

**Docket No. UG-170929 - Vol. IV**

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

**April 4, 2018**



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BEFORE THE WASHINGTON  
UTILITIES AND TRANSPORTATION COMMISSION

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

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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

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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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5 DAVID DANNER, Chairman  
6 Washington Utilities and Transportation  
Commission  
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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

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



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.)

## 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.

21

22 Monna J. Nickeson, RPR,  
23 CCR NO. 3322

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