

**BEFORE THE
WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION**

WASHINGTON UTILITIES AND
TRANSPORTATION COMMISSION,

Complainant,

v.

CASCADE NATURAL GAS
CORPORATION,

Respondent.

DOCKET UG-210755

CASCADE NATURAL GAS
CORPORATION'S RESPONSE TO THE
COMMISSION'S NOTICE OF INTENT
TO CONSOLIDATE DOCKETS UG-
210755 AND UG-220198

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

DOCKET UG-220198

1 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 ("Consolidation Notice"), which provided that parties may respond by April 5, 2022. Pursuant to the Consolidation Notice, Cascade Natural Gas Corporation ("Cascade") hereby submits its response thereto. Cascade opposes consolidation of its general rate case, Docket UG-210755, and its revisions to Tariff WN U-3, Docket UG-220198, for the reasons described below.

A. Consolidation Would Unnecessarily Complicate the Limited Issues Presented in Cascade's General Rate Case

2 Cascade's general rate case, Docket UG-210755, was filed to address the most significant drivers of Cascade's continued under earnings, including actual rate base investment and 2021

wage increases.¹ Cascade’s limited issue rate case filing is intended to bridge the gap until a complete, comprehensive rate case, including a multiyear rate plan, can be filed.²

3 The proposed tariff filing submitted in Docket UG-220198 addresses distinct issues relating to, *inter alia*, setting the amortization rate for a historical level of protected Excess Deferred Income Tax (“EDIT”) prospectively, consistent with a Private Letter Ruling issued by the Internal Revenue Service in July 2021. Docket UG-220198 (“EDIT tariff”) also relates to establishing a deferred balance to reflect the over-refund to customers of approximately \$3.3 million, and filing 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-210755.³ Inserting these issues into the limited general rate case at this stage would unnecessarily complicate the limited issue rate case and, as explained below, there is little to no benefit to combining consideration of these issues into one case.

B Consolidation Would Prejudice the Company and the Settling Parties

4 Commission Staff and Cascade (collectively, “Settling Parties”) reached a full multiparty settlement in the general rate case and notified the presiding officer of that settlement on February 18, 2022.⁴ The Commission subsequently suspended the procedural schedule and issued a new procedural schedule on March 11, 2022.⁵ The Settling Parties filed their Full Multiparty Settlement Stipulation and supporting testimony on March 22, 2022. Because the initial procedural schedule has been suspended, there is no opportunity for Cascade, as the party

¹ See Chiles, Exh. MAC-1T at 2:12-4:6.

² See *id.*

³ Docket UG-220198, Cascade’s Cover Letter (March 24, 2022).

⁴ See Full Multiparty Settlement Stipulation at ¶ 8 (March 22, 2022).

⁵ See Order 05, Second Prehearing Conference Order, App. A (March 11, 2022).

with the burden of supporting its request for a rate increase, to analyze the impact of incorporating the EDIT tariff revision into its general rate case.

5 Further, there is no opportunity for Cascade to analyze or file testimony regarding the impact of the EDIT tariff revision on the Full Multiparty Settlement Stipulation. Therefore, consolidation would not only prejudice Cascade as the utility, but it would prejudice both Cascade and Staff, as parties to the Full Multiparty Settlement Stipulation. Consolidating a new issue into a rate proceeding without providing the Company or Staff an opportunity to analyze the impacts of that consolidation and submit testimony addressing it would prejudice both parties and disadvantage the Commission, which relies on a full and complete record to deliberate in the public interest.

6 In fact, developing a full and complete record is the Commission’s paramount interest. “The Commission’s paramount interest is in having a full record with the best available evidence upon which to base its decisions.”⁶ There is not sufficient time to build a record on the EDIT tariff issue. The Commission has refused to introduce a new issue into a proceeding when the parties would not have opportunity to resolve the issue raised.⁷ “We agree with AWEC and Public Counsel that making changes to the case schedule on this issue at this time would deny parties meaningful opportunity to review the prudence of the new coal contract, and thus would be improper.”⁸ That is exactly the case here. It would be improper to introduce a new issue when there is no meaningful opportunity for the parties to resolve, or even address, the issue.

⁶ *WUTC v. Puget Sound Energy*, Dockets UE-072300/UG-072301, Order 08 at ¶ 10 (May 5, 2008).

⁷ *WUTC v. Puget Sound Energy*, Dockets UE-190529/UG-190530, Order 05 at ¶¶ 8-9 (Dec. 10, 2019).

⁸ *Id.* at ¶ 8.

7 As a practical matter, consolidation is not necessary because the impact of the EDIT tariff appears to be the same in the general rate case as it would be in Docket UG-220198. Cascade is willing to work with Staff and other parties to address and resolve any issues with its EDIT tariff. If this means withdrawing the tariff filing and resubmitting it when the EDIT rate is set to change again on November 1, 2022, Cascade is open to these discussions outside the context of its general rate proceeding.

8 Finally, in the event the Commission chooses to consolidate the two proceedings, Cascade opposes any change to the procedural schedule as suggested by the Alliance of Western Energy Consumers (“AWEC”) in its Response to Notice of Intent to Consolidate filed today. AWEC’s proposal unduly burdens the Settling Parties by requiring them to file additional, new, and complicated testimony on the same day it must file rebuttal testimony. Given that the Settling Parties have only five business days to reply to the non-settling parties’ response testimony, AWEC’s proposal should be rejected, and the Commission should decline to make any unilateral change to the largely agreed-upon schedule.

RESPECTFULLY SUBMITTED this 5th day of April, 2022.

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