**BEFORE THE WASHINGTON STATE**

**UTILITIES AN TRANSPORTATION COMMISION**

WASHINGTON UTILITIES AND )

TRANSPORTATION COMMISSION, )

)

Complainant )

)

v. )

) DOCKET UG-151309 AND

CASCADE NATURAL GAS COMPANY ) 150668

(Advice No. CNG/W15-06-01), )

) THE ENERGY PROJECT'S

) PETITION FOR SUSPENSION

Respondent. ) OF CASCADE RATE FILING

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)

In the Matter of the Petition of )

) **EXPEDITED TREATMENT**

CASCADE NATURAL GAS COMPANY ) **REQUESTED**

)

For a Waiver from WAC 480-07-505 )

General Rate Proceedings. )

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**I. PETITION TO SUSPEND**

COMES NOW, The Energy Project, by and through its undersigned counsel of record and, pursuant to RCW 80.04.130, 80.28.060 and WAC 480-07-305(3)(b), respectfully petitions the Commission for an order suspending the Cascade Natural Gas ("Cascade" or "Company") Rate Filing for investigation and hearing as described more fully herein.

**II. ARGUMENT**

**A. THE ENERGY PROJECT JOINS IN AND SUPPORTS THE PETITION FOR SUSPENSION FILED BY PUBLIC COUNSEL AND THE NORTHWEST INDUSTRIAL GAS USERS ("JOINT PETITIONRS").**

The Energy Project joins in and supports the Petition for Suspension already filed by Joint Petitioners in this case. The Energy Project's arguments contained herein will either expand on those of Joint Petitioners or add the perspective and issues pertinent to Cascade's low income customers.

The Energy Project notes that although Cascade seems to characterize the case at hand as not constituting a general rate proceeding, the undisputable fact is that, pursuant to WAC 480-07-505(1), it qualifies as a general rate proceeding on at least two grounds. Thus, Cascade filed a Petition for Waiver pursuant to WAC 480-07-110(1). Although WAC 480-07-110(1) does grant the Commission the discretion given to the Commission to modify the application of its procedural rules in individual cases if consistent with the public interest, the purposes underlying regulation, and applicable statutes, the Energy Project respectfully submits that the very nature and substance of Cascade's Rate Filing would violate public interest, the fundamental concepts of utility regulation, and is in violation of applicable statutes.

The Energy Project submits that Cascade's Rate Filing should be suspended and set for formal hearing for the reasons set forth herein and included in the Energy Project's Answer and Objection to Cascade's Rate Filing, filed concurrently herewith.

**B. CASCADE'S RATE FILING IS VAGUE AND LACKING IN CRITICAL DETAILS NECESSARY TO ENSURE THAT THE PROPOSED RATE INCREASE IS FAIR, JUST AND REASONABLE.**

Cascade’s June 23, 2015 rate filing in Advice No. CNG/W-15-06-01 (Rate Filing) requests an increase of $3.9 million, which equates to 1.59% in overall revenues. Cascade's Rate Filing is, purportedly, supported by its re-filed Commission Basis Report (CBR) in Docket UG-150668.[[1]](#footnote-1) The cover letter accompanying the Rate Filing suggests that Cascade is asking the Commission and parties to review the filing in an informal manner, without suspension and hearing which, Cascade contends, will "reduce cost of litigation and review, reduce regulatory lag, and produce a result that is fair, just and reasonable." *June 23, 2015 Cover Letter, first page, second paragraph.*

Cascade has stated that it intends to file a general rate case as early as the second quarter of 2016, less than a year from now. Given that the Company has had nearly a decade to file for rate relief, the fact that the highly abbreviated procedure it proposes in this case saves litigation costs and reduces regulatory lag might be convenient for the Company, but is not sufficient grounds from the ratepayers' perspective, to justify the potential risks that Cascade's Petition for Waiver presents.

As Joint Petitioners note, the Company's expenses, rate of return, rate base and revenues have not been fully examined in a very long time. The Energy Project shares Joint Petitioners' concerns that this is a compelling reason to not allow the proposed rate increase without so much as a meaningful chance to analyze and submit even written comments on such important issues.

