

**BEFORE THE WASHINGTON
UTILITIES AND TRANSPORTATION COMMISSION**

WASHINGTON UTILITIES AND
TRANSPORTATION COMMISSION,

Complainant,

v.

CASCADE NATURAL GAS
CORPORATION,

Respondent.

DOCKET UG-152286

ORDER 05

ORDER AMENDING ORDER 04

BACKGROUND

- 1 On December 1, 2015, Cascade Natural Gas Corporation (Cascade or Company) filed with the Washington Utilities and Transportation Commission (Commission) revisions to Tariff WN U-3, designed to effect a rate increase for natural gas service provided to customers in the state of Washington. Cascade requested an increase in annual revenues of approximately \$10.5 million, or 4.17 percent. The Commission suspended the filing and initiated an adjudication to determine whether the proposed tariff revisions were fair, just, reasonable, and sufficient.
- 2 On July 7, 2016, the Commission entered Order 04, Final Order Approving Settlement Agreement. Among other provisions, that Order approved program budget caps on the Company's Washington Energy Assistance Fund (WEAF), which assists low-income customers in Cascade's Washington service territory to meet their energy needs.
- 3 On June 13, 2017, Cascade filed a petition seeking authority to increase the WEAF budget caps (Petition). The Company estimates that it will exceed the cap for the 2016-17 program year by \$411,000 or 15 percent and will likely experience similar increases over the next four program years. Accordingly, "Cascade requests authorization to exceed its 2016-17 budget, and for the succeeding years, to collect 15% more than the established program year spending cap and to consider the revised annual spending thresholds a soft spending cap with a 5% buffer."¹ The table below reflects the dollar amounts:

¹ Petition ¶ 6.

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Program Year	Current Budget	15 Percent Increase	Additional 5 Percent Soft Cap
2016-17	\$1,047,000	\$1,204,050	\$1,256,400
2017-18	\$1,100,000	\$1,265,000	\$1,320,000
2018-19	\$1,156,000	\$1,329,400	\$1,387,200
2019-20	\$1,215,000	\$1,397,250	\$1,458,000
2020-21	\$1,276,000	\$1,467,400	\$1,531,200

- 4 The Company commits to discuss any decision to increase the funding annually with its WEAFA Advisory Group prior to submitting an advice filing with the Commission to adjust program funding collection. Cascade contends that “[e]xceeding the spending cap is essential if the program is to achieve the goal adopted in [Order 04] to serve more customers.”²
- 5 The Company also seeks authorization to defer additional program expenditures that exceed the budgeted amounts Cascade collects through Schedule 593, Washington Energy Assistance Fund (WEAF) Program Cost Recovery. Cascade does not anticipate the need to defer increased expenditures for the 2016-17 program year due to carryover funds from prior years, but the Company contends that authorized deferral in future years is important to ensure a secure source of funding and to prevent customers from being turned away for lack of sufficient funds.
- 6 Cascade represents that it shared and discussed a draft of the Petition with the WEAFA Advisory Group prior to submitting it to the Commission and that the Advisory Group supports the Petition.
- 7 On June 23, 2017, Commission Staff (Staff) submitted its response to the Petition. Staff states that it participated in the Advisory Group negotiations leading up to the Company’s filing and supports the relief Cascade requests. No other party submitted a response.

² *Id.* ¶ 7.

DISCUSSION AND DECISION

8 “The commission may alter, amend, or rescind any order that it has entered, after notice to the public service company or companies affected and to all parties in the underlying proceeding.”³ Cascade petitioned the Commission to amend Order 04, and the Commission provided notice of the Petition to the parties and the opportunity to comment.⁴ We find that amendment to Order 04 is appropriate under the circumstances presented.

9 We are encouraged by the apparent heightened success of the WEAFF program and agree that authorizing increases to the spending caps in Order 04 is consistent with the public interest in assisting low income customers to meet their energy needs. Requiring annual consultation with the WEAFF Advisory Group prior to requesting the additional funds will ensure the necessity and propriety of any increase in WEAFF expenditures. We also find that authorizing the Company to defer program expenditures in excess of the amounts collected through Schedule 593 will ensure that low income customers will not be left wanting for assistance due to lack of sufficient program funds. We therefore grant the Petition and the relief Cascade requests.

ORDER

10 THE COMMISSION ORDERS:

- 11 (1) The Commission grants the petition of Cascade Natural Gas Corporation and amends Order 04 as follows:
- (a) Cascade Natural Gas Corporation may exceed the Washington Energy Assistance Fund annual budgets established in Order 04 for the 2016-21 program years by up to 15 percent upon Commission approval each year with a soft cap on budgeted program expenditures of an additional five percent as reflected in the table in paragraph 3 above;

³ WAC 480-07-875(1).

⁴ Notice of Deadline to Respond (June 14, 2017).

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- (b) Cascade Natural Gas Corporation must consult with its WEAFF Advisory Group prior to seeking Commission approval of any increase in the budget for each program year; and
 - (c) Cascade Natural Gas Corporation may defer WEAFF program costs that exceed the funds the Company collects through Schedule 593, Washington Energy Assistance Fund (WEAFF) Program Cost Recovery.
- 12 (2) The Commission retains jurisdiction to enforce the terms of this Order and delegates to the Secretary the authority to confirm compliance with this Order.

Dated at Olympia, Washington, and effective June 28, 2017.

WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

DAVID W. DANNER, Chairman

ANN E. RENDAHL, Commissioner

JAY M. BALASBAS, Commissioner