



8113 W. GRANDRIDGE BLVD., KENNEWICK, WASHINGTON 99336-7166  
TELEPHONE 509-734-4500 FACSIMILE 509-737-7166  
www.cngc.com

VIA ELECTRONIC MAIL  
[records@utc.wa.gov](mailto:records@utc.wa.gov)

July 21, 2015

Records Center  
Washington Utilities and Transportation Commission  
1300 S. Evergreen Park Drive SW  
Olympia, WA 98504

Re: U-144155 – Cascade Natural Gas’s Comments on Staff’s Draft Rules

Cascade Natural Gas Corporation’s (Cascade’s or Company’s) submits the following comments in response to the Washington Utilities and Transportation Commission’s (WUTC’s or Commission’s) Notice of Opportunity to Submit Written Comments, issued on June 22, 2015, in Docket No. U-144155.

The Company appreciates the opportunity to respond to Staff’s draft rules which intend to require timely corrections of billing errors related to malfunctioning meters, and timely management of unaccounted usage. Cascade agrees with the intent of the draft rules but has the following concerns or suggested edits to Staff’s initial draft:

### **COMMENTS**

#### **Section (5)(a)**

Section (5)(a) as drafted would apply to both under- and over-billings that occur because of a meter malfunction or failure. After discussing the rule with Staff, Cascade understands it was intended that this section apply only to under-billings, where the correction would result in a charge to customers. This needs to be explicitly stated in (5)(a) or the rule will be misapplied to overbillings---refunds—and might be in conflict with the guidance provided in RCW 80.04.230 and WAC 480-90-183 (5)(a) & (b).

Also related to the scope of applicability, Cascade believes rules restricting the issuance of corrected bills for metering issues should be applicable only to residential customers as

nonresidential customers have varying usage patterns that make the tracking of metering anomalies much more difficult.

Another concern with section (5)(a) is that it refers to unassigned meter usage as a meter malfunction, which is not correct. Unassigned usage is when gas is being consumed at a location where the Company has no customer on record. The meter more than likely functions fine in most instances of unassigned usage.

Finally, the Company believes the rule should not use the terminology "retroactively billing" when referring to a corrected bill as the term implies an unaccepted billing practice of charging for costs that were not approved for recovery during the billing timeframe.

#### **Section (5)(b)**

While the Company questions if a definition of meter is necessary, we have no suggested edits to this section.

#### **Section (5)(c)**

The Company believes section (5)(c)(i) should be removed as it unnecessarily prescribes a process for complying with the proposed billing requirement. Also, WAC 480-90-343 already requires meter testing procedures.

The word "immediately" in Section 5(c)(ii) should be removed as it is unnecessarily vague.

The Company suggests the following refinements to the information draft section (5)(c)(iii) requires a utility to include with a corrected bill.

- (5)(c)(iii) (B) should be revised to say, "a description of the metering error," removing the requirement to explain the cause of an error as the Company often does not know why a meter fails.
- (5)(c)(iii) (C), which requires reporting the full time period of an error, should be removed as it is likely to frustrate or confuse customers when the corrected billing does not match with the reported timeframe for the error.
- (5)(c)(iii) (E) should also be removed in its entirety as the Company cannot with brevity explain actions to prevent a metering error when the cause is unclear or the action is embodied in detailed compliance to WAC 480-90-343, the requirements for meter testing procedures.

Section (5)(c)(iv) should be removed in its entirety because this would require onerous and burdensome tracking for a utility that would only come into play if the incident happened to occur during a test year. It is also anticipated that these one-off type incidents would be

immaterial in the context of a rate case. Also, proposed adjustments for rate making processes are better addressed on a case-by-case basis in rate cases rather than in rules.

**CONCLUSION**

Cascade believes the draft rules, if edited in accordance with the Company's aforementioned suggestions, will be workable and will achieve the intended purposes of encouraging early detection and correction of faulty meters, and of protecting customers from large charges for under-billings related to metering issues.

If you have any questions regarding this report, please contact me at (509) 734-4593.

Sincerely,

A handwritten signature in black ink, appearing to read "Michael Parvinen", with a long horizontal flourish extending to the right.

Michael Parvinen  
Director, Regulatory Affairs