

**BEFORE THE WASHINGTON  
UTILITIES AND TRANSPORTATION COMMISSION**

In the Matter of the Petition of

CASCADE NATURAL GAS  
CORPORATION,

Seeking Exemption from the Provisions  
of WAC 480-90-194 relating to notifying  
customers 30 days before the effective  
date of a proposed tariff change

DOCKET UG-200683

ORDER 01

GRANTING EXEMPTION FROM  
RULE, ALLOWING TARIFF  
REVISIONS TO BECOME  
EFFECTIVE

**BACKGROUND**

- 1 On July 23, 2020, Cascade Natural Gas Corporation (Cascade or Company) filed with the Washington Utilities and Transportation Commission (Commission) a revision to its Tariff, WN U-3, Schedule 500 – Municipal Taxes, stated to become effective with service on and after August 31, 2020. The purpose of the tariff filing is to revise the municipal tax rate from 3.0 percent to 6.0 percent for all bills issued within the city of Burlington, Washington, which adopted this change in Ordinance No. 1890.<sup>1</sup>
- 2 On July 27, 2020, Cascade filed a petition requesting exemption from WAC 480-90-194, which requires gas companies to provide at least 30 days’ notice to customers of any proposed tariff changes. The City of Burlington informed the Company on July 10, 2020, of the adoption of Ordinance No. 1890. Cascade states it is unable to notify its customers 30 days in advance of the proposed effective date given the short notice and the timing of its billing cycle.
- 3 Commission staff (Staff) reviewed Cascade’s petition and recommends the Commission grant the requested exemption. Cascade provides notice to its customers through bill inserts. Due to the timing of the Company’s billing cycle in conjunction with the short notice provided by the city of Burlington, Cascade is unable to ensure that all its customers within the city of Burlington will receive the bill insert notification at least 30 days in advance of the tariff revisions becoming effective. The city tax is a pass-through tax, meaning that Cascade charges customers in Burlington what the city charges the Company; it is appropriate for Cascade’s revised tariff to become effective coincident

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<sup>1</sup> Burlington, Washington, Municipal Code § 5.12.070(E), Ordinance No. 1890 (June 25, 2020).

with the new Burlington tax rate becoming effective. Staff believes that providing less than 30 days' notice to customers is reasonable under the circumstances.

### DISCUSSION

4 Pursuant to WAC 480-90-008, the Commission may grant an exemption from its rules if  
the requested exemption is consistent with the public interest, the purposes underlying  
regulation, and applicable statutes.

5 We grant Cascade's request for an exemption from WAC 480-90-194. We agree with  
Staff that Cascade's request is reasonable to ensure that the Company's rates reflect the  
new city tax. This ensures customers pay the cost of service, which includes the tax the  
city charges Cascade. Accordingly, we find that granting the Company's request for an  
exemption and allowing the proposed tariff revisions to become effective on August 31,  
2020, is consistent with the public interest, the purposes underlying regulation, and  
applicable statutes.

### FINDINGS AND CONCLUSIONS

6 (1) The Commission is an agency of the State of Washington vested by statute with  
the authority to regulate rates, rules, regulations, practices, accounts, securities,  
transfers of property and affiliated interests of public service companies, including  
natural gas companies.

7 (2) Cascade Natural Gas Corporation is engaged in the business of providing natural  
gas services within the state of Washington and is a public service company  
subject to Commission jurisdiction.

8 (3) Cascade Natural Gas Corporation is subject to WAC 480-90-194, which requires  
natural gas companies to provide at least 30 days' notice to customers of any  
proposed tariff changes.

9 (4) Under WAC 480-90-008, the Commission may grant an exemption from the  
provisions of any rule in WAC 480-90, if consistent with the public interest, the  
purposes underlying regulation and applicable statutes. *See also* WAC 480-07-  
110.

10 (5) This matter came before the Commission at its regularly scheduled meeting on  
August 27, 2020.

- 11 (6) After reviewing Cascade's petition filed in Docket UG-200683 on July 27, 2020, and giving due consideration, the Commission finds that the exemption is consistent with the public interest, the purposes underlying regulation, and applicable statutes.

**ORDER**

**THE COMMISSION ORDERS:**

- 12 (1) Cascade Natural Gas Corporation is granted an exemption from WAC 480-90-194, which requires gas companies to provide at least 30 days' notice to customers of any proposed tariff changes.
- 13 (2) The tariff revisions Cascade Natural Gas Corporation filed on July 23, 2020, will become effective on August 31, 2020.
- 14 (3) The Commission retains jurisdiction over the subject matter and Cascade to effectuate the provisions of this Order.
- 15 The Commissioners, having determined this Order to be consistent with the public interest, directed the Secretary to enter this Order.

DATED at Lacey, Washington, and effective this August 27, 2020.

WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

MARK L. JOHNSON  
Executive Director and Secretary