

**BEFORE THE WASHINGTON STATE  
UTILITIES AND TRANSPORTATION COMMISSION**

WASHINGTON UTILITIES AND	)	DOCKET UG-060256
TRANSPORTATION COMMISSION,	)	
	)	
Complainant,	)	
	)	
v.	)	THE ENERGY PROJECT'S
	)	INITIAL BRIEF
CASCADE NATURAL GAS	)	
CORPORATION,	)	
	)	
Respondent.	)	
.....	)	

COMES NOW, Petitioner the Energy Project, by and through its undersigned legal counsel, and pursuant to prior Commission prehearing order, submits the following initial brief.

As this Commission is aware, the parties resolved the majority of issues involved in this proceeding through negotiated settlements prior to hearing. The Energy Project settled all issues that it addressed in its prefiled direct testimony and exhibits and that it intended to, and did, address at hearing. A true and correct copy of the settlement document that the Energy Project executed with Cascade Natural Gas Corporation (“Cascade”) and which addresses all issues germane to the Energy Project’s involvement in this proceeding is attached hereto as Exhibit “A.”

Although the settlement agreement did not resolve all issues between all parties (e.g., decoupling), it did resolve all issues raised by and involving the Energy Project. Specifically, Cascade agreed to maintain its basic charge at the current level of \$4.00 per

month. *Settlement Agreement Section 17(b), p. 15.* Raising the minimum charge places a relatively high burden on low-income customers who cannot reduce their consumption to avoid paying this fee. The parties also negotiated a package of miscellaneous charges attempting to leave unchanged, or minimize increases to, those charges that would have a relatively greater impact on low-impact customers. *Settlement Agreement Section 13(a), p. 8.*

Finally, Cascade agreed to reinstate the low-income assistance program that it originally proposed in its direct filing, but later withdrew in responsive testimony. Cascade and the Energy Project provided the level of detail regarding how the project would be managed that Staff felt was lacking in the Company's original filing. Basically, the program will provide \$800,000.00 of ratepayer funds annually. In addition, each year the Company shall timely file for all available Public Utility tax credits resulting from the low-income assistance program and any and all credits received shall be added to the base fund for the program. *Settlement Agreement Section 14 (a), p. 9.*

In terms of implementation, the existing network used by the Washington Department of Community, Trade and Economic Development for the Low Income Home Energy Assistance Program (LIHEAP) will be used. Funds will be allocated proportionally according to LIHEAP gas funds distribution in the Company's service territory. *Id.*

Finally, Cascade agreed that within ninety (90) days after the Commission's final order in this proceeding, it will initiate a collaborative effort with Staff, the Energy Project and other interested parties, to track low-income issues by identifying and collecting data pertinent to low-income customers in the Company's Washington service

territory. This effort should also consider whether Cascade should implement an arrearage management project for low-income customers. The goals for this would be reducing service terminations, reducing referral of delinquent customers to third party collection agencies, reducing collection litigation and reducing arrearages, reducing the Company's costs associated with these activities, and increasing voluntary customer payment of arrearages. *Settlement Agreement Section 14(b), p. 9.*

Again, all parties signed the settlement agreement with respect to all low-income issues. The Energy Project respectfully submits that Commission approval of the Settlement Agreement in that regard will not only further the interests of the Company's low-income customers, but the general body of ratepayers as well for all of the reasons stated above. Consequently, the Settlement Agreement is in the best interests of Cascade's general body of ratepayers and the Energy Project respectfully requests that this Commission approve it.

DATED, this 13<sup>th</sup> day of November, 2006.

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Brad M. Purdy

**CERTIFICATE OF SERVICE**

I hereby certify that on the 15<sup>th</sup> day of November, 2006, I caused a true and correct copy of the foregoing Energy Project's Initial Brief to be served on the following by U.S. postage, first class, prepaid.

DATED, this 15<sup>th</sup> day of November, 2006.

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Brad M. Purdy

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