

January 24, 2001

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

Re: Docket No. UE-990294—Review of WAC 480-090

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.

A summary of Cascade's specific comments is as follows:

480-90-113 Residential Customers Deposit requirements

Cascade believes that the requirement of 3 or more delinquency notices seems overly restrictive and will not allow the utility to obtain deposits from the higher risk customers and therefore recommends it be reduced to 2 or more notices. Additionally, Cascade believes that the utility should be allowed to collect a deposit when a customer has declared bankruptcy. At the time of bankruptcy the original account is closed and then must be re-established in order to have a clear determination of pre/post bankruptcy charges.

480-90-118 Non-Residential Customers Deposit requirements

Cascade has several concerns with this proposed rule. Cascade believes that the 2/12 requirement is acceptable for residential deposits however the risk associated with non-residential customers is much greater as they normally incur much higher monthly bills. Cascade's 189 non-core customers utilized over 1.3 billion therms during fiscal year 2000. Many of these non-core customers not only utilize Cascade for their distribution services, they also purchase their gas supply and pipeline transportation through Cascade's unbundled tariffs (Rate schedules 681 through 686). The gas supply and pipeline transportation charges associated with these customers amounted to almost \$39 million during fiscal year 2000. Based on section 480-90-051 (11), the utility could require a new deposit or larger deposit, if the circumstances warranted. Unfortunately this language was omitted from the proposed rule. Therefore, Cascade believes section 480-90-118 (4) should be modified to read as follows:

“Nothing in this rule shall prevent the requirement of a larger deposit or a new deposit when conditions warrant. If a deposit or additional deposit amount is required after service is established, the reasons must be specified in writing to the customer.”

Additionally, Cascade believes that provisions for alternatives to deposits such as irrevocable letters of credit, surety bonds, or guarantors should be added to the proposed rule. This would provide security to the utility, without undue hardship on the customers.

480-90-123 Refusal of service

Cascade has two concerns with this section. Although, Cascade appreciates Staff efforts in the area of prior obligations, the Company believes that the minimum of 3 prior obligations in one calendar year will not accomplish the desired effect of providing gas service and deterring those customers from avoiding payment of outstanding bills. Cascade's experience is that a customer is disconnected for non-payment in the spring and is then reconnected in the fall. Consequently, this situation typically occurs one time per year. Cascade believes that allowing 2 times in one calendar year is adequate to meet the intent of the rule. The second area of concern is the disclosure requirements for Medical Emergencies. Cascade is concerned that the proposed rule does not require the name of the person affected and relationship to the customer of record be disclosed, as currently required in the existing rules. This is important information which most medical practitioners routinely provide and is necessary to efficiently administer this rule. Without this information, utilities seeking to verify the medical emergency claims will only be able to use a patient's address when talking with a doctor's office, which will only cause confusion when the person with the medical condition is not the customer of record.

480-90-173 Gas utility's responsibility for complaints and disputes.

In order to resolve outstanding issues as soon as possible, Cascade recommends 480-90-173(3) be modified to include the following language

(d) The commission staff will respond to the utility on the resolution as soon as practical to ensure that the utility can proceed with any necessary action.

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