

**BEFORE THE WASHINGTON  
UTILITIES AND TRANSPORTATION COMMISSION**

WASHINGTON UTILITIES AND  
TRANSPORTATION COMMISSION,

Complainant,

v.

CASCADE NATURAL GAS  
CORPORATION,

Respondent.

DOCKET UG-170929

ORDER 08

DENYING STAFF'S MOTION FOR  
CLARIFICATION OF ORDER 06

**BACKGROUND**

- 1 On August 31, 2017, Cascade Natural Gas Corporation (Cascade or Company) filed with the Washington Utilities and Transportation Commission (Commission) revisions to its Tariff WN U-3 for natural gas service provided in Washington. Following an evidentiary hearing on June 20, 2018, the Commission entered its Final Order, Order 06, on July 23, 2018.
- 2 On July 30, 2018, Cascade filed a Motion for Clarification of Order 06. The Commission entered Order 07, Granting Cascade's Motion, on July 31. Order 07 modified the last sentence of paragraph 44 of Order 06 to read: "To address any discrepancy, Cascade may file a true up, effective November 1, 2019, once the actual Interim Period EDIT benefit owed to customers is known."<sup>1</sup>
- 3 On August 3, 2018, Commission staff (Staff) also filed a Motion for Clarification of Order 06. In its Motion, Staff states it is "unsure of what amount the Commission intend[s] the Company to true up and therefore how the Commission intends Staff to verify compliance in this and other dockets."<sup>2</sup> Staff requests the Commission clarify whether we intend Cascade to true up its return of the Interim Period EDIT benefit by 1) truing up the amount returned to customers to the \$1.6 million calculated by Staff, 2) truing up the amount returned based on actual 2018 federal income tax liability, or 3) truing up the amount returned using the tax basis authorized in Cascade's 2015 general rate case (GRC) adjusted for 2018 actual volumetric data.

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<sup>1</sup> The "Interim Period" is January 1, 2018, through July 31, 2018.

<sup>2</sup> Staff's Motion ¶ 10.

**DISCUSSION**

- 4 We deny Staff's Motion for Clarification. In Order 06, we accepted Staff's recommendation to use the rate base and rate of return authorized in Cascade's 2015 GRC to calculate the Interim Period EDIT benefit. Based on Staff's estimate of that calculation, we directed Cascade to return \$1.6 million dollars to customers over 15 months beginning August 1, 2018, and authorized Cascade to file a true up at the conclusion of that period. In Order 07, we clarified that the true up should be calculated based on the actual Interim Period EDIT benefit owed to customers once that amount is known. We decline to provide further explication on this point.
- 5 We continue to encourage the parties to work together prior to the multiple tax true-up filings authorized and required by Order 06 to ensure the Company's calculations are transparent and easily verifiable.

**ORDER**

**THE COMMISSION ORDERS THAT** Staff's Motion for Clarification is DENIED.

DATED at Olympia, Washington, and effective August 7, 2018.

WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

DAVID W. DANNER, Chairman

ANN E. RENDAHL, Commissioner

JAY M. BALASBAS, Commissioner