



U-210590

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August 8, 2025

Jeff Killip
Executive Director and Secretary
Washington Utilities & Transportation Commission
P.O. Box 47250
Olympia, WA 98504-7250

RE: U-210590, Cascade's Notice of Opportunity to File Written Comments

Director Killip

Cascade Natural Gas Corporation ("Cascade" or "Company") provides the following comments in response to the Washington Utilities and Transportation Commission's ("Commission's") "Notice of Virtual Workshop and Opportunity to Comment" ("Notice"), issued July 3, 2025, in Docket U-210590. Questions 1 and 2 are answered below.; Question 3 is unanswered as it is specific to electric utilities; and Cascade is separately addressing the remaining questions for natural gas utilities in comments jointly filed with the other Washington investor-owned utilities.

Below are the Commission's questions followed by Cascade's responses:

ESTABLISHED METRIC CLARIFICATION

- 1. Please provide detailed information about any established metric, definition, or calculation you believe requires clarification. The established metrics are attached as Appendix A. Additionally, please provide detailed feedback for specific metrics based on the following questions:**
 - a. What challenges have you encountered in interpreting or implementing the established metrics? (e.g., clarity of definitions, internal capacity, or technical barriers)**
 - b. Which types of data required under the established metrics are most difficult to obtain, process, or report accurately? Please consider factors including, but not limited to, data availability, security, standardization, reliability, and timeliness, and explain your response. Feel free to include other relevant considerations.**
 - c. What formats or tools for submitting compliance data have proven effective or challenging in practice?**
 - d. While the Commission is not committing to developing standardized templates, would format guidance or templates be helpful for reporting on the established metrics? If so, please specify which metrics would benefit from such resources and explain your response.**

Response

Cascade filed its first performance-based rates (“PBR”) metrics on April 30, 2025, in compliance with Appendix A to the Commission’s Policy Statement developed in U-210590 and adopted as a reporting requirement for Cascade in Commission Order 05 issued in UG-240008, Cascade’s most recent multi-year rate plan (“MYRP”). As stated in the workpapers containing the metrics Cascade filed, Cascade made its best effort to meet the intent of the metrics as drafted. Cascade knowingly made interpretive decisions or adaptations for its unique circumstances as necessary to fulfill the reporting requirements.

- a) Cascade found the volume and complexity of the PBR metrics to be overwhelming and difficult to produce during the January to April timeframe. Cascade’s first report, filed April 30, 2025, required new coding for each data pull. Cascade’s limited staff, with competing deadlines, put forth a Herculean effort to write the code necessary to query the data, to merge multiple Cascade data tables, to marry Cascade data with mismatched external data, and to clean up the data within the four-month timeframe, from the close of the reporting timeframe to the reporting due date.

The process of querying a full year’s worth of data for a single metric was often prohibitively time consuming; Frequently, the SQL query would exceed the maximum time a query is allowed to run so as to prevent the query from overloading resources or blocking other operations. Providing the data in quarterly segments might prove more efficient.

Cascade expects the process of pulling PBR data to continue to be challenging next year, even though the coding for the queries has been written. The query run times and the merging of Cascade data with unlike or outdated external data sources will continue to be a challenge. Any additions or changes to the existing PBR metrics and any necessary updating of external data sources will continue to keep the annual process tedious.

Cascade is concerned that the Commission is looking to add additional PBRs in this docket (U-210590). Guiding Principle, number 7 in Commission’s “interim Policy Statement” says,

The number of metrics should be limited and no greater than necessary to measure performance towards major goals and outcomes while ensuring the ability to obtain valuable data in the public interest

“Limited and no greater than necessary” are subjective terms. While the ever-growing reporting requirements seem overwhelming to Cascade, they may not to the non-utility third parties participating in this docket. Given this discrepancy in perspectives and the likelihood of additional metrics being added within the MYRP process as well as U-210590, Cascade suggests that a clear “not to exceed” boundary be considered.