Cascade further argues that "[i]t is anticipated that based on the outcome of Staff's review and the sharing of all documentation that a September 1 effective date is reasonable and allows an adequate review period for all interested period." *Id.* This contention is particularly confounding for numerous reasons. First, there has not even been any order, notice or schedule issued by the Commission concerning Cascade's filing. The Energy Project just recently entered a Notice of Appearance but lacks any significant data on which to even engage in discovery at this time.

Furthermore, Cascade's frequent use of the word "review" is illusory. It appears that, until just recently, only Staff has conducted any review of the documents supporting this filing. Regardless, Cascade's claim regarding the "sharing of all documentation that a September 1 effective date is reasonable and allows an adequate review period for all interested parties" *Id.* simply raises more questions than it answers. There has been no process even proposed for the "sharing" of information and no timelines or procedures have even been suggested for how "all interested parties" will be given time for an "adequate review" of information not contained in the filing. *Id.*

There has apparently been scheduled an "open meeting" scheduled for August 27, 2015, less than one week prior to the proposed effective date. The August 27 meeting is not even mentioned in the cover letter. The Energy Project has been informed that Cascade expects a final ruling from the Commission on its Rate Filing during this open meeting. Thus, in order for the Energy Project and Joint Intervenors to provide any meaningful input to the Commissioners early enough for them to fully assess the material, it would require a filing at least 2-3 weeks prior to the August 27 open meeting, possibly less than 4 weeks from today.

It seems unreasonable to expect the Commission to receive and analyze written documentation on complex issues such as, revenue requirement, including rate of return, and render a ruling approving or denying the filing within the timeframe proposed and created by Cascade. In short, the procedure requested by Cascade is unrealistic. The Energy Project is of limited financial resources and its personnel are often stretched very thin. For those unaware, Mr. Eberdt is retiring this July 31, and though he will be replaced by a very competent individual, it is particularly unfair to The Energy Project and, by extension, Cascade's low income customers, when the Company had complete control of the timing of its rate filing. Finally, the precedent that piecemeal and hyper-expedited sub-3% rate increase filings creates could prove devastating to the effective oversight and regulation by the Commission of public utilities.

**C. THE ENERGY PROJECT JOINS IN AND SUPPORTS THE PROCEDURE PROPOSED BY JOINT PETITIONERS AS AN ALTERNATIVE TO CASCADE'S UNWORKABLE PROPOSAL AND PROVIDES GREATER FLEXIBILITY UNDER AN ABBREVIATED TIMEFRAME.**

Whether or not The Energy Project would need additional time to retain an expert witness, the time proposed by the Company is still far too short for the Energy Project to meet with the agency personnel who administer the Company's bill assistance program and, to the extent that there are monies not being fully spent, determine the reasons for this and craft a solution. Cascade raised the bill assistance issue and the Energy Project now feels compelled to respond to eliminate any impression that the program is unsuccessful. As Cascade itself noted, the agencies have spent out their funds in at least two years, exceeding their funding in at least one year. The program has been in operation for roughly 8 years and the past two years have been quite successful. Regardless, it will take more time that Cascade has proposed to fully sift through this issue and provide solid facts and recommendations to the Commission.

**III. CONCLUSION**

The Energy Project respectfully submits that if Cascade wishes to proceed with its filing, that the matter be treated as a general rate proceeding pursuant to WAC 480-07-505(1). Should the Commission determine for some reason that the Company is entitled to an abbreviated Rate Filing, then The Energy Project submits that its Petition for Suspension is more than fair, especially in light of the fact that Cascade had complete control over the timing of its Rate Filing and the consequences of holding out for an extended period of time should not fall on the shoulders of the other interested parties, particularly low income customers.

As stated herein, and regardless of what procedural path the Commission chooses, The Energy Project commits itself to working collaboratively with the Company in an effort to identify and resolve whatever problems it is able to and do so in an expeditious manner.

RESPECTFULLY SUBMITTED this 10th day of July, 2015.

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Brad M. Purdy

Attorney for The Energy Project

1. Cascade serves approximately 200,000 customers in western (Bellingham, Mt. Vernon, Bremerton, Longview) and south-central Washington (Yakima, Kennewick, Walla Walla). [↑](#footnote-ref-1)