



STATE OF WASHINGTON
UTILITIES AND TRANSPORTATION COMMISSION

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January 6, 2025

NOTICE OF BENCH REQUESTS AND ADDITIONAL BRIEFING
(Due January 13, 2025, by 5 p.m.)

RE: *In the Matter of the Washington Utilities Transportation Commission v. Cascade Natural Gas Corporation,*
Docket UG-240008

BENCH REQUEST NO. 1:
For All Parties:

Paragraph 34 of the Full Multiparty Settlement Stipulation outlines the settling parties' agreement to tariff revisions to phase out natural gas line extension allowances to zero by March 1, 2027, for residential and commercial rate schedules 503 and 504. In settlement testimony, Staff explains that the phase out of the proposed line extension allowances are in the public interest because the allowances are reduced based on the Net Present Value (NPV) methodology, and do not eliminate the Company's ability to offer line extensions but rather "just eliminate those extensions to new customers to be subsidized by allowances paid for by other rate payers."¹

On November 5, 2024, Washington Ballot Initiative I-2066 was approved by the citizens of Washington. Section (4)13 of the Initiative prohibits the Commission from approving with or without conditions, a multi-year rate plan, that "authorizes a gas company or large combination utility to require a customer to involuntarily switch fuel use either by restricting access to natural gas service or by implementing planning requirements that would make access to natural gas service cost-prohibitive." As this was not addressed in the settling parties' testimony, we request this conflict be addressed.

¹ *Washington Utilities and Transportation Commission (W.U.T.C) v. Cascade Natural Gas Corp.*, Docket UG-240008, Exh. JHJ-1T, at pg. 14, line 15-23 (December 11, 2024).

Specifically, the Commission requests that the parties provide concise briefing addressing how the Commission should consider paragraph 34 of the settlement stipulation following passage of I-2066, specifically Section 4(13) of the Initiative, together with the broader Climate Commitment Act. Please limit briefs to no more than 10 pages.

BENCH REQUEST NO. 2:

For All Parties:

Paragraph 16 of the Full Multiparty Settlement Stipulation denotes the elements required in the Annual Provisional Plant Report due April 30 of each year. Criteria 1 requires Cascade to provide detailed explanations for any variances greater than 10 percent or \$500,000 from the authorized costs. Criteria 4 requires Cascade to update the project description and justify the continued development of the project if any “significant cost overruns” occur.

- a. For the purpose of this stipulation, is a significant cost overrun considered to be greater than 10 percent or \$500,000 more than authorized as defined in Criteria 1?
- b. If no, what is considered a significant cost overrun as noted in Criteria 4?

BENCH REQUEST NO. 3:

For CNG Witness Blattner:

In Exh. LAB-4T at page 5:3-5, you state that the increase to the revenue requirement is partially driven by CCA compliance costs.

- a. Other than CCA allowances, what other CCA related costs does the Company assert are driving an increase in revenue requirement in this general rate case?

BENCH REQUEST NO. 4:

For Staff or the Company:

In paragraph 17 of the Settlement Stipulation, there is a reference to the Company’s Third Supplemental Response to WUTC Staff Data Request No. 46 (DR-46). The Company’s initial response to DR-46 is provided in Exh. KG-7. We interpret Attachment A to the Settlement Stipulation to be the Company’s third supplemental response.

- a. Is this understanding correct?
- b. Is Attachment A merely a summary of the Third Supplemental Response, or the actual response? If a summary, please provide the entire exhibit in response to this request.

- c. Neither Exh. KG-7 nor Attachment A to the Settlement Stipulation contain the initial question asked of the Company in DR-46. Please submit the initial question asked in DR-46 in response to this request.

BENCH REQUEST NO. 5:
For Witness Bradley Mullins:

In your settlement testimony at Exh. BGM-9T at 4:4-21 and 5:1-4, you discuss the revenue requirement reduction of \$600,000 per rate year due to the “Capital Run Rate.” You discuss the issue of “Capital Run Rate” in your response testimony at Exh. BGM-1T at 32:1 – 33:2, and in BGM-7. Can you further describe what you refer to as a Capital Run Rate and the application of Capital Run Rate in the context of the portfolio vs. project-by-project review process resulting from this Settlement Agreement?

Please respond to these Bench Requests no later than 5 p.m., January 13, 2025, by electronic filing with the Commission’s Records Center. Please provide courtesy email copies to all parties and the presiding administrative law judge. If you have any questions concerning these requests, please contact Administrative Law Judge Amy Bonfrisco at 360-664-1355 or via email at amy.bonfrisco@utc.wa.gov.

/s/ Amy Bonfrisco
AMY BONFRISCO
Administrative Law Judge

cc: All Parties