Below Cascade notes specific issues it experienced with the PBRs:

- For each PBR metric that requests outcomes for named or non-named communities, Cascade imports the Washington State Department of Health’s Highly Impacted Community (“HIC”) rankings for each census tract, because a nine or ten HIC ranking is a state-recognized identifier for a vulnerable community. Unfortunately, the Department

of Health uses 2010 census tract numbers when 2020 census tract numbers are available. This creates a mismatch with census tract based income data.

- Cascade understands that this issue has been addressed but the Company reiterates that reporting by census tract is difficult for the Company as census tract is not retained in the Company's billing system. Reporting by zip code would be easier.
 - Regarding Cascade's energy burden calculation, the Company used median income data from the Census Bureau American Community Survey 5-Year estimate, year 2023, available at <https://data.census.gov/table>. Cascade independently chose this resource to define income per census tract for the energy burden calculation, because no guidance was provided for consistency among utilities' reports.
 - The metric for Utility Assistance Program Effectiveness does not conform to Cascade's program as the Company does not have an annual program budget for its low-income assistance program but rather defers the costs on an as-needed basis, for later recovery.
 - The metric for workplace diversity is challenging for Cascade since Cascade's parent company, Montana-Dakota Utilities ("MDU"), serves multiple brands and not all MDU management oversees Cascade's operations. Cascade footnoted the data it provided in an attempt to provide clarity on the employees and management specifically assigned to Cascade operations.
 - Cascade struggled with the metrics for operational efficiency (current assets divided by liabilities) and earnings (net income divided by operating revenue and retained earnings divided by total equity) because the metrics require FERC Form 2 data and FERC Form 2 is completed and filed the same time, giving the Company little time to finalize these metrics.
 - The requirement to report information by HIC and vulnerable populations is confusing. Cascade chose to define vulnerable populations as either a census tract with a rating of 9 or 10, or a census tract containing tribal land.
- b. The data related to vulnerable populations is the most difficult to provide as census code, HIC, tribal rankings are from various external data sources which must then be merged with the Company's utility database, and merging unlike data sources is a multi-step process. Also, as mentioned above, the HIC data from the Washington Department of Health uses 2010 census tract information, complicating the reporting of vulnerable populations.
- c. Cascade developed tables within an Excel spreadsheet which were filed with the Commission and posted to the Company's website. Cascade does not seek to change the format of its reporting.
- d. No. Cascade strongly opposes a Commission-developed and mandated standardized template. This would add additional work to an already tedious reporting requirement and transferring the data to another format opens up the potential for errors.

2. **Interested parties proposed metrics for Goal 4 – Environmental Improvements during the policy-making process that led to the Interim Policy Statement. While the Commission did not reject the proposed metrics, it determined that further discussion was needed to evaluate utility performance in a meaningful way. The proposed Goal 4 metrics are attached as Appendix B.**
- a. **Do any parties currently propose adopting any of the proposed Goal 4 metrics? Please explain your response.**
 - b. **Please provide any recommended modifications to the proposed Goal 4 metrics or submit proposals for other metric language, including calculation methodology and any necessary definitions.**
- a. No, Cascade does not propose the adoption of additional metrics. Cascade currently submits comprehensive emissions data for its Washington service territory to the Department of Ecology. As mentioned above, Cascade is overwhelmed with reporting requirements and does not see the value of adding more; and again, more reporting seems out of alignment with Guiding Principle, number 7 in Commission’s “interim Policy Statement”, which supports a right-sized and efficient PBR metric process. Finally, environmental goals will be well discussed in the utilities IRPs and as part of compliance to Washington’s Climate Commitment Act.
- b. As Cascade does not recommend the adoption of the Goal 4 metrics, the Company does not have recommended modifications to these metrics.

Cascade appreciates the opportunity to provide written comments in this docket.

Please direct any questions regarding this filing to me at (208) 377-6015 or Jennifer Gross at (509)975-9473.

Sincerely,

/s/ Lori Blattner

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