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1 BEFORE THE WASHINGTON

2 UTILITIES AND TRANSPORTATION COMMISSION

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4 WASHINGTON UTILITIES AND )

TRANSPORTATION COMMISSION, )

5 )

Complainant, )

6 )

vs. ) Docket No UG-170929

7 )

CASCADE NATURAL GAS CORP., )

8 )

Respondent. )

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11 PUBLIC COMMENTS HEARING

12 VOLUME IV

13 APRIL 4, 2018

14 5:54 p.m. - 6:14 p.m.

15 210 West 6th Avenue

16 Kennewick, Washington

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REPORTED BY:

25 MONNA J. NICKESON, CCR NO. 3322

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1 A P P E A R A N C E S

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3 WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

CHAIRMAN AND COMMISSIONERS:

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DAVID DANNER, Chairman

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1 KENNEWICK, WASHINGTON; THURSDAY, APRIL 4, 2018

2 5:54 p.m.

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4 CHAIRMAN DANNER: All right. Good evening. I'm

5 going to call to order the Cascade Natural Gas general

6 rate case public comment hearing. Today is Wednesday,

7 April 4th, 2018, and we're in Kennewick, Washington.

8 My name is Dave Danner. I'm chair of the Washington

9 Utilities and Transportation Commission. I have two

10 colleagues, Mr. Jay Balasbas and Ms. Ann Rendahl. They

11 are not in attendance tonight, but they will be

12 listening to the transcripts of the comment here as the

13 three of us deliberate on this rate case. The docket

14 number for this proceeding is UG-170929.

15 On August 31st, 2017, Cascade filed a request with the

16 Washington UTC to increase its rates and charges for

17 natural gas service. The company proposed a rate

18 increase of overall 2.71 percent in base rates or

19 $5,884,984.

20 Under Cascade's request, the average customer using 54

21 therms a month will see a monthly bill increase of

22 $2.09, from current $47.45 to $49.54.

23 According to Cascade, the request is necessary because

24 of costs of increased capital investments, replacement

25 of aging infrastructure in order to enhance reliability

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1 and meet new federal safety standards and recover the

2 amount in the deferral account for pipeline

3 improvements to maintain Cascade's maximum allowable

4 operating pressure for its natural gas pipelines and

5 replacement of aging pipelines.

6 In our rate cases, generally, we have several parties.

7 In this case, we have not only Cascade, but also the

8 commission staff, the office of public counsel,

9 Washington Attorney General's office and we have our

10 public counsel here, Lisa Gafken. Raise your hand. As

11 well as utility -- or utility customers industrial gas

12 users and also the Energy Project which represents low

13 income.

14 In formal proceedings such as this, the commission's

15 regulatory staff operates as a separate party and the

16 commissioners will be making the decision separate from

17 what the staff position may be.

18 The purpose of these hearings is to hear from members

19 of the public who are not formal parties to a

20 proceeding. Generally, our rate cases are like trials.

21 The parties present evidence. They contest evidence.

22 But those who are not formal parties, nonetheless, are

23 affected by the decisions we make. And so we want to

24 hear from them, as well as from the formal parties in a

25 rate case. So that is why we hold these hearings for

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1 every rate case that we do have at the commission.

2 Looking at the sign-in sheet tonight, I see we have

3 just one person signed up. Sometimes we have scores of

4 people and other times we have smaller numbers.

5 So Mr. Cochran, are you here? Let me ask you,

6 generally, when we have larger numbers, we have a short

7 film that we run. It's about five minutes long. This

8 is for our benefit. Would you like to see it?

9 MR. COCHRAN: Yes.

10 CHAIRMAN DANNER: So we will go ahead and show the

11 film and then take your testimony.

12 MR. COCHRAN: Thank you.

13 CHAIRMAN DANNER: Thank you.

14 (Video played.)

15 CHAIRMAN DANNER: All right. I hope you found it

16 informative.

17 MR. COCHRAN: Sure.

18 CHAIRMAN DANNER: So at this point, Mr. Cochran,

19 again, you're the only person signed up now, so if

20 you'd like to come forward, I'd like to hear what you

21 have to say.

22 At the last hearing we had so many people I had to cut

23 people off after two minutes, but I'm going to indulge

24 you with a little more time.

25 MR. COCHRAN: I don't think it will take a long

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1 time, but, anyway.

