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August 28, 2020

VIA ELECTRONIC FILING

Attention: Filing Center
Public Utility Commission of Oregon
201 High Street SE, Suite 100
P.O. Box 1088
Salem, Oregon 97308-1088

Re: Docket UG 390 – Cascade Request for a General Rate Revision

Attention Filing Center:

Attached for filing in the above-captioned docket is the parties' Second Partial Stipulation.

Please contact this office with any questions.

Sincerely,

Alisha Till
Paralegal

Attachment

**BEFORE THE PUBLIC UTILITY COMMISSION
OF OREGON**

UG 390

In the Matter of

CASCADE NATURAL GAS
CORPORATION

Application for a General Rate Revision.

SECOND PARTIAL STIPULATION

INTRODUCTION

1 This Second Partial Stipulation (“Stipulation”) is entered into to resolve issues of rate
2 spread and rate design in this case. The parties to this Stipulation are Cascade Natural Gas
3 Corporation (“Cascade” or “Company”), Public Utility Commission of Oregon Staff (“Staff”),
4 the Oregon Citizens’ Utility Board (“CUB”), and the Alliance of Western Energy Consumers
5 (“AWEC”) (individually, “Stipulating Party,” and collectively, “Stipulating Parties”). The
6 Stipulating Parties are the only parties to this proceeding, and they expect this Stipulation will
7 resolve rate spread and rate design issues in this case.

BACKGROUND

8 On March 31, 2020, Cascade filed a request for a general rate increase and revised
9 tariff sheets to become effective February 1, 2021 (“Initial Filing”). In the Initial Filing, the
10 Company proposed an increase to the Company’s Oregon jurisdictional revenues of \$4.507
11 million, or approximately 6.67 percent over current rates.¹ The filing was suspended by the
12 Commission on April 7, 2020, per its Order No. 20-109. Administrative Law Judge Allan Arlow
13 convened a Prehearing Conference on May 14, 2020.

14 On June 2, 2020, the Stipulating Parties participated in a settlement conference to
15 address cost of capital issues. As a result of those settlement discussions, the Stipulating

¹ Initial Filing at 1.

1 Parties agreed to settle all issues in the docket regarding cost of capital, as memorialized in
2 a First Partial Stipulation that was filed with the Commission on July 1, 2020.

3 The Stipulating Parties subsequently participated in a settlement conference on July
4 16, 2020, regarding cost of service, rate spread, and rate design, followed by additional
5 discussions on these same topics via email correspondence on July 21, 22, and 23, 2020.
6 These discussions culminated in an agreement resolving rate spread and rate design in this
7 proceeding. This Stipulation memorializes the Stipulating Parties' agreements reached
8 through these discussions regarding rate spread and rate design.

TERMS OF AGREEMENT

9 The Stipulation resolves the issues addressed below:

10 1. Rate Spread. The Stipulating Parties agree to the rate spread shown in Table
11 1, below.

12 **Table 1. Rate Spread**

Schedule No. and Description	Final Increase Relative to System Average
Schedule 101 – Residential Service	1.17x
Schedule 104 – Commercial Service	1.17x
Schedule 105 – Industrial Service	1.01x
Schedule 111 – Large Volume Service	0.33x
Schedule 163 – General Transportation	0.00x
Schedule 9xx – Special Contracts	0.00x
Schedule 170 – Interruptible	0.00x

13

14 Because the parties have reached an agreement regarding rate spread before any final
15 determination regarding revenue requirement has been made, the amount of the increase
16 in Table 1 is stated relative to the system average increase.

17 2. Increase Relative to System Average Approach. The Stipulating Parties
18 further agree that the calculation of the increase relative to system average approach will
19 involve two steps. First, the overall system average increase is based on the final revenue

1 requirement amount. The Company's overall system average increase based on its Initial
2 Filing was 12.29 percent, but this amount may change based on the final revenue
3 requirement amount. Second, Cascade will multiply the overall system average increase
4 by the relative increase amount of the individual rate schedule to achieve the final revenue
5 requirement. For example, if the overall system average is 10 percent, then Schedule 101
6 customers would receive an increase of 11.7 percent (10 percent x 1.17 = 11.7 percent).

7 3. Rate Design. The Stipulating Parties agree to change the monthly basic
8 service charges as follows:

- 9 (1) Schedule 101 will increase from \$5.00 to \$6.00 per month;
- 10 (2) Schedule 104 will increase from \$10.00 to \$12.00 per month;
- 11 (3) Schedule 105 will increase from \$30.00 to \$35.00 per month; and
- 12 (4) Schedule 111 will increase from \$125.00 to \$144.00 per month.

13 The Stipulating Parties further agree that the monthly basic service charges will not
14 change for Schedules 163, 170, and 9xx. Finally, the Stipulating Parties agree that the
15 remaining increase for each rate schedule will go into volumetric charges.

16 4. Outstanding Data Requests. The Stipulating Parties agree to withdraw any
17 outstanding data requests regarding issues related to the cost of service, rate spread, and
18 rate design.

19 5. The Stipulating Parties recommend and request that the Commission approve
20 the terms regarding rate spread and rate design discussed herein as appropriate and
21 reasonable.

22 6. The Stipulating Parties agree that this Stipulation is in the public interest, and
23 will result in rates that are fair, just, and reasonable, consistent with the standard in
24 ORS 756.040.

