

Docket No. UG-170929 - Vol. IV

**Washington Utilities and Transportation Commission v.
Cascade Natural Gas Corporation**

April 4, 2018



206.287.9066 | 800.846.6989

1325 Fourth Avenue, Suite 1840, Seattle, Washington 98101

www.buellrealtime.com

email: info@buellrealtime.com



BEFORE THE WASHINGTON
UTILITIES AND TRANSPORTATION COMMISSION

WASHINGTON UTILITIES AND)
TRANSPORTATION COMMISSION,)
)
Complainant,)
)
vs.) Docket No UG-170929
)
CASCADE NATURAL GAS CORP.,)
)
Respondent.)

PUBLIC COMMENTS HEARING
VOLUME IV
APRIL 4, 2018
5:54 p.m. - 6:14 p.m.
210 West 6th Avenue
Kennewick, Washington

REPORTED BY:
MONNA J. NICKESON, CCR NO. 3322

1 KENNEWICK, WASHINGTON; THURSDAY, APRIL 4, 2018
2 5:54 p.m.

3
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

A P P E A R A N C E S

1
2
3 WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION
CHAIRMAN AND COMMISSIONERS:

4
5 DAVID DANNER, Chairman
Washington Utilities and Transportation
Commission
6 1300 South Evergreen Park Drive Southwest
P.O. Box 47250
7 Olympia, Washington 98504
360.664.1186.

8
9 FOR CASCADE NATURAL GAS CORP:

10
11 ISAAC MYHRUM
8113 West Grandridge Boulevard
Kennewick, Washington 99336

12 FOR PUBLIC COUNSEL:

13
14 LISA GAFKEN
Assistant Attorney General
Public Counsel Section
Office of the Attorney General
800 5th Avenue, Suite 2000, TB-14
15 Seattle, Washington 98104
206.464.6595
16
17
18
19
20
21
22
23
24
25

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

Page 21	Page 23
<p>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</p>	<p>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</p>
Page 22	Page 24
<p>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</p>	<p>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.)</p>

2 (Pages 21 to 24)

CERTIFICATE

STATE OF WASHINGTON)
) ss.
COUNTY OF YAKIMA)

This is to certify that I, Monna J. Nickeson,
Certified Court Reporter in and for the State of
Washington, residing at Richland, reported the within and
foregoing proceedings; said proceedings being taken
before me on the date herein set forth; that said
proceedings was taken by me in shorthand and thereafter
under my supervision transcribed, and that same is a
full, true and correct record of the testimony by
participant.

I further certify that I am not a relative or
employee or attorney or counsel of any of the parties,
nor am I financially interested in the outcome of the
cause.

IN WITNESS WHEREOF I have set my hand this 18th day
of April, 2018.