2 My name is Michael Cochran. It says here I'm going to

3 state my name. Anyway, I came here because of an

4 article in the Tri-City Herald a while back that said

5 this meeting was going to take place. And it kind of

6 started out saying that the new federal tax law may

7 mean lower natural gas rates. So it tells me that this

8 whole drive to lower is based on the tax structure that

9 we have in this country now. And yet I see at the same

10 time that the provider, Cascade Natural Gas, is asking

11 for an increase.

12 And I understand the infrastructure piece of business

13 and that. But what I also, when I saw this article, I

14 remembered -- you know, I go to Spokane quite a bit. I

15 go to Lewiston, Idaho quite a bit and Vista is their

16 provider. And I remember reading in a paper that Vista

17 not only had one rate decrease, but two rate decreases

18 in a very, very short period of time.

19 And so I'm sitting there, why is mine asking for an

20 increase when Vista had one that took effect this

21 January, according to the information I got from KXOI,

22 that January 26th was the effective date of a 6.3

23 percent decrease, which is following by another

24 decrease that took effect in October of 2017.

25 Now, I didn't get what the percent of that particular

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1 decrease was, so I don't have it to quote. But it

2 surprised me -- and this was all based on expected

3 wholesale gas cost. According to the information, it

4 had nothing to do with a decrease in the tax structure,

5 which, according to the Tri-City Herald, said it went

6 from 35 percent to 21 percent.

7 So it seems a little bit surprising to me that Vista

8 can afford to give their customers what to me appears

9 to be a very significant decrease and Cascade at the

10 same time wants an increase of, according to this, 3

11 percent.

12 So that's my question or my comment -- not my question,

13 because you're the one that has to deal with the

14 questions and the solutions as to how all this ferrets

15 out. But it just surprised me that one utility in this

16 state because -- and I'm kind of simpleminded, so I

17 believe everybody gets their gas from the same source.

18 It's called the earth. And I realize there's a zillion

19 wells and whatever and providers and infrastructure and

20 middlemen and all this. But bottom line, all the

21 natural gas comes out of the earth. So I wouldn't

22 expect one to be paying a significant amount than

23 another one. And if they are, then we should be asking

24 why. So that's the end of my comments.

25 CHAIRMAN DANNER: All right. Thank you. And your

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1 comments will be taken into consideration. My

2 colleagues, Commissioner Balasbas and Commissioner

3 Rendahl, will also review the transcript of this. So

4 we will make those part of the record in this case as

5 we go forward.

6 Normally in these proceedings, you know -- you asked

7 questions, we have to treat them as rhetorical because

8 I can't engage you in a give and take.

9 MR. COCHRAN: That's fine. I didn't expect that.

10 I was hoping that I could say why I questioned why this

11 one wants versus what one is getting. I didn't expect

12 the answer because it's a lot bigger than what I know.

13 I understand that. So, anyway.

14 CHAIRMAN DANNER: Thank you very much for coming

15 out. I do appreciate it. And as I said, this will be

16 made part of the record and we will go forward from

17 here.

18 MR. COCHRAN: Thank you for the opportunity.

19 CHAIRMAN DANNER: Thank you, Mr. Cochran. I

20 appreciate it.

21 So let me ask, is there anyone else here who has snuck

22 in who wishes to make public comment? Seeing none, I

23 think we are going to adjourn. So we are adjourned.

24 Thank you.

25 (HEARING ADJOURNED AT 6:14 P.M.)

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1 C E R T I F I C A T E

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3 STATE OF WASHINGTON )

) ss.

4 COUNTY OF YAKIMA )

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6 This is to certify that I, Monna J. Nickeson,

7 Certified Court Reporter in and for the State of

8 Washington, residing at Richland, reported the within and

9 foregoing proceedings; said proceedings being taken

10 before me on the date herein set forth; that said

11 proceedings was taken by me in shorthand and thereafter

12 under my supervision transcribed, and that same is a

13 full, true and correct record of the testimony by

14 participant.

15 I further certify that I am not a relative or

16 employee or attorney or counsel of any of the parties,

17 nor am I financially interested in the outcome of the

18 cause.

19 IN WITNESS WHEREOF I have set my hand this 18th day

20 of April, 2018.

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22 Monna J. Nickeson, RPR,

CCR NO. 3322

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