# PUC approves sale of Cascade Natural Gas

*by Bend_Weekly_News_Sources*

This week the Oregon Public Utility Commission approved the $475 million sale of Cascade Natural Gas to MDU Resources Group Inc. The approval followed months of exhaustive review and a stipulation reached between parties to the case and the new owners. â€œThe Commission concluded the sale provides a net benefit to customers and will not harm Oregon citizens as a whole,â€• Commission Chairman Lee Beyer said. â€œWe are confident this is a balanced package for all involved.â€• Cascade customers will receive rate credits of $200,000 a year beginning January 1, 2008, through December 31, 2012. The rate credits will be paid for out of shareholder funds. In addition, a separate order resolves a rate case the Commission initiated on Cascade before the sale was announced. Staff contended Cascade was earning more than allowed and that its rates should be lowered. As a result of the decision, Cascadeâ€™s annual revenue will be reduced by $700,000 a year. The order also set a new authorized return on equity at 10.1% compared with the prior 11.2%. As part of the sale stipulation negotiated by various customer groups, Commission staff, and the company, MDU Resources agreed to hold its Oregon customers harmless from any financial exposures of MDU Resourcesâ€™ other affiliates. Other elements of the sale include a two-year extension of various programs such as Service Quality Measures and public-purposes funding for energy efficiency and low-income programs. Parties to both stipulations included the companies, the Citizensâ€™ Utility Board, and Northwest Industrial Gas Users and Commission staff. MDU Resources filed its application with the Commission to buy Cascade Natural Gas on November 8, 2006. Cascade serves about 54,633 customers in Oregon, primarily serving the central Oregon region and a number of communities in northeast Oregon including Pendleton, Hermiston and Ontario.