

CASCADE NATURAL GAS CORPORATION
Public Counsel
2006 Rate Case Data Request

Request No. PC 64

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PC-64 The settlement and stipulation in Docket UG-950326 required the Company to “Prepare a plan by November 30, 1996 to reduce meter reading and billing expenses by more than 30% within three years, adjusted for inflation and growth.

- a) Provide a copy of the plan that was prepared by November 30, 1996.
- b) Provide any formal analysis prepared to date by the Company of the effectiveness of this effort.

Response:

- a) The November 30, 1996 plan is attached as **PC 64 - 11-30-96 Plan.pdf**
- b) The Company did not prepare any formal analysis of plan effectiveness. The Company did pursue operational efficiencies and investigated the other tactics described in the plan. The Company was unable to overcoming Information Technology (IT) shortcomings within the Company’s Customer Information Systems program, to continue to pursue certain tactics like joint meter reading. However, the Company was able to achieve the targeted reduction in meter reading and billing expense within the three-year period. The average cost per customer for meter reading and billing in Docket UG-950326 was \$37.21. By December 31, 1999, the Company had reduced meter reading and billing expense to \$22.50 per customer, which is a larger decrease than the 30% target reduction, even without consideration for inflation. In the current rate case, meter reading and billing expenses are now \$18.61 per core customer.