

**BEFORE THE WASHINGTON
UTILITIES AND TRANSPORTATION COMMISSION**

WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION,	DOCKET UG-220198
Complainant,	ORDER 01
v.	
CASCADE NATURAL GAS CORPORATION,	COMPLAINT AND ORDER SUSPENDING TARIFF REVISIONS
Respondent.	

BACKGROUND

1 On March 24, 2022, Cascade Natural Gas Corporation (Cascade or Company) filed with the Washington Utilities and Transportation Commission (Commission) revisions to its currently effective Tariff WN U-3 in Docket UG-220198 that would: (1) set the amortization rate for an historical level of protected Excess Deferred Income Tax prospectively, as though it was a test year component in the Company’s last general rate case in Docket UG-200568, which would reduce the revenue requirement by \$5,958; (2) establish a deferred balance to reflect the over-refund to customers of approximately \$3.3 million, which the Company seeks to begin recovering on November 1, 2022, coincident with its annual Purchase Gas Adjustment filings; (3) reverse the current deferred protected Average Rate Assumption Method component and record it in the proper current federal income tax account; and (4) file an adjustment to its rate Schedule 581 to set the amortization to match the 2020 test year using the accepted volumes and the conversion factor included in Docket UG-210755 at the conclusion of the Company’s general rate case in that docket. After the compliance filing is accepted, Cascade stated that it intends to “eliminate the rate schedule 581 credit rate and roll the amortization rate

into base rates.”¹ The Company proposes a May 1, 2022, effective date for these tariff revisions.

- 2 On March 29, 2022, the Commission issued a Notice of Intent to Consolidate and Notice of Bench Request in Docket UG-210755 and Docket UG-220198. After receiving responses from all the parties and the Company’s response to the Bench Request, the Commission issued a Notice of Status Conference set for April 14, 2022, at 2 p.m.
- 3 On April 14, 2022, the Commission convened a Status Conference with the parties to discuss the following options to address the proposed tariff revisions: (1) Cascade withdrawing its filing and making a replacement filing, (2) Cascade extending the effective date of its general rate case to allow the Commission to consolidate the matters, or (3) the Commission suspending the operation of the proposed tariff revisions and setting this matter for hearing. Cascade requested the Commission immediately suspend the operation of the proposed tariff revisions and set the matter for hearing.

DISCUSSION AND DECISION

- 4 We suspend Cascade’s proposed tariff revisions. The proposed revisions might injuriously affect the rights and interests of the public, and Cascade has not demonstrated that the tariff revisions would result in rates that are fair, just, reasonable, and sufficient. The Commission thus suspends the tariff filing and will hold public hearings, if necessary, to determine whether the proposed tariff revisions will result in rates that are fair, just, reasonable, and sufficient.

FINDINGS AND CONCLUSIONS

- 5 (1) The Commission is an agency of the State of Washington vested by statute with the authority to regulate rates, regulations, and practices of public service companies, including natural gas companies.
- 6 (2) Cascade is a natural gas company and a public service company subject to Commission jurisdiction.

¹ Cascade Cover Letter, Docket UG-220198.

- 7 (3) The tariff revisions Cascade filed on March 24, 2022, would alter charges and rates for service provided by Cascade and might injuriously affect the rights and interest of the public.
- 8 (4) Cascade has not yet demonstrated that the tariff revisions would result in rates that are fair, just, reasonable, and sufficient.
- 9 (5) Cascade's rates and charges for natural gas service shown on any tariffs that Cascade does not propose to revise may also be investigated to determine if they are fair, just, reasonable, and sufficient.
- 10 (6) In order to carry out the duties imposed upon the Commission by law, and as authorized in RCW 80.04.130, the Commission believes it is necessary to investigate Cascade's books, accounts, practices and activities; to make a valuation or appraisal of Cascade's property; and to investigate and appraise various phases of Cascade's operations. The Commission finds that this docket meets the criteria of WAC 480-07-400(2)(b)(i) and that the parties may conduct discovery pursuant to the Commission's discovery rules in WAC 480-07-400 – 425.
- 11 (7) As required by RCW 80.04.130(4), Cascade bears the burden to prove that the proposed tariff revisions are fair, just, reasonable, and sufficient.
- 12 (8) Cascade may be required to pay the expenses reasonably attributable and allocable to such an investigation, consistent with RCW 80.20.

ORDER

THE COMMISSION ORDERS:

- 13 (1) The tariff revisions Cascade Natural Gas Corporation filed on March 24, 2022, are suspended.
- 14 (2) The Commission will hold hearings at such times and places as may be required. Such hearings may also examine Cascade Natural Gas Corporation's rates and charges for natural gas service shown on any tariffs that Cascade Natural Gas Corporation does not propose to revise.

- 15 (3) Cascade Natural Gas Corporation must not change or alter the tariffs filed in this docket during the suspension period unless authorized by the Commission.
- 16 (4) The Commission will institute an investigation of Cascade Natural Gas Corporation's books, accounts, practices, activities, property, and operations as described above.
- 17 (5) The parties may conduct discovery pursuant to the Commission's discovery rules in WAC 480-07-400 – 425.
- 18 (6) Cascade Natural Gas Corporation shall pay the expenses reasonably attributable and allocable to the Commission's investigation to the extent required in Chapter 80.20 RCW.

DATED at Lacey, Washington, and effective April 18, 2022.

WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

DAVID W. DANNER, Chairman

ANN E. RENDAHL, Commissioner

**Appendix
TARIFF WN U-3**

5 th Revision Sheet No. 581	Canceling	4 th Revision of Sheet No. 581
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