

**BEFORE THE
WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION**

WASHINGTON UTILITIES AND
TRANSPORTATION COMMISSION,
Complainant,

DOCKET UG-170929

v.

CASCADE NATURAL GAS
CORPORATION,
Respondent.

CASCADE NATURAL GAS CORPORATION

EXHIBIT JGG-5

JENNIFER G. GROSS

PC Response to CNGC DR-1

March 23, 2018

**BEFORE THE WASHINGTON
UTILITIES AND TRANSPORTATION COMMISSION**

Docket UG-170929

WUTC v. Cascade Natural Gas Corporation

**RESPONSE OF PUBLIC COUNSEL TO CASCADE NATURAL GAS CORP.
DATA REQUEST NO. 1**

Request No: 1
Directed to: Lisa Gafken
Date Received: March 8, 2018
Date Produced: March 14, 2018
Prepared by: Carla Colamonici
Witness: Carla Colamonici

CASCADE NATURAL GAS CORPORATION DATA REQUEST NO. 1:

In her Response Testimony, Ms. Colamonici states, “Cascade should conduct an analysis on the current effect of its charges on customer behavior and the ultimate effect of any proposed increase. This is especially important considering that these charges are not fully cost based charges.”¹

With respect to the above-referenced testimony, please answer the following:

- a. Please describe in detail the analysis Ms. Colamonici recommends Cascade perform. Please include an explanation of the data sets Cascade would use, how the data would be measured to formulate results, and how the results would be validated.
- b. Please provide all known examples of studies where an energy utility performed the type of analysis Ms. Colamonici is recommending.
- c. Is it Public Counsel’s position that Cascade should instead set the charges listed in Schedule 200, Miscellaneous Charges, based on the actual costs?
- d. If Cascade instead proposed to set charges based on actual costs, would Public Counsel expect to see an analysis of the effect of its Miscellaneous Charges on customer behavior?
- e. If not, what type of analysis, if any, would Public Counsel expect to see as support for cost-based Miscellaneous Charges?

PUBLIC COUNSEL RESPONSE:

- a. Public Counsel believes that if a Company (or any other party) recommends an increase in rates or fees, then evidence (i.e. an analysis) should also be included to

¹ Response Testimony of Carla Colamonici, Exh. CAC-1T at 15:7-9.

- support the proposal. In this case, the Company did not present any documented support for the need to increase the Company's miscellaneous charges. Further, the Company states that its current charges were no longer influencing customer behavior. Given the Company's assertion, Public Counsel believes that, at minimum, evidence should be provided supporting this statement. Finally, Public Counsel believes that it is up to the Company to decide what type of analysis should be completed and presented in any proceeding, but that some analysis is required.
- b. As stated in subpart (a), Public Counsel is recommending that the Company provide and document evidence supporting the need for increasing the current rates. The Company carries the burden of proof regarding the Company's proposed changes, which includes the burden of presenting evidence and the burden of persuasion. *See* WAC 480-07-510 and WAC 480-07-540; RCW 80.04.130.
 - c. No. However, actual costs become relevant in determining whether the fee is fair when the fee clearly exceeds actual costs.
 - d. It is Public Counsel's understanding that in the State of Washington, miscellaneous charges are not generally based on actual costs. With the exception of the Returned Check fee, we are not addressing actual costs of providing the service subject to the fee. With respect to the other miscellaneous fees, Cascade asserted that customer behavior was the driving force behind the request to increase the fees. Cascade failed to prove any evidence relating to customer behavior. Please see answer at subparts (a) and (b) above.
 - e. Please see answers to subparts (a), (b), and (d) above.