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September 25, 2019

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Received
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09/25/19 08:00
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UTIL. AND TRANSP.
COMMISSION

**Ref: Docket No. UG-170003- NOTICE OF OPPORTUNITY TO RESPOND TO
SMALL BUSINESS ECONOMIC IMPACT STATEMENT (SBEIS)
QUESTIONNAIRE**

Cascade Natural Gas Corporation (“Cascade” or “Company”) submits the following responses in the referenced docket concerning the Washington Utilities and Transportation Commission (WUTC) Staff’s proposed topic areas and rulemaking proposal. The comments are organized according to the topical areas provided by the Staff in its email communication of August 30, 2019.

1. Identify the rule number, *i.e.*, WAC 480-XX-060, of the draft proposed rule that you identify as having a cost impact.

WAC 480-XXX-030 (3) and 480-XXX-050.

2. Explain why there will be an additional cost impact on the company.

To comply with the proposed WAC 40-XXX-050, Cascade has examined its options and based on its preliminary analysis, believes the rate schedule usage information otherwise obtained with a “Load Study” (as defined under proposed WAC 480-XXX-030 (3)) can be completed in less time and at a lower cost using newly installed equipment and existing personnel. Cascade is currently scoping the use of newly installed Encoder Receiver Transmitters (“ERT”) in combination with reprogramming Mobile Meter Reading (“MMR”) equipment to take the readings necessary to effectively determine customer class usage over a designated period. By using the combination of ERT and MMR equipment, the Company believes it can minimize the study’s costs and maximize its benefits. Importantly, the Company also believes it can produce comparable and useful results over a reasonable period.

As part of the scoping process, Cascade is evaluating the building of a Fixed Area Network (FAN) to enhance the collection of customer usage data and improve system operations. A FAN consists of a series of tower based

“collectors” and “repeaters” that wirelessly pick up “daily consumption” reads from the ERTS installed on Cascade’s gas meters and transfers that usage data to Cascade’s Field Collection System for final integration into the billing system. Currently, Cascade collects meter usage data via a manual drive-by process using wireless technology built into the meters and vehicles. A FAN will replace the current process for collection of meter usage data with the wireless data gathering process covering a specific geographic location describe above. This will provide Cascade with daily consumption meter reads that will allow for improved efficiency and increase data accuracy.

At this time, Cascade is scoping the FAN’s design, required technologies, and cost. In the Company’s five-year capital budget, we have included a preliminary estimate of \$5,000,000 for the FAN. If a FAN is determined to be cost-effective and technologically feasible, Cascade anticipates that its construction could be complete by 2024. Until then, Cascade will continue to use the existing mobile system.

3. Provide a detailed analysis of how you calculated the additional cost impact of each draft rule you identify as having an additional cost impact.

See the response to Question 2, above.

4. Identify any draft proposed rule that may create a cost savings to the company compared to the current rule.

The FAN system described in the response to Question 2 will provide additional efficiencies that include lower cost-per-read, an improved meter-to-cash revenue cycle, ability for off-cycle reads and theft or tamper detection.

Cascade has no further response to the Staff’s description for this topic.

Any questions regarding these comments should be directed to Michael Parvinen at (509)-734-4593 or michael.parvinen@cngc.com.

Sincerely,

/s/ Michael Parvinen
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