



STATE OF WASHINGTON  
UTILITIES AND TRANSPORTATION COMMISSION

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April 11, 2022

**NOTICE OF STATUS CONFERENCE**  
**(Set for Thursday, April 14, 2022, at 2 p.m.)**

RE: *Washington Utilities and Transportation Commission v. Cascade Natural Gas Corporation*, Docket UG-210755  
*In the Matter of Cascade Natural Gas Corporation's Tariff WN U-3 Revisions*,  
Docket UG-220198

TO ALL PARTIES:

On September 30, 2021, Cascade Natural Gas Corporation (Cascade or Company) filed with the Washington Utilities and Transportation Commission (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 by three percent or more and thus qualifies as a general rate case (GRC) under WAC 480-07-505. The Commission suspended the proposed tariff revisions and set the matter for hearing.

On February 18, 2022, counsel for Commission staff (Staff) informed the presiding officers that the parties had reached a full multiparty settlement in principle. On February 23, 2022, the Commission issued a Notice Suspending Procedural Schedule and Notice of Status Conference. On March 10, the Commission convened a virtual status conference and on March 11, the Commission entered a Second Prehearing Conference Order that revised the procedural schedule but maintained the evidentiary hearing dates of June 1-2, 2022.

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, as though it was a test year component in the Company's last GRC in Docket UG-200568, which would reduce the revenue requirement by \$5,958; (2) establish a deferred balance to reflect the over-refund to customers of approximately \$3.3 million, which the Company seeks to begin recovering on November 1, 2022, coincident with its annual Purchase Gas Adjustment filings; (3) reverse the current deferred protected Average Rate Assumption Method 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. After the compliance filing is accepted, Cascade intends to "eliminate the rate schedule 581 credit rate and roll the amortization rate into base rates."<sup>1</sup> 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 (Notice). The Notice explained that, absent any compelling objection, the Commission intended to consolidate Cascade's proposed tariff revisions in Docket UG-220198 with the Company's GRC in Docket UG-210755. The Notice authorized parties to file a response supporting or opposing the Commission's proposed course of action by Tuesday, April 5, 2022.

On April 5, 2022, Cascade, Staff, the Alliance of Western Energy Consumers, and Public Counsel filed responses.

Based on the parties' responses, and particularly the parties' concerns with consolidating the dockets while maintaining the current procedural schedule, the Commission determines it is appropriate to convene a status conference to explore other options with the parties. Specifically, the Commission would like to discuss the following options at the status conference:

1. **Option One:** Cascade withdraws its filing in Docket UG-220198 and makes a new tariff filing that would pause Schedule 581, the mechanism put in place in Docket UG-170929 to amortize an historical level of protected EDIT each year (and true-up each year to the actual amortization amount), until the conclusion of the Company's next general rate case. If this is the preferred option, do the parties believe that halting the EDIT reversals and filing an accounting petition to track revenues consistent with normalization rules in the interim will prevent normalization violations from occurring?
2. Cascade extends the effective date of its current GRC, and the Commission consolidates the dockets.
3. The Commission suspends the tariff revision filed in Docket UG-220198 and sets the matter for hearing.

**THE COMMISSION GIVES NOTICE That the Commission will convene a status conference on Thursday, April 14, 2022, at 2 p.m. To participate by phone, please call (253) 215-8272 and enter the Meeting ID: 814 5775 0016# and Passcode: 993001#. To participate via Zoom, please use the following link: [click here to join meeting](#).**

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<sup>1</sup> Cascade Cover Letter, Docket UG-220198.

*/s/ Rayne Pearson*

RAYNE PEARSON

Administrative Law Judge