

CASCADE NATURAL GAS CORPORATION
Washington Utilities & Transportation Commission
2006 Rate Case Data Request

Request No. 149

Date prepared: July 7, 2006

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Likely Witness: Jay Cummings

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WUTC STAFF DATA REQUEST NO. 149:

Re: Direct testimony of F. Jay Cummings (Safety & Reliability Infrastructure Adjustment Mechanism)

Please provide a detailed explanation on how the company proposes to distinguish the SRIAM investment from other capital investments. As an example, a new development goes in that requires additional reinforcements and capacity to the existing infrastructure.

Response:

The Company identifies system constraints and deficiencies through monitoring of the system during severe weather, tracking new customer additions and simulating design day operating conditions with computer modeling. Projects that are identified through these methods would be considered for possible inclusion in the SRIAM mechanism. Any identified projects specifically required due to a new development or inquiry for new service would not be included in the SRIAM mechanism. However, if a new development or request for service expedites the need to construct a previously-identified SRIAM project, the identified project would be included in the SRIAM mechanism. If the Company has identified the existing constraint but has not completed the related upgrade, the new customer requesting service would not be expected to fund the project.

Replacement projects initiated solely on the basis of sub-standard condition or expected deterioration of existing facilities would generally always be proposed for inclusion in the SRIAM.

Replacements initiated in response to new regulatory requirements or new design standards to meet regulatory requirements would generally always be proposed for inclusion in the SRIAM.

Relocation projects initiated at the sole request of local, state or federal agencies when the statutory authority and/or customary franchise terms require the Company to relocate existing facilities would generally always be proposed for inclusion in the SRIAM.