

Agenda Date: October 23, 2025
Item Number: E8

Docket: UG-250719
Company: Cascade Natural Gas Corporation

Staff: Corey T. Cook, Regulatory Analyst

Recommendation

Issue an Order approving Cascade Natural Gas Corporation's Tariff Sheets filed in Docket UG-250719 on September 15, 2025, and as revised on September 18, 2025, and on October 8, 2025, to become effective November 1, 2025, subject to the condition:

1. Within 30 days of the Commission issuing Policy Guidance regarding RCW 80.28.425(2), Cascade Natural Gas Corporation will file with the Commission an appropriate tariff revision, as needed, to this docket.

Background

In Cascade Natural Gas Corporation's (Cascade or Company) 2024 annual low-income filings,¹ rates were forecasted and set at \$5.837 million, including deferring the prior year's under-collection of (\$1.285) million.

On September 15, 2025, the Company filed with the Washington Utilities and Transportation Commission (Commission), in Docket UG-250719, proposed revisions to its Tariff WN U-3, Schedule 592, Cascade Arrearage Relief and Energy Savings (CARES) Program Cost Recovery.

On September 18, 2025, the Company filed with the Commission, in Docket UG-250719, an updated filing which also proposed removal of four sheets related to Cascade's discontinued Washington Energy Assistance Fund (WEAF) Program, which has been replaced by CARES.

On October 6, 2025, the Company contacted Commission Staff (Staff) regarding an error with the workpapers, and on October 7, 2025, the Company walked through the error with Staff.

On October 8, 2025, the Company submitted its revised filing which includes a Petition for a Less than Statutory Notice approval.

This is Cascade's annual low-income true-up filing, which also forecasts rates for the next year. This filing proposes an overall increase to revenue requirement of \$6.018 million, or 1.31 percent.

¹ Docket UG-240695.

On August 28, 2025, at the Commission's regularly scheduled Open Meeting, Docket A-250549 was heard. The Commission chose to initiate a Policymaking Docket regarding RCW 80.28.425(2). There is not yet a Docket number available for this item.

Discussion

In similar fashion to its peer utility Puget Sound Energy, and in keeping with consistent treatment across the Commission's regulated energy companies, Staff recognizes the Commission's ongoing Policymaking Docket regarding RCW 80.28.425(2), and the "five-percent" threshold mentioned in statute.

With respect to public interest, Staff urges the Commission to prioritize finalizing the Policymaking Docket regarding RCW 80.28.425(2).

Similarly, how the Company calculates the 5 percent is also subject to Commission interpretation. Staff does not have the necessary insight to make any recommendations regarding calculation methodology currently; however, it looks forward to engaging in those discussions in future Open Meetings.

Due to implementation of the new CARES program on October 1, 2023, and the focus on increasing enrollment saturation,² Cascade's ability to forecast costs had been diminished.

Staff has reviewed the filing and applicable workpapers; we find the requested increase to be reasonable. Staff recognizes Cascade has had significant changes to its low-income program over the last few years, with a continuing focus on program saturation.

While Staff can appreciate a desire to lower costs during these difficult economic times, it also recognizes the difficulty in trying to forecast for a program that may experience any degree of growth over the same period.

Staff recommends the Commission approve the Company's filing, subject to certain conditions.

Conclusion

The Commission has previously determined that "advancing energy justice is integral to achieving equity in Washington's energy regulation,"³ and "energy justice focuses on ensuring that individuals have access to energy that is affordable, safe, sustainable,"⁴ and "that reducing household energy insecurity and retaining access to essential utility services in Washington are important equity considerations that are consistent with the public interest."⁵

² Docket UG-240141, Order 01

³ Docket UE-220053 et.al., Final Order 10/04 ¶ 106.

⁴ Docket UE-220053 et.al., Final Order 10/04 ¶ 106.

⁵ Docket UE-220053 et.al., Final Order 10/04 ¶ 111.

Ensuring Cascade's low-income programs remain adequately funded are critical to the advancement of equity in customer rates, and staff finds the proposed rate increases to be reasonable and in the public interest.

Staff recommends the Commission Issue an Order approving Cascade Natural Gas Corporation's Tariff Sheets filed in Docket UG-250719 on September 15, 2025, and as revised on September 18, 2025, and on October 8, 2025, to become effective November 1, 2025, subject to the condition: within 30 days of the Commission issuing Policy Guidance regarding RCW 80.28.425(2), Cascade Natural Gas Corporation will file with the Commission an appropriate tariff revision, as needed, to this docket.