

**BEFORE THE WASHINGTON
UTILITIES AND TRANSPORTATION COMMISSION**

WASHINGTON UTILITIES AND
TRANSPORTATION COMMISSION,

Complainant,

v.

CASCADE NATURAL GAS
CORPORATION,

Respondent.

DOCKET UG-210755

ORDER 01

COMPLAINT AND ORDER
SUSPENDING TARIFF REVISIONS;
GRANTING PETITION FOR
EXEMPTION

BACKGROUND

- 1 On September 30, 2021, Cascade Natural Gas Corporation (Cascade or Company) filed with the Washington Utilities and Transportation Commission (Commission) revisions to its currently effective Tariff WN U-3 as listed in the appendix attached to this Order. The purpose of this filing is to increase rates and charges for natural gas service provided to customers in the state of Washington. Specifically, Cascade requests authority to increase its annual revenue requirement by approximately \$13.7 million, or 5.12 percent, effective November 1, 2021. Concurrent with its proposed tariff revisions, Cascade filed a petition for exemption (Petition) from Washington Administrative Code (WAC) 480-07-510(6) requesting the Commission waive the requirement to include a Cost of Service Study (COSS) with the Company's initial filing in this case. The Company requests the Commission immediately suspend the operation of the tariff revisions and set the matter for hearing.

DISCUSSION AND DECISION

- 2 **General Rate Case Filing.** We suspend Cascade's proposed tariff revisions. Cascade's requested increase might injuriously affect the rights and interests of the public, and

Cascade has not demonstrated that the increase would result in rates that are fair, just, reasonable, and sufficient. The Commission thus suspends the tariff filing and will hold public hearings, if necessary, to determine whether the proposed increases are fair, just, reasonable, and sufficient.

3 **Petition for Exemption.** We grant Cascade’s Petition for Exemption. WAC 480-07-110(1) provides that the Commission may grant an exemption from, or modify the application of, any of its rules in individual circumstances if the exemption or modification is consistent with the public interest, the purposes underlying regulation, and applicable statutes. Cascade correctly observes in its Petition that it is unable to file a COSS until it completes a load study. In the Commission’s Final Order in Cascade’s last general rate case (Order 05), we set specific deadlines for Cascade to complete its load study with the understanding that Cascade may file another general rate case prior to the final deadline of September 21, 2022. Although we did not “effectively exempt” Cascade from filing a COSS,¹ we concluded it was not necessary to require the Company to complete a load study before filing its next general rate case with those deadlines in place.

4 The first deadline established by Order 05 required Cascade to file a progress report and written plan for completing its load study by August 21, 2021.² Cascade filed its report on August 20, 2021, which the Commission accepted on October 5, 2021. Because Cascade has adhered thus far to the deadlines established by Order 05, we conclude that granting the Petition is consistent with the public interest, the purposes underlying regulation, and applicable statutes.

FINDINGS AND CONCLUSIONS

- 5 (1) The Commission is an agency of the State of Washington vested by statute with the authority to regulate rates, regulations, and practices of public service companies, including natural gas companies.
- 6 (2) Cascade is a natural gas company and a public service company subject to Commission jurisdiction.

¹ Petition at ¶ 2.

² *Washington Utilities and Transportation Commission v. Cascade Natural Gas Corporation*, Docket UG-200568, Order 05 ¶ 380 (May 18, 2021).

- 7 (3) The tariff revisions Cascade filed on September 30, 2021, would increase charges and rates for service provided by Cascade and might injuriously affect the rights and interest of the public.
- 8 (4) Cascade has not yet demonstrated that the tariff revisions would result in rates that are fair, just, reasonable, and sufficient.
- 9 (5) Cascade's rates and charges for natural gas service shown on any tariffs that Cascade does not propose to revise may also be investigated to determine if they are fair, just, reasonable, and sufficient.
- 10 (6) In order to carry out the duties imposed upon the Commission by law, and as authorized in RCW 80.04.130, the Commission believes it is necessary to investigate Cascade's books, accounts, practices and activities; to make a valuation or appraisal of Cascade's property; and to investigate and appraise various phases of Cascade's operations. The Commission finds that this docket meets the criteria of WAC 480-07-400(2)(b)(i) and that the parties may conduct discovery pursuant to the Commission's discovery rules in WAC 480-07-400 – 425.
- 11 (7) As required by RCW 80.04.130(4), Cascade bears the burden to prove that the proposed increases are fair, just, reasonable, and sufficient.
- 12 (8) Cascade may be required to pay the expenses reasonably attributable and allocable to such an investigation, consistent with RCW 80.20.
- 13 (9) WAC 480-07-110(1) provides that the Commission, in response to a request or on its own initiative, may grant an exemption from, or modify the application of, any of its rules in individual circumstances if the exemption or modification is consistent with the public interest, the purposes underlying regulation, and applicable statutes.
- 14 (10) After reviewing Cascade's Petition for Exemption and giving due consideration, the Commission finds that the requested exemption is in the public interest and is consistent with the purposes underlying the regulation and applicable statutes and should be granted.

ORDER

THE COMMISSION ORDERS:

- 15 (1) The tariff revisions Cascade Natural Gas Corporation filed on September 30, 2021, are suspended.
- 16 (2) The Commission will hold hearings at such times and places as may be required. Such hearings may also examine Cascade Natural Gas Corporation's rates and charges for natural gas service shown on any tariffs that Cascade Natural Gas Corporation does not propose to revise.
- 17 (3) Cascade Natural Gas Corporation must not change or alter the tariffs filed in this docket during the suspension period unless authorized by the Commission.
- 18 (4) The Commission will institute an investigation of Cascade Natural Gas Corporation's books, accounts, practices, activities, property, and operations as described above.
- 19 (5) The parties may conduct discovery pursuant to the Commission's discovery rules in WAC 480-07-400 – 425.
- 20 (6) Cascade Natural Gas Corporation shall pay the expenses reasonably attributable and allocable to the Commission's investigation to the extent required in Chapter 80.20 RCW.
- 21 (7) Cascade Natural Gas Corporation's Petition for Exemption from WAC 480-07-510(6) is granted.

DATED at Olympia, Washington, and effective October 13, 2021.

WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

DAVID W. DANNER, Chairman

ANN E. RENDAHL, Commissioner

JAY M. BALASBAS, Commissioner

Appendix
TARIFF WN U-3

9 th Revision Sheet No. 25	Canceling	8 th Revision of Sheet No. 25
65 th Revision Sheet No. 503	Canceling	64 th Revision Sheet No. 503
49 th Revision Sheet No. 504	Canceling	48 th Revision Sheet No. 504
48 th Revision Sheet No. 505	Canceling	47 th Revision Sheet No. 505
66 th Revision Sheet No. 511	Canceling	65 th Revision Sheet No. 511
60 th Revision Sheet No. 570	Canceling	59 th Revision Sheet No. 570
10 th Revision Sheet No. 663-A	Canceling	9 th Revision Sheet No. 663-A