

BEFORE THE WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

In the matter of the Petition

Docket No. UG-152286

CASCADE NATURAL GAS CORPORATION

for approval (i) to exceed its Washington Energy Assistance Fund Program Annual Budgets as established in Order No. 04 of UG152286 and (ii) to defer Program Costs as Necessary.

I. OVERVIEW

1. Cascade Natural Gas Corporation (“Cascade” or “Company”) files with the Washington Utilities and Transportation Commission (“Commission”) this petition seeking authorization to exceed the “not-to-exceed” Washington Energy Assistance Fund (“WEAF”) program budget caps for the current 2016-2017 program year as well as the next four program years as established in Order No. 04 (“Final Order”) issued in Docket No. UG-152286, and to request authorization to defer program costs that exceed the amounts collected in Schedule 593, Washington Energy Assistance Fund (WEAF) Program Cost Recovery.

II. AUTHORITY FOR PETITION

2. This petition is submitted in accordance with RCW 80.01.040, RCW 80.28.020, WAC 480-07-370, and the Final Order which grants Cascade the authority to “file a petition to modify the

cap amounts.”¹

III. COMMUNICATIONS

3. Cascade is a utility that provides service to approximately 204,000 customers in various locations in Washington including Bellingham, Mt. Vernon, Bremerton, Longview, Yakima, Kennewick, and Walla Walla. Communications regarding this petition should be addressed as follows:

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IV. BACKGROUND

4. On December 1, 2015, Cascade filed a general rate case docketed as UG-152286. As part of the settlement agreement to this rate case, changes were adopted to Cascade’s WEAFF program, including creating tariff Schedule 303 defining program parameters and Schedule 593 for the collection of program costs; establishing a WEAFF advisory group comprised of interested parties for the purpose of overseeing program decisions; adopting program goals; and

¹ UG-152286, Order 04, Paragraph 42, page 13 of Exhibit A, Joint Settlement Agreement.

establishing a five-year schedule of “not-to-exceed” program spending caps. The program goals include “provide service to more customers than are currently served.” To accommodate the goal of escalating program participation, the annual program spending caps increase each year. The Company is finding that the spending cap for the first year is too low and if the Company were to manage to the cap, program expenditures in the form of customer bill assistance grants would need to cease prior to the close of the program year.

V. PETITION

5. Cascade requests the Commission grant the Company the authority to exceed its “not-to-exceed” program year budgets for the five program years beginning October 2016 and ending in September 2021. As established in the Final Order, those budgets are as follows:

2016-2017	\$1,047,000
2017-2018	\$1,100,000
2018-2019	\$1,156,000
2019-2020	\$1,215,000
2020-2021	\$1,276,000

5. As of the end of May 2017, program expenditures are \$801,240, which averages just over \$100,000 per month. With four months remaining of the program year, Cascade expects the program will spend about \$411,000 more by the end of the program year.² This would bring total program year expenditures to \$1,212,240 which is \$165,240 or about 15% over the not-to-exceed 2016-2017 program budget of \$1,047,000.

6. Cascade requests authorization to exceed its 2016-2017 budget, and for the succeeding years, to collect 15% more than the established program year spending cap and to consider the

² The estimate of \$411,000 consists of \$100,000 per month for the next four months and \$11,000 for the remaining outreach efforts.

revised annual spending thresholds a soft spending cap with a 5% buffer. The table below puts forth the current spending cap as established in the Final Order, the requested 15% increase, and the 5% percent buffer or soft cap.

Current Limit	15%	soft cap
\$1,047,000.00	\$1,204,050.00	\$1,256,400.00
\$1,100,000.00	\$1,265,000.00	\$1,320,000.00
\$1,156,000.00	\$1,329,400.00	\$1,387,200.00
\$1,215,000.00	\$1,397,250.00	\$1,458,000.00
\$1,276,000.00	\$1,467,400.00	\$1,531,200.00

7. The decision to collect 15% more will be discussed annually with the WEAF advisory group prior to the Company submitting an advice filing to adjust program funding collections. The prior year's spending and any carryover of unspent funding will be considered when making the decision of whether or not to increase the collection rate by 15%. Exceeding the spending cap is essential if the program is to achieve the goal adopted in the Final Order to serve more customers.³

8. The Company would like authorization to defer additional program expenditures that exceed the spending cap plus carryover funds. Cascade does not believe deferring costs will be necessary for the 2016-2017 program year because of the carryover dollars from prior years, but the Company believes securing authorization to defer costs is important to ensure customers are not turned away for lack of funding. Inconsistent availability of funding would send a confusing

³ UG-152286, Order No. 04, Exhibit A, page 9, paragraph 27.

message to customers and participating agencies, which is undesirable for a program that struggles to reach even a significant portion of applicable customers.

IV. WEAFF ADVISORY GROUP

9. This petition was discussed and a draft was shared with the WEAFF Advisory Group prior to the Company making this filing. The WEAFF Advisory Group supports this petition.

V. REQUESTED ORDER

10. Cascade requests an order authorizing the Company to: (1) exceed the “not-to-exceed” WEAFF program budgets for the 2016 through 2021 program years, as established the Final Order; (2) seek the annual collection of WEAFF program funding that is 15% over the ‘not to exceed amounts” after consideration with the WEAFF Advisory Committee; (3) establish a 5% soft cap to the program year budgets; and (4) defer program costs that exceed those collected through Schedule 593, Washington Energy Assistance Fund (WEAFF) Program Cost Recovery.

Dated this 13th of June 2017.

/s/ Michael Parvinen

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