

**BEFORE THE WASHINGTON
UTILITIES AND TRANSPORTATION COMMISSION**

WASHINGTON UTILITIES AND
TRANSPORTATION COMMISSION,

Complainant,

v.

CASCADE NATURAL GAS
CORPORATION,

Respondent.

DOCKET UG-200568

PUBLIC COUNSEL’S RESPONSE TO
CASCADE NATURAL GAS
CORPORATION’S PETITION FOR
RECONSIDERATION

1. Pursuant to the Washington Utilities and Transportation Commission’s (“UTC” or “Commission”) Notice of Opportunity to Respond to Petition for Reconsideration dated May 27, 2021, the Public Counsel Unit of the Washington Attorney General’s Office (“Public Counsel”) submits the following response opposing Cascade Natural Gas Corporation’s (“Cascade” or “Company”) Petition for Reconsideration.
2. Cascade challenges the Commission’s order to offset pro forma plant allowed into rates with a retirement and approval adjustment of \$459,393. This adjustment was based on 2019 values. Cascade argues that the Commission should have used 2020 values because 2019 values were abnormally high. Additionally, Cascade argues that the adjustment should be proportionate to the total amount of capital additions allowed. Finally, Cascade requests that the Commission clarify that the retirements adjustment is a pro forma adjustment, rather than a restating adjustment because it offsets pro forma plant.

3. The Commission should reject Cascade’s Petition for Reconsideration and uphold its Order 05 in which it adopts AWEC’s proposals “to use the 2019 figures for plant retirements and removals and to use the full offset unadjusted by Cascade’s proposed ratio.”¹ Cascade suggested that actual 2020 retirements would be more appropriate in its rebuttal testimony.² As a result, Parties did not have an opportunity to adequately review 2020 retirements. The record in this case is now closed, and Cascade has not demonstrated that the Commission should change its ruling to rely on the 2019 value.
4. Further, Public Counsel disagrees with Cascade’s request to apply the retirements adjustment proportionately to the total amount of capital additions allowed or the amount of pro forma capital allowed. The Company did not raise the issue of proportionality related to the retirements adjustment until its rebuttal case.³ Similar to Cascade’s proposal to use actual 2020 retirements, parties did not have an opportunity to adequately review the Company’s proportionality proposal. The Commission should reject the proposal on reconsideration.
5. Alternatively, if the Commission agrees with Cascade that a proportionate amount should be applied, it follows that the appropriate measure should be the pro forma capital additions rather than the total capital additions. The retirements adjustment offsets pro forma capital additions and not total capital additions.

¹ Final Order 05 Rejecting Tariff Sheets; Authorizing and Requiring Compliance Filing, ¶ 295 (May 18, 2021) (hereinafter “Order 05”).

² Order 05, ¶ 275.

³ Order 05, ¶ 274.

6. Public Counsel urges the Commission to deny Cascade’s Petition for Reconsideration and uphold the rules in Order 05.

DATED this 4th day of June, 2021.

ROBERT W. FERGUSON
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/s/
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