Monna J. Nickeson, RPR,
CCR NO. 3322

<p style="text-align: center;">A</p> <p>account 20:2 adjourn 24:23 adjourned 24:23 24:25 afford 23:8 aging 19:25 20:5 ahead 21:10 allowable 20:3 amount 20:2 23:22 Ann 19:10 answer 24:12 anyway 22:1,3 24:13 appears 23:8 appreciate 24:15 24:20 April 17:13 19:1,7 25:20 article 22:4,13 asked 24:6 asking 22:10,19 23:23 Assistant 18:13 attendance 19:11 attorney 18:13,14 20:9 25:16 August 19:15 Avenue 17:15 18:14 average 19:20</p> <hr/> <p style="text-align: center;">B</p> <p>back 22:4 Balasbas 19:10 24:2 base 19:18 based 22:8 23:2 believe 23:17 benefit 21:8 bigger 24:12 bill 19:21 bit 22:14,15 23:7 bottom 23:20 Boulevard 18:10</p>	<p>Box 18:6 business 22:12</p> <hr/> <p style="text-align: center;">C</p> <p>C 18:1 25:1,1 call 19:5 called 23:18 capital 19:24 Cascade 17:7 18:8 19:5,15,23 20:7 22:10 23:9 Cascade's 19:20 20:3 case 19:6,13 20:7 20:25 21:1 24:4 cases 20:6,20 cause 25:18 CCR 17:25 25:22 Certified 25:7 certify 25:6,15 chair 19:8 Chairman 18:3,4 19:4 21:10,13,15 21:18 23:25 24:14 24:19 charges 19:16 Cochran 21:5,9,12 21:17,18,25 22:2 24:9,18,19 colleagues 19:10 24:2 come 21:20 comes 23:21 coming 24:14 comment 19:6,12 23:12 24:22 comments 17:11 23:24 24:1 commission 17:2,4 18:3,5 19:9 20:8 21:1 commission's 20:14 Commissioner 24:2 24:2 commissioners 18:3 20:16</p>	<p>company 19:17 Complainant 17:5 consideration 24:1 contest 20:21 CORP 17:7 18:8 correct 25:13 cost 23:3 costs 19:24 counsel 18:11,13 20:8,10 25:16 country 22:9 COUNTY 25:4 Court 25:7 current 19:22 customer 19:20 customers 20:11 23:8 cut 21:22</p> <hr/> <p style="text-align: center;">D</p> <p>Danner 18:4 19:4,8 21:10,13,15,18 23:25 24:14,19 date 22:22 25:10 Dave 19:8 DAVID 18:4 day 25:19 deal 23:13 decision 20:16 decisions 20:23 decrease 22:17,23 22:24 23:1,4,9 decreases 22:17 deferral 20:2 deliberate 19:13 docket 17:6 19:13 drive 18:6 22:8</p> <hr/> <p style="text-align: center;">E</p> <p>E 18:1,1 25:1,1 earth 23:18,21 effect 22:20,24 effective 22:22 employee 25:16 Energy 20:12 engage 24:8</p>	<p>enhance 19:25 evening 19:4 Evergreen 18:6 everybody 23:17 evidence 20:21,21 expect 23:22 24:9 24:11 expected 23:2</p> <hr/> <p style="text-align: center;">F</p> <p>F 25:1 federal 20:1 22:6 ferrets 23:14 filed 19:15 film 21:7,11 financially 25:17 fine 24:9 five 21:7 following 22:23 foregoing 25:9 formal 20:14,19,22 20:24 forth 25:10 forward 21:20 24:5 24:16 found 21:15 full 25:13 further 25:15</p> <hr/> <p style="text-align: center;">G</p> <p>Gafken 18:12 20:10 gas 17:7 18:8 19:5 19:17 20:4,11 22:7,10 23:3,17 23:21 general 18:13,14 19:5 General's 20:9 generally 20:6,20 21:6 getting 24:11 give 23:8 24:8 go 21:10 22:14,15 24:5,16 going 19:5 21:23</p>	<p>22:2,5 24:23 Good 19:4 Grandridge 18:10</p> <hr/> <p style="text-align: center;">H</p> <p>hand 20:10 25:19 hear 20:18,24 21:20 hearing 17:11 19:6 21:22 24:25 hearings 20:18,25 Herald 22:4 23:5 hold 20:25 hope 21:15 hoping 24:10</p> <hr/> <p style="text-align: center;">I</p> <p>Idaho 22:15 improvements 20:3 income 20:13 increase 19:16,18 19:21 22:11,20 23:10 increased 19:24 indulge 21:23 industrial 20:11 information 22:21 23:3 informative 21:16 infrastructure 19:25 22:12 23:19 interested 25:17 investments 19:24 ISAAC 18:9 IV 17:12</p> <hr/> <p style="text-align: center;">J</p> <p>J 17:25 25:6,22 January 22:21,22 Jay 19:10</p> <hr/> <p style="text-align: center;">K</p> <p>Kennewick 17:16 18:10 19:1,7 kind 22:5 23:16 know 22:14 24:6,12</p>
--	--	--	---	--

