

WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION
STAFF RESPONSES TO BENCH REQUESTS

DATE PREPARED: January 13, 2025 DOCKET: UG-240008 REQUESTER: Bench	WITNESS: Jacque Hawkins-Jones RESPONDER: Jacque Hawkins-Jones TELEPHONE: 360-664-1105
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BENCH REQUEST NO. 1:

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.

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.

RESPONSE: See attached Brief.

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).

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BENCH REQUEST NO. 2:

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?

RESPONSE:

- a. Yes, a significant cost overrun is considered to be greater than 10 percent or \$500,000 more than authorized as defined in Criteria 1. Paragraph 16 of the Full Multiparty Settlement Stipulation defines the need of the company to provide information when there is a variation greater than 10 percent or \$500,000 from the authorized costs. The need to provide information only after this threshold creates a presumption of a significant cost overrun requiring explanation.
- b. See response to subpart (a), above.

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BENCH REQUEST NO. 4:

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.

RESPONSE:

- a. That is not Staff's understanding. Staff's understanding is that Attachment A is a settlement after the third company response and not part of the company's response. Attachment A to the Settlement Stipulation is not the Company's third supplemental response. Attachment A to the Settlement Stipulation is a reduction in Cascade's initial proposed rate base, based on Cascade's Third Supplemental Response to WUTC Staff Data Request No. 46 revisions. The revisions include moving the Kitsap Lateral Expansion Phase V (FP-302595) to 2026 and, thus, outside of this proposed multiyear rate plan; moving the 20-inch Burlington Transmission Reinforcement project (FP-322776) and the 8inch Aberdeen HP Reinforcement Wishkah Road project (FP-321879) from 2024 to 2025; and including small 2023 projects that closed in 2024.
- b. Attachment A to the Settlement Stipulation is the actual response to modify just for Settlement purposes. The Third Supplemental Response is attached herein as Third Supplement Response to WUTC Staff DR 46 and Third Supplemental Response to WUTC Staff DR 46 Attach A.
- c. The initial question asked in DR-46 is a part of the third supplemental response. It states: "As per the testimony of Patrick C. Darras PCD-1T, at page 3 line 2, the Plant Additions are for two provisional periods, provide the actual additions in comparison to the provisional amounts to date by months."