



**A-230217**

Received  
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Nov 29, 2023

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November 28, 2023

Kathy Hunter  
Acting Executive Director and Secretary  
Washington Utilities & Transportation Commission  
P.O. Box 47250  
Olympia, WA 98504-7250

RE: **A-230217, Equity Policy Statement  
Cascade Natural Gas Corporation Comments**

Dear Director Hunter,

Cascade Natural Gas ("Cascade" or "Company") submits the following comments in response to the Washington Utilities and Transportation Commission's ("Commission's") Notice of Opportunity to File Written Comments ("Notice"), issued September 29, 2023, in Docket A-230217.

### **Comments**

Cascade appreciates the Commission's efforts towards applying an equity lens in a consistent and clearly defined manner. Below, the Company offers responses to the Commission's questions. The Company's comments are informed by the Commission's definition for procedural justice and the policy expectations as stated on page 3 of the Notice.

#### **1) What Procedural Justice considerations would you like to see discussed?**

Cascade has developed a list of questions and concerns that it would like considered as the Commission defines Procedural Justice. The Company's questions and concerns are organized under three categories: 1) The inclusivity of regulatory proceedings; 2) The timeliness of regulatory proceedings; and 3) The content of a utility filing.

#### **The Inclusivity of Regulatory Proceedings**

The Company understands that procedural justice must allow for the inclusion of new and varying participants within regulatory proceedings. To this end, the Company has formed an Equity Advisory Group ("EAG") consisting of representatives from traditionally underrepresented and highly impacted communities within Cascade's Washington service territory. The Company plans to discuss proposed revisions to its services, programs, and rates with its EAG, with the intention of addressing members' concerns. The Company will revise proposals, as appropriate, to mitigate potential harm to its

representatives' communities. Cascade's actions acknowledge the importance of inclusivity; however, despite these efforts, the Company has the following questions on how inclusivity is to be effectively achieved within regulatory proceedings:

- What is the appropriate process for identifying and including additional representatives in the EAG and regulatory proceedings?
- Will it be the utility's responsibility to solicit the new community representatives into a regulatory proceeding? If not, whose responsibility will this be?
- By what means or criteria will the Commission determine that a proceeding was sufficiently fair, equitable, and inclusive?
- Commission proceedings include intervenors who have long served as the official representatives of key vulnerable populations. Does the participation of traditional intervenors who represent organizations which advocate for vulnerable populations demonstrate sufficient inclusion of their respective communities within the process? Will there be a mandate that new intervenors and stakeholders be identified to represent underserved populations that have existing, long-standing representatives in traditional utility proceedings?

#### The Timeliness of a Regulatory Proceeding

Additional collaboration, especially with representatives that have not previously had a voice in utility proceedings, will add time to both the planning and the procedural processes. This, in part, is due to an initial lack of familiarity parties may have with technical and policy matters pertaining to natural gas and regulated utilities.

Hard-to-reach customer representatives may require accommodations that have not before been considered, such as additional communications resources for those with vision or hearing impairments, or engagement tools for those who do not have access to technical resources like computers or reliable internet access. Adding accommodations may increase the duration of a proceeding.

The Company's procedural justice considerations include the following:

- The Company would like to understand how procedural justice will affect the timing of Commission proceedings.
- How will the Commission manage proceedings such that they include collaboration with hard-to-engage customer groups without unduly increasing the duration of a proceeding or increasing regulatory lag?

#### The Content of a Utility Filing

The principle of cost causation has long been a bedrock of tradition regulatory proceedings. As such, utilities have understood that their filings should, in general, demonstrate that the customers whose demand requires a utility investment are paying the costs incurred for their service. This has historically been considered "just and reasonable."

Equity is a movement away from cost causation as a regulatory lens, and under this new paradigm, utilities need clear guidance on what is “just and reasonable” so that their filings can uphold the tenets of equity and justice while allowing for cost recovery. With this backdrop, Cascade recommends the following:

- The Company would appreciate clear guidance in the Commission policy statement on how equity will be applied to cost allocations and rate making.
- It would be helpful to have further clarification on how the Commission will “ensure its proceedings are fair [and] equitable”<sup>1</sup> using an equity lens?
- Formal guidance on how the Commission defines “fair and equitable” as it relates to cost recovery when viewed through the lens of procedural justice would also be helpful.

## 2) What element(s) of Procedural Justice is most important to you?

Cascade believes the following elements are crucial in establishing procedural justice:

- Collaboration. The Company believes collaborating with its EAG members as well as its Technical, Conservation, and Low-Income Assistance Advisory Groups has proven beneficial in balancing the needs of various customer perspectives. A proceeding that includes procedural justice will involve multi-party collaboration.
- A Data-Driven Approach. Claims of systemic inequity should be supported by regional or utility-specific data; otherwise, claims may inadvertently reflect systemic biases.
- Roles and Responsibilities. Clarity is needed on roles and responsibilities for achieving procedural justice. As mentioned above, the utility must enter a proceeding knowing the Commission’s expectations.
- A Non-Biased Approach. Parties should consider that any participant within a proceeding may potentially bring a biased position into the conversation. New voices are not excluded from this potentiality, which is why the Company again asserts that feedback should be supplemented and validated by regional or utility-specific data.

The Company has encouraged its EAG members to separately file their comments, as their responses to the Commission’s questions will likely differ from Cascade’s.

This filing is comprised solely of this letter, filed electronically as, “A-230217-CNGC-Cmts-CLtr-10-28-23.pdf.”

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<sup>1</sup> WUTC, Notice of Opportunity to Comment, September 29, 2023, 3.

Cascade appreciates having the opportunity to comment in this docket. If you have any questions, please direct them to me at (208) 377-6015.

Sincerely,

*/s/ Lori A. Blattner*

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