

February 20, 2001

Ms. Carole J. Washburn, Secretary
Washington Utilities and Transportation Commission
P.O. Box 47250
Olympia, WA 98504-7250

Re: Docket No. U-991301—Review of Proposed WAC 480-090-193

Dear Ms. Washburn:

Cascade Natural Gas Corporation (Cascade) submits the following comments in response to the Notice of Opportunity to File Written Comments in the above-referenced docket.

480-90-193 Gas customer notification requirements

Cascade's primary concern with the proposed customer notification rules center around the proposed Section 480-90-193 (1). Specifically, Staff's proposal requiring that all customers receive 30 days advance notice from the proposed effective date of the filing. This requirement does not exist in the current rule, which merely require that a posted notice stating that the tariff change is on file in the Company's offices be made coincident with or immediately prior to the date of the filing. The rule does not require, nor does it infer, that all customers must receive 30 days advance notice prior to the effective date of the filing.

Cascade agrees with Staff that a posted notice may no longer be a viable method of customer notification given that very few customers today pay their bills in person. However, a change in the form of notice should not change the timing of the notice. For example, when the utility elects to notice customers via a bill insert, Staff's proposal would require that the utility file its proposed tariffs with the Commission at least 60 days prior to the effective date, in order to guarantee all customers would receive 30 days notice. The utility's alternative would be to notify customers via direct mail, which is a more costly endeavor. This alternative would also require a filing be made beyond the statutory 30 days because mailing time would need to be factored in to ensure all customers would receive the required 30 days advance notice.

Cascade supports Staff's endeavors to enhance consumer education and improve customer communication when the utility changes its rates or services. However, staff has proposed a rule revision that in practice would directly contradict statutory rules governing tariff filing requirements, or would otherwise force the utility into incurring the highest cost option available for customer notification purposes.

In addition to the above comments, the Cascade provides the following response to the questions posed in Attachment A of the above referenced docket:

- *In the last two years, how many of your filings, based on the proposed rule, would have required customer notice prior to the Commission's open meeting decision? Please list the filings with the docket numbers.*

During the past two years, Cascade has had no filings that would have required prior notification as required in the proposed section 480-90-193 (1).

- *If you were to use a direct notice mailing to notify your customers, how long would it take your company to prepare, produce, and mail that notice?*

Assuming the mailing was done “in-house” it would require 8 business days to complete.

- *In the case of filings that would have increased recurring rates, how many filings over the last two years were less than a five percent increase for the affected rate?*

NA

- *If a notice were sent to all of your customers through the use of a bill insert starting at the first of the month, when would the first customer receive the notice and when would the last customer receive notice?*

The first notice would have been mailed on the 1st day of the month and the last notice would have been mailed on the 31st

- (1) *What percentage of your customers would have received notice by the 5th of the month?*

Notices would have been mailed to 17% of our customers by the 5th

- (2) *What percentage of your customers would have received notice by the 10th of the month?*

Notices would have been mailed to 34% of our customers by the 10th

- (3) *What percentage of your customers would have received notice by the 15th of the month?*

Notices would have been mailed to 40% of our customers by the 15th

- (4) *What percentage of your customers would have received notice by the 20th of the month?*

Notices would have been mailed to 59% of our customers by the 20th

- *For purposes of saving money over direct mailing notices to all customers, would it be practical to send direct mail notices only to those customers who would not receive a bill insert until later in the month? For instance, if a company filed a tariff increase on February 1 and began inserting notices into customer bills that same day, would it be practical to direct mail those customers who would not be mailed a bill insert until after the 15th of the month? If not, please explain why?*

This could be an option, although it would require 4 to 5 days of additional lead time to prepare and send the mailing to those customers requiring direct mail.

- *If bill inserts were used as a way to provide customer notice, what methods could your company employ to ensure that all of your customers received a notice prior to Commission action?*

In order to ensure that all customers would receive a notice (assuming notice may be as short as 1 day prior to the effective date) the Company would need to extend the effective date of the filing by 5 days.

- *If getting all customers a bill insert prior to Commission action is not possible without starting the notice process sooner than 30 days prior to the filing's effective date, what methods could be employed, in tandem with bill inserts, to increase the likelihood that all affected customers are informed of the proposal prior to Commission action?*

Alternatives include continuing to post notices in local offices and pay stations, posting on the company website, or a 1-800 tariff hotline which would update customers to outstanding tariff filings.

Cascade appreciates the opportunity to comment on the proposed rules. If you have any questions, please contact Katherine Barnard at (206) 381-6824.

Sincerely,

Jon T. Stoltz
Sr. Vice President,
Planning, Regulatory and Consumer Affairs