1 7. This Stipulation sets forth the entire agreement between the Stipulating Parties
2 and supersedes any and all prior communications, understandings, or agreements, oral or
3 written, between the Stipulating Parties pertaining to the subject matter of this Stipulation.

4 8. This Stipulation will be offered into the record as evidence pursuant to
5 OAR 860-001-350(7). The Stipulating Parties agree to support this Stipulation throughout
6 this proceeding and any appeal, provide witnesses to sponsor this Stipulation at hearing,
7 and recommend that the Commission issue an order adopting the Stipulation. The
8 Stipulating Parties also agree to cooperate in drafting and submitting joint testimony in
9 support of the Stipulation in accordance with OAR 860-001-0350(7).

10 9. If this Stipulation is challenged, the Stipulating Parties agree that they will
11 continue to support the Commission's adoption of the terms of this Stipulation. The
12 Stipulating Parties agree to cooperate in cross-examination and put on such a case as they
13 deem appropriate to respond fully to the issues presented, which may include raising issues
14 that are incorporated in the settlements embodied in this Stipulation.

15 10. The Stipulating Parties have negotiated this Stipulation as an integrated
16 document. If the Commission rejects all or any material portion of this Stipulation or imposes
17 additional material conditions in approving this Stipulation, any of the Stipulating Parties are
18 entitled to withdraw from the Stipulation or exercise any other rights provided in OAR 860-
19 001-0350(9). The Stipulating Parties agree that if the Commission rejects all or any material
20 portion of this Stipulation or imposes additional material conditions in approving this
21 Stipulation, the Stipulating Parties will meet in good faith within ten days and discuss next
22 steps. A Stipulating Party may withdraw from the Stipulation after this meeting by providing
23 written notice to the Commission and to the other Stipulating Parties.

24 11. By entering into this Stipulation, no Stipulating Party approves, admits, or
25 consents to the facts, principles, methods, or theories employed by any other Stipulating

1 Party in arriving at the terms of this Stipulation, other than those specifically identified in the
2 body of this Stipulation. No Stipulating Party shall be deemed to have agreed that any
3 provision of this Stipulation is appropriate for resolving issues in any other proceeding,
4 except as specifically identified in this Stipulation.

5 12. This Stipulation is not enforceable by any Stipulating Party unless and until
6 adopted by the Commission in a final order. Each signatory to this Stipulation avers that
7 they are signing this Stipulation in good faith and that they intend to abide by the terms of
8 this Stipulation unless and until the Stipulation is rejected or adopted only in part by the
9 Commission. The Stipulating Parties agree that the Commission has exclusive jurisdiction
10 to enforce or modify the Stipulation. If the Commission rejects or modifies this Stipulation,
11 the Stipulating Parties reserve the right to seek reconsideration or rehearing of the
12 Commission order under ORS 756.561 and OAR 860-001-0720 or to appeal the
13 Commission order under ORS 756.610.

14 13. This Stipulation may be executed in counterparts and each signed counterpart
15 shall constitute an original document. Given the circumstances surrounding physical access
16 to facsimile or other forms of signature due to the COVID-19 pandemic, the Stipulating
17 Parties further agree that any electronically generated Stipulating Party signatures are valid
18 and binding to the same extent as an original signature.

1 This Stipulation is entered into by each Stipulating Party on the date entered below
2 such Stipulating Party's signature.

DATED this ___ day of August 2020

CASCADE NATURAL GAS
CORPORATION

By: 

Date: 8/28/2020

PUBLIC UTILITY COMMISSION OF
OREGON STAFF

By: _____

Date: _____

OREGON CITIZENS' UTILITY BOARD

By: _____

Date: _____

ALLIANCE OF WESTERN ENERGY
CONSUMERS

By: _____

Date: _____

1 This Stipulation is entered into by each Stipulating Party on the date entered below
2 such Stipulating Party's signature.

DATED this ___ day of August 2020

CASCADE NATURAL GAS
CORPORATION

PUBLIC UTILITY COMMISSION OF
OREGON STAFF

By: _____

By: Stephanie Andrus

Date: _____

Date: August 27, 2020

OREGON CITIZENS' UTILITY BOARD

ALLIANCE OF WESTERN ENERGY
CONSUMERS

By: _____

By: _____

Date: _____

Date: _____

1 This Stipulation is entered into by each Stipulating Party on the date entered below
2 such Stipulating Party's signature.

DATED this ___ day of August 2020

CASCADE NATURAL GAS
CORPORATION

PUBLIC UTILITY COMMISSION OF
OREGON STAFF

By: _____

By: _____

Date: _____

Date: _____

OREGON CITIZENS' UTILITY BOARD

ALLIANCE OF WESTERN ENERGY
CONSUMERS

By:  _____

By: _____

Date: 8/27/20

Date: _____

1 This Stipulation is entered into by each Stipulating Party on the date entered below
2 such Stipulating Party's signature.

DATED this ___ day of August 2020

CASCADE NATURAL GAS
CORPORATION

PUBLIC UTILITY COMMISSION OF
OREGON STAFF

By: _____

By: _____

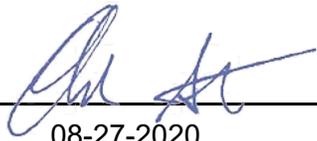
Date: _____

Date: _____

OREGON CITIZENS' UTILITY BOARD

ALLIANCE OF WESTERN ENERGY
CONSUMERS

By: _____

By:  _____

Date: _____

Date: 08-27-2020 _____