

Agenda Date: March 14, 2007
Item Number: A2

Docket: UG-070332
Company: Cascade Natural Gas Corporation

Staff: Mike Parvinen, Regulatory Analyst

Recommendation

Issue a complaint and order suspending the filing in Docket UG-070332.

Discussion

On February 12, 2007, Cascade Natural Gas Corporation (Cascade or company) filed tariffs in compliance with Commission Order 03 in Docket UG-061256. Docket UG-061256 involves a complaint by Cost Management Services, Inc. (CMS), against Cascade, asserting Cascade is violating state law by selling natural gas at retail to non-core customers without tariffs and contracts on file with the commission. The commission issued its Order 03 on January 12, 2007, resolving certain aspects of the complaint, continuing others, and requiring certain actions by Cascade and staff including the filing of optional gas supply tariffs and existing contracts for such service.

The proposed tariffs offer optional gas supply services to Cascade's non-core customers. Non-core customers are those large industrial customers that receive distribution service on Schedule 663 and have options or choices regarding the acquisition of gas supplies and transportation of the gas to Cascade's distribution system. Cascade currently has gas supply contracts with approximately 39 such customers.

The proposed tariff requires customers taking service to enter into a contract with Cascade. The commission in its Order 03 in Docket UG-061256 directed staff to conduct a thorough investigation of Cascade's competitive activities when reviewing the tariffs and existing gas supply contracts. This investigation is underway.

Docket UG-061256 currently contemplates that parties file requests for clarification of Order 03 in order to ultimately determine a scope and direction for conclusion of the docket. The tariffs in this docket may be considered in Docket UG-061256 through consolidation. Until the parties know the direction of Docket UG-061256 it would be premature to approve the tariff filing in this docket.

Issues in the current filing include, but are not limited to: 1) Whether Cascade should be in the natural gas brokering business for its non-core customers. 2) Whether core customers are benefited by non-core brokering activities.

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Conclusion

Since the investigation is underway and issues remain unresolved, staff recommends that the commission issue a complaint and order suspending the filing in Docket UG-070332.