

BEFORE THE WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

WASHINGTON UTILITIES AND
TRANSPORTATION COMMISSION,

Complainant,

v.

CASCADE NATURAL GAS
CORPORATION,

Respondent.

DOCKET UG-210755

In the Matter of Cascade Natural Gas
Corporation's Tariff WN U-3 Revisions

DOCKET UG-220198

COMMISSION STAFF'S RESPONSE
TO NOTICE OF INTENT TO
CONSOLIDATE

I. INTRODUCTION

1 On September 30, 2021, Cascade Natural Gas Corporation (Cascade or Company) filed a general rate case (GRC) with the Washington Utilities and Transportation Commission (Commission). On March 24, 2022, the company filed proposed revisions to Tariff WN U-3. On March 29, 2022, the Washington Utilities and Transportation Commission's (Commission) filed a Notice of Intent to Consolidate Dockets UG-210755 and UG-220198. Staff objects to consolidating these dockets for the reasons outlined below.

II. RELIEF REQUESTED

2 Staff respectfully requests that the Commission not consolidate Dockets UG-210755 and UG-220198.

III. STATEMENT OF FACTS

3 On September 30, 2021, Cascade filed with the Commission revisions to its currently effective Tariff WN U-3 for natural gas service in Docket UG-210755. The filing would

increase rates and charges for natural gas service and thus qualifies as a GRC under WAC 480-07-505. The Commission suspended the proposed tariff revisions and set the matter for hearing. Under the current procedural schedule, the evidentiary hearing is set for June 1 and 2, 2022. Response testimony from non-settling parties is due April 25, 2022, any rebuttal or cross answering testimony is due May 2, 2022, and the last day to issue data requests is due May 11, 2022.

4 On March 24, 2022, Cascade filed with the Commission revisions to its currently effective Tariff WN U-3 in Docket UG-220198 that would: (1) set the amortization rate for an historical level of protected Excess Deferred Income Tax prospectively; (2) establish a deferred balance to reflect the over-refund to customers of approximately \$3.3 million; (3) reverse the current deferred protected Average Rate Assumption Method (ARAM) component and record it in the proper current federal income tax account; and (4) file an adjustment to rate Schedule 581 to set the amortization to match the 2020 test year using the accepted volumes and the conversion factor included in Docket UG-210755 at the conclusion of the Company's GRC. The Company proposes a May 1, 2022, effective date for these tariff revisions. On March 29, 2022, the Commission issued a notice of intent to consolidate and notice of bench request indicating that unless parties had any compelling objection, the Commission would consolidate Dockets UG-210755 and UG-200568.

IV. STATEMENT OF ISSUES

5 Should the Commission consolidate the Docket UG-220198 with Cascade's GRC?

V. LEGAL STANDARD

6 The Commission, in its discretion, may consolidate two or more proceedings in which the facts or principles of law are related.¹ In determining whether to exercise such discretion, the Commission considers not just the extent to which the factual and legal issues are related but whether consolidation would promote judicial economy and would not unduly delay the resolution of one or all of the proceedings.²

VI. ARGUMENT

7 In the Commission's March 29 notice, it indicates that the Commission will consolidate these dockets absent any compelling objection. Staff believes that, although it is within the Commission's authority to consolidate these dockets, doing so would not promote judicial economy for two reasons. First, the parties would not have sufficient time to build a record and formulate positions on the issues presented in UG-220198 within the procedural schedule of the GRC. Second, the facts and analysis needed to determine the issues in the GRC and in Docket UG-220198 do not overlap in a way that would create judicial economy through consolidation. Staff believes that these are compelling objections to consolidation, and therefore the Commission should exercise its discretion and refrain from consolidating these dockets.

A. Docket UG-220198 raises a variety of issues too complicated to properly investigate and address under the GRC's current procedural schedule.

8 The current procedural schedule alters the timing of responses to data requests only once response testimony is filed on April 25, 2022.³ This means that responses to data requests are currently due within ten business days per WAC 480-07-405(7)(a)(ii).

¹ WAC 480-07-320.

² *E.g., Qwest Corp. v. Level 3 Comm.*, Docket UT-063038, Order 09, ¶ 13 (Feb. 15, 2008).

³ Docket UG-210755, Order 05, p. 4 (March 11, 2022) (The procedural schedule only indicates that response time is shortened to 5 days after the response testimony is filed on April 25, 2022).

Therefore, if the Commission were to issue a decision on consolidation on April 6 - the day after this response is received - that would give the non-settling parties only one round of data requests responses related to the issues presented Docket UG-220198, which those parties would presumably receive on April 20, three business days before response testimony is due. This assumes that Cascade would not have cause to ask for an extension of the data request response deadline, as allowed under WAC 480-07-405(7)(a)(ii).

9 Parties' maximum number of data request "rounds" they could expect to receive prior to filing rebuttal/cross answering testimony (again, this assumes that the Company does not require any extensions to respond) would be two. However, the second round would be received at the earliest on May 2, the date that rebuttal and cross-answering testimony is due. In practice, this would be too late to analyze and incorporate the second round of responses into rebuttal/cross-answering testimony.

10 No testimony filed in either docket directly addresses the issues raised in UG-220198, which means that the Commission would need to decide those issues based on what is likely to be a sparse record if these dockets are consolidated. This would consist of initial filing in UG-220198, any analysis that the parties are able to provide in testimony based on one round of data request responses, and any exhibits or testimony provided at the hearing.

11 Finally, while Staff and Cascade reached a full multiparty settlement on the issues raised in the GRC, Staff has not had time to formulate a position on the issues raised in UG-220198. Consolidation would mean that Staff would need to formulate a position on those issues, and if Staff discovered problems with the Company's proposals in that docket, write response testimony in about two and a half weeks.

B. Judicial economy will not be achieved by consolidation because the facts raised by these dockets do not overlap.

12 As noted above, Staff does not dispute that the Commission has the authority to consolidate these dockets, as the Commission has already found in the notice that these dockets “share common issues of fact and law[.]”⁴ However, none of the facts related to the issues raised in UG-220198 were in the record in the GRC, and therefore adding these issues into the GRC would not create judicial economy. The Cascade 2021 GRC raises limited issues for the Commission to consider. In essence, that filing can be distilled into a handful of adjustments, many of which, while substantial, were already partially under review in the Company’s last general rate case. The issues raised in Docket UG-220198 are mostly tax and deferral related. The issues in these two dockets are connected only in the sense that in both cases they must meet the usual standards required for inclusion in customer rates. Because these dockets address different topics, consolidation would not eliminate any unnecessary duplication of efforts. Given the concerns outlined above, Staff believes that what little efficiency could be gained by consolidation would be outweighed by the risks of an unnecessarily short timeline to address of the issues raised in UG-220198.

VII. CONCLUSION

13 Staff is keenly aware of the caseload before the Commission over the next nine to twelve months, and understands and appreciates the desire to streamline proceedings wherever possible. However, in this case, Staff believes that consolidation would not increase judicial economy, but risks leaving the Commission with an insufficient record to

⁴ Notice at 2.

determine the issues in Docket UG-220198. Therefore, Staff respectfully requests that the Commission not consolidate these dockets.

DATED this 5th day of April 2022.

Respectfully submitted,

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