</u>
Amortized amounts July 1, 2015, through June 30, 2016 with interest	\$39,004.60	\$3,488.33

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8                    **6.     The interest rate that will be applied to accounts**

9    The deferred balance accrues interest at the rate of 8.709%. The amortized  
10                                         balance will accrue interest at the rate of 1.93% through October 2016. Beginning  
11                                         November 2016, the amortized balance will accrue interest at the rate of 2.20%.

12                   **7.     An estimate of the upcoming PGA-period deferral and/or amortization**

13                                         The Company estimates that it will not seek to defer more than \$103,500.  
14                                         Cascade will seek to amortize the total deferral balance.

15                                         **III.     COMMUNICATIONS**

16                                         Cascade hereby waives service by means of other than service by electronic mail. Consistent  
17                                         with that waiver, communications regarding this Application should be addressed to all of the following:

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Mike Parvinen  
Cascade Natural Gas  
8113 W. Grandridge Blvd  
Kennewick, WA 99336  
Email: [michael.parvinen@cngc.com](mailto:michael.parvinen@cngc.com)

Department of Regulatory Affairs  
Cascade Natural Gas  
8113 W. Grandridge Blvd  
Kennewick, WA 99336  
Email: [CNGCregulatory@cngc.com](mailto:CNGCregulatory@cngc.com)

**IV. CONCLUSION**

Cascade requests that in accordance with ORS 757.259, the Commission authorize the Company to defer the expenses described in this Application.

DATED: July 29, 2016

Sincerely,



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Mike Parvinen  
Director, Cascade Natural Gas Corporation  
8113 W. Grandridge Blvd  
Kennewick, WA 99336  
[michael.parvinen@cngc.com](mailto:michael.parvinen@cngc.com)

## Appendix A

State:	Oregon
Description:	OR CUB Intervenor Funding
Account number:	47OR.1860.20443
Class of customers:	Core: Rate schedule 101
Deferral period:	Annual
Amortization period:	11/1/2013 through 10/31/2016
Narrative:	Oregon intervenor funding paid to the Citizens Utility Board of Oregon. Limited to \$30K deferral per calendar year.

Month/Year	Rate	Therms	Deferral	<i>Debit (Credit)</i>		Deferred Balance
				Amortization	Interest	
					Balance forward 10/31/2013	40,244.53
Nov-13	Prorated	3,246,546		(3,101.70)	45.65	37,188.48
Dec-13	(0.00101)	6,368,598		(6,432.28)	43.59	30,799.79
Jan-14	(0.00101)	6,959,343	42,833.00	(7,028.94)	36.10	66,639.95
Feb-14	(0.00101)	6,314,828		(6,377.98)	70.55	60,332.52
Mar-14	(0.00101)	5,352,642		(5,406.17)	70.71	54,997.06
Apr-14	(0.00101)	3,801,533		(3,839.55)	62.38	51,219.89
May-14	(0.00101)	2,381,868	8,333.00	(2,405.69)	60.03	57,207.23
Jun-14	(0.00101)	1,460,301		(1,474.90)	64.89	55,797.22
Jul-14	(0.00101)	1,072,634		(1,083.36)	65.40	54,779.26
Aug-14	(0.00101)	807,158		(815.23)	64.20	54,028.23
Sep-14	(0.00101)	889,375		(898.27)	61.28	53,191.24
Oct-14	(0.00101)	1,341,913		(1,355.33)	62.34	51,898.25
Nov-14	Prorated	2,402,871		(2,707.24)	75.50	49,266.51
Dec-14	(0.00133)	5,999,446		(7,979.26)	74.06	41,361.31
Jan-15	(0.00133)	6,180,461	34,500.00	(8,220.01)	62.18	67,703.48
Feb-15	(0.00133)	5,370,738		(7,143.08)	91.93	60,652.33
Mar-15	(0.00133)	4,648,017		(6,181.86)	91.18	54,561.65
Apr-15	(0.00133)	3,382,129		(4,498.23)	79.38	50,142.80
May-15	(0.00133)	2,327,959		(3,096.19)	75.38	47,121.99
Jun-15	(0.00133)	1,541,966		(2,050.81)	68.55	45,139.73
Jul-15	(0.00133)	832,424		(1,107.12)	67.86	44,100.47
Aug-15	(0.00133)	891,873		(1,186.19)	66.30	42,980.58
Sep-15	(0.00133)	996,900	3,000.00	(1,325.88)	62.53	44,717.23
Oct-15	(0.00133)	1,466,459		(1,950.39)	67.22	42,834.06
Nov-15	Prorated	2,560,909	31,085.00	(3,095.86)	67.95	70,891.15
Dec-15	(0.00099)	6,122,305		(6,061.08)	116.20	64,946.27
Jan-16	(0.00099)	7,484,807	34,500.00	(7,409.96)	106.46	92,142.77
Feb-16	(0.00099)	5,858,066		(5,799.49)	141.29	86,484.57
Mar-16	(0.00099)	5,201,114		(5,149.10)	141.76	81,477.23
Apr-16	(0.00099)	3,605,420		(3,569.37)	129.25	78,037.11
May-16	(0.00099)	1,919,384		(1,900.19)	127.92	76,264.84
Jun-16	(0.00099)	1,682,515		(1,665.69)	120.98	74,720.13

## Appendix A

State:	Oregon
Description:	OR 11/01/12 Consolidated Accounts: Non Gas Cost Related PGA Temporary Rate Increments UM1336 Industrial Intervenor Funding
Account number:	47OR.1860.20448
Class of customers:	105, 111, 170, 163, 164
Deferral period:	Annual
Amortization period:	11/01/2013 through 10/31/2016
Narrative:	This records consolidated deferral accounts for industrial intervenor funding corresponding to the temporary technical adjustments included in the PGA tracker effective 11/1/12 that are incorporated in the customers' per therm gas rates.

