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October 25, 2021

Ms. Amanda Maxwell
 Executive Director and Secretary
 Washington Utilities and Transportation Commission
 621 Woodland Square Loop SE
 Lacey, WA 98503

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 COMMISSION

RE: **Docket No. UG-210729 – Cascade Natural Gas Comments Regarding Line Extension Policies**

Dear Ms. Maxwell:

Cascade Natural Gas Corp. (Cascade or Company) submits the following comments in response to the Commission's Notice of Opportunity to File Written Comments, dated September 21, 2021, in Docket UG-210729.

Cascade filed for and was approved the current Perpetual Net Present Value (PNPV) approach for line extensions in Docket UG-160967. The intent of the methodology was to promote natural gas service to unserved and underserved areas, while protecting the interests of the existing customers. The state political environment regarding natural gas has changed and the PNPV approach does not coincide with the current environment.

The underlying goal or objective of a line extension policy is to allow for new customers to be connected without subsidizing or adversely impacting existing customers. The PNPV approach did this but a longer term look at the benefits and costs was required. Given the nature of the current political direction Cascade suggests reverting to its previous line extension policy as a transition.

Cascade's previous method was to employ a simple 3.3 times margin allowance for a service connection and another 3.3 times margin if a main extension was also required. Cascade would propose to use authorized margins as determined in our last general rate case for new customers to keep the method simple and easy to administer and understand.

Cascade would also propose a transition period to allow for projects currently in process to complete under the existing methodology and for future projects to begin to evaluate the impact on extensions and resulting Contribution in Aid of Construction (CIAC).

Cascade reiterates and supports a line extension methodology that reaches a fair balance of not only not subsidizing existing customers but also one that does not burden existing customers.

Cascade appreciates the opportunity to comment. If you have any questions, please feel free to contact Lori Blattner at lori.blattner@intgas.com or 208.377.6015

Sincerely,

/s/ Christopher Michelson

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