KXOI 22:21	numbers 21:4,6	Project 20:12	Richland 25:8	supervision 25:12
<hr/> L <hr/>	<hr/> O <hr/>	proposed 19:17	right 19:4 21:15	Sure 21:17
larger 21:6	October 22:24	provider 22:10,16	23:25	surprised 23:2,15
law 22:6	office 18:14 20:8,9	providers 23:19	RPR 25:22	surprising 23:7
Lewiston 22:15	Olympia 18:7	public 17:11 18:11	run 21:7	<hr/> T <hr/>
line 23:20	operates 20:15	18:13 19:6 20:8	<hr/> S <hr/>	T 25:1,1
Lisa 18:12 20:10	operating 20:4	20:10,19 24:22	S 18:1	take 21:11,25 22:5
listening 19:12	opportunity 24:18	purpose 20:18	safety 20:1	24:8
little 21:24 23:7	order 19:5,25	<hr/> Q <hr/>	saw 22:13	taken 24:1 25:9,11
long 21:7,25	outcome 25:17	question 23:12,12	saying 22:6	tax 22:6,8 23:4
Looking 21:2	overall 19:18	questioned 24:10	says 22:2	TB-14 18:14
lot 24:12	<hr/> P <hr/>	questions 23:14	scores 21:3	tells 22:7
low 20:12	P 18:1,1	24:7	Seattle 18:15	testimony 21:11
lower 22:7,8	p.m 17:14,14 19:2	quite 22:14,15	Section 18:13	25:13
<hr/> M <hr/>	24:25	quote 23:1	see 19:21 21:2,8	Thank 21:12,13
maintain 20:3	P.O 18:6	<hr/> R <hr/>	22:9	23:25 24:14,18,19
making 20:16	paper 22:16	R 18:1 25:1	Seeing 24:22	24:24
maximum 20:3	Park 18:6	Raise 20:10	separate 20:15,16	therms 19:21
mean 22:7	part 24:4,16	rate 19:6,13,17	service 19:17	think 21:25 24:23
meet 20:1	participant 25:14	20:6,20,25 21:1	set 25:10,19	three 19:13
meeting 22:5	particular 22:25	22:17,17	sheet 21:2	THURSDAY 19:1
members 20:18	parties 20:6,19,21	rates 19:16,18 22:7	short 21:6 22:18	time 21:24 22:1,10
Michael 22:2	20:22,24 25:16	reading 22:16	shorthand 25:11	22:18 23:10
middlemen 23:20	party 20:15	realize 23:18	show 21:10	times 21:4
mine 22:19	paying 23:22	record 24:4,16	sign-in 21:2	Today 19:6
minutes 21:7,23	people 21:4,22,23	25:13	signed 21:3,19	tonight 19:11 21:2
Monna 17:25 25:6	percent 19:18	recover 20:1	significant 23:9,22	transcribed 25:12
25:22	22:23,25 23:6,6	regulatory 20:15	simpleminded	transcript 24:3
month 19:21	23:11	relative 25:15	23:16	transcripts 19:12
monthly 19:21	period 22:18	reliability 19:25	sitting 22:19	Transportation
MYHRUM 18:9	person 21:3,19	remember 22:16	smaller 21:4	17:2,4 18:3,5 19:9
<hr/> N <hr/>	piece 22:12	remembered 22:14	snuck 24:21	treat 24:7
N 18:1	pipeline 20:2	Rendahl 19:10 24:3	solutions 23:14	Tri-City 22:4 23:5
name 19:8 22:2,3	pipelines 20:4,5	replacement 19:24	source 23:17	trials 20:20
natural 17:7 18:8	place 22:5	20:5	South 18:6	true 25:13
19:5,17 20:4 22:7	played 21:14	reported 17:24	Southwest 18:6	two 19:9 21:23
22:10 23:21	point 21:18	25:8	Spokane 22:14	22:17
necessary 19:23	position 20:17	Reporter 25:7	ss 25:3	<hr/> U <hr/>
new 20:1 22:6	present 20:21	represents 20:12	staff 20:8,15,17	UG-170929 17:6
Nickeson 17:25	pressure 20:4	request 19:15,20,23	standards 20:1	19:14
25:6,22	proceeding 19:14	residing 25:8	started 22:6	understand 22:12
Normally 24:6	20:20	Respondent 17:8	state 22:3 23:16	24:13
number 19:14	proceedings 20:14	review 24:3	25:3,7	users 20:12
	24:6 25:9,9,11	rhetorical 24:7	structure 22:8 23:4	UTC 19:16
			Suite 18:14	

Utilities 17:2,4 18:3 18:5 19:9	2.71 19:18		
utility 20:11,11 23:15	2000 18:14		
<hr/>	2017 19:15 22:24		
V	2018 17:13 19:1,7 25:20		
versus 24:11	206.464.6595 18:15		
Video 21:14	21 23:6		
Vista 22:15,16,20 23:7	210 17:15		
VOLUME 17:12	26th 22:22		
vs 17:6	<hr/>		
<hr/>	3		
W	<hr/>		
want 20:23	3 23:10		
wants 23:10 24:11	31st 19:15		
Washington 17:1,4 17:16 18:3,5,7,10 18:15 19:1,7,8,16 20:9 25:3,8	3322 17:25 25:22		
we're 19:7	35 23:6		
Wednesday 19:6	360.664.1186 18:7		
wells 23:19	<hr/>		
went 23:5	4		
West 17:15 18:10	4 17:13 19:1		
WHEREOF 25:19	47.45 19:22		
wholesale 23:3	47250 18:6		
wishes 24:22	49.54 19:22		
WITNESS 25:19	4th 19:7		
wouldn't 23:21	<hr/>		
<hr/>	5		
X	5,884,984 19:19		
<hr/>	5:54 17:14 19:2		
Y	54 19:20		
YAKIMA 25:4	5th 18:14		
<hr/>	<hr/>		
Z	6		
zillion 23:18	6.3 22:22		
<hr/>	6:14 17:14 24:25		
0	6th 17:15		
<hr/>	<hr/>		
1	7		
1300 18:6	<hr/>		
18th 25:19	8		
<hr/>	800 18:14		
2	8113 18:10		
2.09 19:22	<hr/>		
	9		
	98104 18:15		
	98504 18:7		
	99336 18:10		