Month/Year	Rate	Therms	Deferral	<i>Debit (Credit)</i>		Deferred Balance
				Amortization	Interest	
					Balance forward 10/31/2013	5,515.15
Nov-13	Prorated	3,232,464		(416.25)	6.26	5,105.16
Dec-13	(0.00014)	3,793,645		(531.11)	5.98	4,580.03
Jan-14	(0.00014)	3,972,421		(556.14)	5.37	4,029.26
Feb-14	(0.00014)	3,817,932		(534.51)	4.27	3,499.02
Mar-14	(0.00014)	3,671,524		(514.01)	4.10	2,989.11
Apr-14	(0.00014)	3,450,934	7,360.35	(483.13)	3.39	9,869.72
May-14	(0.00014)	3,023,558		(423.30)	11.57	9,457.99
Jun-14	(0.00014)	3,231,802		(452.45)	10.73	9,016.27
Jul-14	(0.00014)	2,919,661		(408.75)	10.57	8,618.09
Aug-14	(0.00014)	2,984,557		(417.84)	10.10	8,210.35
Sep-14	(0.00014)	3,223,073		(451.23)	9.31	7,768.43
Oct-14	(0.00014)	3,300,538		(462.08)	9.11	7,315.46
Nov-14	Prorated	3,339,389		(623.40)	10.64	6,702.70
Dec-14	(0.00019)	3,871,077		(735.50)	10.08	5,977.28
Jan-15	(0.00019)	4,045,132	2,455.15	(768.58)	8.99	7,672.84
Feb-15	(0.00019)	3,446,483		(654.83)	10.42	7,028.43
Mar-15	(0.00019)	3,472,142		(659.71)	10.57	6,379.29
Apr-15	(0.00019)	3,314,321		(629.72)	9.28	5,758.85
May-15	(0.00019)	2,714,476		(515.75)	8.66	5,251.76
Jun-15	(0.00019)	2,979,734		(566.15)	7.64	4,693.25
Jul-15	(0.00019)	2,755,199		(523.49)	7.06	4,176.82
Aug-15	(0.00019)	2,857,928		(543.01)	6.28	3,640.09
Sep-15	(0.00019)	3,174,754		(603.20)	5.30	3,042.19
Oct-15	(0.00019)	3,037,057	9,122.03	(577.04)	4.57	11,591.75
Nov-15	Prorated	3,312,052		(222.55)	18.39	11,387.59
Dec-15	(0.00006)	3,412,860		(204.77)	18.67	11,201.49
Jan-16	(0.00006)	3,887,606		(233.26)	18.36	10,986.59
Feb-16	(0.00006)	3,463,630	34,283.50	(207.82)	16.85	45,079.12
Mar-16	(0.00006)	3,486,315	4,941.43	(209.18)	73.89	49,885.26
Apr-16	(0.00006)	3,344,304		(200.66)	79.13	49,763.73
May-16	(0.00006)	3,117,217		(187.03)	81.57	49,658.27
Jun-16	(0.00006)	3,085,946		(185.16)	78.77	49,551.88



Appendix B

**Cascade Natural Gas Corporation**

July 29, 2016

**NOTICE OF APPLICATION TO DEFER COSTS  
FOR INTERVENOR FUNDING**

To All Parties Who Participated in UG-305

Please be advised that today, Cascade Natural Gas Corporation ("Cascade" or the "Company") applied for reauthorization to defer intervenor funding. Copies of the Company's application are available for inspection at the Company's main office.

Parties who would like additional information or would like a copy of the filing, or notice of the time and place of any hearing, if scheduled, should contact the Company or the Public Utility Commission of Oregon as follows:

Cascade Natural Gas  
Attn: Michael Parvinen  
8113 W Grandridge Blvd  
Kennewick, WA 99336  
509-734-4593  
CNGCregulatory@cngc.com

Public Utility Commission of Oregon  
Attn: Judy Johnson  
201 High Street SE, Suite 100  
Salem, OR 97308-1088

Any person may submit to the Commission written comment on the application no sooner than 25 days from the date of this notice.

The Company's application will not authorize a change in rates, but will permit the Commission to consider allowing such deferred amount in rates in a subsequent proceeding.

Appendix B

Cascade Natural Gas Corporation

CERTIFICATE OF SERVICE

I hereby certify that I have this day served by electronic mail the foregoing NOTICE OF APPLICATION FOR REAUTHORIZAION TO DEFER INTERVENOR FUNDING upon all parties of record in UG-305, which is the Company's current general rate case.

Citizens' Utility Board dockets@oregoncub.org	Michael Goetz Citizens' Utility Board mike@oregoncub.org
Tommy A Brooks Cable Huston Benedict Haagensen & Lloyd tbrooks@cablehuston.com	Chad M Stokes Cable Huston Benedict Haagensen & Lloyd cstokes@cablehuston.com
Stephanie S Andrus PUC Staff – Dept of Justice stephanie.andrus@state.or.us	Edward Finklea NWIGU efinklea@nwigu.org
Robert Jenks Citizens' Utility Board of Oregon bob@oregoncub.org	Marianne Gardner Public Utility Commission of Oregon marianne.gardner@state.or.us
Kaylie Klein Public Utility Commission of Oregon kaylie.klein@state.or.us	Lisa F Rackner McDowell, Rackner & Gibson PC dockets@mrg-law.com

Dated this 29th day of July 2016.

  
Maryalice Rosales  
Rates and Regulatory Affairs  
Cascade Natural Gas Corporation  
8113 W Grandridge Blvd  
Kennewick, WA 99336  
maryalice.rosales@cngc.com