

**BEFORE THE
WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION**

WASHINGTON UTILITIES AND
TRANSPORTATION COMMISSION,

Complainant,

v.

CASCADE NATURAL GAS
CORPORATION,

Respondent

DOCKET UG-21_____

CASCADE NATURAL GAS
CORPORATION'S PETITION FOR
EXEMPTION FROM WAC 480-07-
510(6)

I. INTRODUCTION AND RELIEF REQUESTED

1. Pursuant to WAC 480-85-070, 480-07-110, and WAC 480-07-370(3), Cascade Natural Gas Corporation ("Cascade" or "Company") petitions the Washington Utilities and Transportation Commission ("Commission") to issue an order approving an exemption from the requirement set forth in WAC 480-07-510(6), which requires this initial filing in the Company's general rate case to include a cost of service study ("COSS") that complies with chapter 480-85 WAC.
2. A recent amendment to the Commission's procedural rules for general rate case proceedings unequivocally requires a natural gas company to include a COSS with the initial filing in general rate proceeding. WAC 480-07-510(6). However, as explained

below, in the Final Order (“Order 05”) in Cascade’s most recent general rate case, Docket UG-200568, the Commission effectively exempted the Company from the filing requirements in WAC 480-07-510(6) by establishing a separate timeline for Cascade to file a COSS. Nonetheless, given the clear language in WAC 480-07-510(6), Cascade files this petition as a procedural matter and out of an abundance of caution. As explained below, Cascade intends to file a load study consistent with the Commission’s directive in Order 05 and will then be in a position to prepare a COSS.

3. Cascade’s representatives in this proceeding are:

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II. CASCADE’S EXEMPTION REQUEST

4. Cascade respectfully requests that the Commission issue an order exempting Cascade from the requirements of WAC 480-07-510(6), which would otherwise require Cascade to include a COSS with its initial filing in its general rate case.
5. Chapter 480-85 WAC was recently adopted to establish minimum filing requirements for any COSS filed with the Commission. The rules are “designed to streamline, improve, and promote efficiency in analyzing rate cases, clarity of presentation, and ease of understanding” and “allow for comparisons of cost of service studies.” WAC 480-85-010(1). The COSS must be based on customer usage data from the best available source.

WAC 480-85-050(1). For a utility that does not have advanced metering technology—like Cascade—this requires a load study that shows daily estimates of customers’ natural gas use. *See* Order 05 at ¶ 381. *See also* WAC 480-85-050(1)(d); WAC 480-85-350(5). Thus, a load study, while not expressly required for a COSS, is practically required here.

6. In Docket UG-200568 the parties briefed, and the Commission thoroughly considered, the issue of whether the Company should be required to complete a load study and COSS prior to its next general rate case. *See* Order 05 at ¶¶ 364-65, 377-79. The Commission ultimately “decline[d] to order the Company to complete a load study before filing its next general rate case”. *Id.* at ¶ 387. In Cascade’s circumstance, a load study is required before a COSS can be prepared. Therefore, pursuant to WAC 480-07-110(1), the Commission has effectively *sua sponte* granted Cascade an exemption from the requirement to include a COSS with the initial filing in this general rate case.

7. WAC 480-85-070 provides that “[t]he commission may grant an exemption from the provisions of any rule in this chapter in the same manner and consistent with the standards and according to the procedures set forth in WAC 480-07-110...” Pursuant to WAC 480-07-110(1), the Commission may grant an exemption from its rules “in response to a petition or on its own initiative.” Although subsection WAC 480-07-110(2) requires a party to “file with the commission a written petition identifying the rule for which the person seeks an exemption and providing a full explanation of the reason for requesting the exemption”, subsection (1) states that “[c]onsistent with due process and the public interest, the commission may modify the application of procedural rules in this chapter on its own initiative during a particular adjudication or other docket without following the process

identified in subsection (2) of this section.” Thus, the Commission can modify its procedural rules without a written petition, and it did so for Cascade when it issued Order 05.


8. Notwithstanding the Commission’s authority to modify the procedural rules on its own initiative, and in light of the explicit language in WAC 480-07-510(6) requiring a natural gas company’s initial filing in a general rate case to include a COSS, as a procedural matter and out of an abundance of caution Cascade petitions the Commission for an order exempting it from the requirement in WAC 480-07-510(6) to include a COSS with the filing of its general rate case.

III. CONCLUSION

9. For the reasons set forth above, Cascade respectfully requests that the Commission grant this request for an exemption from the requirement in WAC 480-07-510(6) to include a COSS with this general rate case filing.

RESPECTFULLY SUBMITTED this 30th day of September, 2021.

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