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August 27, 2021

SENT VIA WEB PORTAL

Mark L. Johnson
Executive Director and Secretary
Washington Utilities and Transportation Commission
621 Woodland Square Loop SE
Lacey, WA 98503

Re: *In the Matter of the Petition of Cascade Natural Gas Corp. For an Order Extending
Cascades Natural Gas' Decoupling Mechanism, Docket UG-152268*

Dear Mr. Johnson:

Enclosed for filing in the above-referenced docket is Public Counsel's Response to Cascade Natural Gas Motion to Amend Order 04, and the Certificate of Service.

Sincerely,

Lisa W. Gafken

/s/

LISA W. GAFKEN, WSBA No. 31549
Assistant Attorney General
Public Counsel Unit
(206) 464-6595

LG/BCH

Enclosures

cc: Service List (via E-mail)

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**BEFORE THE WASHINGTON
UTILITIES AND TRANSPORTATION COMMISSION**

In the Matter of the Petition of

CASCADE NATURAL GAS
CORPORATION

For an Order Extending Cascade
Natural Gas' Decoupling Mechanism
Until its Next Full General Rate Case
or Beyond.

DOCKET NO. UG-152286

PUBLIC COUNSEL'S RESPONSE
TO CASCADE NATURAL GAS'
MOTION TO AMEND ORDER 04

1. Pursuant to the Notice of Opportunity to File Written Responses dated July 30, 2021, in the above-captioned docket, the Public Counsel Unit of the Washington Office of the Attorney General ("Public Counsel") responds to Cascade Natural Gas's ("Cascade" or "Company") Motion to Amend Order 04 ("Motion"). Public Counsel does not object to Cascade's Motion.
2. In Order 04, the Washington Utilities and Transportation Commission ("Commission" or "UTC") approved a decoupling mechanism for Cascade.¹ The Commission required Cascade to obtain a third-party evaluation of the mechanism following the end of the third full year after implementation. Cascade filed its third-party evaluation on March 12, 2021, and now asks the Commission to modify Order 04 to extend the decoupling mechanism until the Company's next general rate case. Cascade states that it expects to file its next general rate case in late 2022 or early 2023.

¹ *Wash. Util. and Transp. Comm'n v. Cascade Nat. Gas Corp.*, Docket UG-152286, Order 04, Final Order Approving Settlement Agreement, ¶¶ 8-9, 25 (July 7, 2016) ("Order 04").

3. Public Counsel does not object to extending Cascade’s decoupling mechanism for consideration in the Company’s next general rate case. The requested extension is brief and narrowly tailored. Cascade expects its next rate case in late 2022 or early 2023, which is slightly more than a year from now. Moreover, there is value to considering the decoupling mechanism in the context of a general rate case.

4. Additionally, any extension granted now does not predetermine whether the decoupling mechanism will be extended or abolished when it is considered in the next general rate case. Public Counsel recognizes that Cascade intends to ultimately request retention of the mechanism.² However, as Cascade correctly notes in its Motion, the matter of its decoupling mechanism would be “fully adjudicated on whether the mechanism should be sustained or abolished.”³

5. For the foregoing reasons, Public Counsel raises no objection to Cascade’s Motion. If the Commission grants Cascade’s Motion, Public Counsel recommends that the Commission require Cascade to update its March 12, 2021, third-party evaluation to assess how the mechanism functions during the extended period. The March 12, 2021, third-party evaluation covers 2017 through 2019, so the evaluation will be stale for Cascade’s next rate case. Requiring Cascade to update its evaluation may reduce the amount of discovery needed and streamline the issue during the general rate case.

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² Cascade Natural Gas’s Motion to Amend Order 04, ¶ 4 (Mar. 12, 2021).

³ *Id.* ¶ 5.

DATED this 27th day of August, 2021.

ROBERT W. FERGUSON
Attorney General

/s/ Lisa W. Gafken

LISA W. GAFKEN, WSBA No. 31549
Assistant Attorney General
Public Counsel Unit Chief
Lisa.Gafken@ATG.WA.GOV

CERTIFICATE OF SERVICE

DOCKET UG-152286
WUTC v. Cascade Natural Gas Corporation
(Cascade Decoupling Mechanism)

I HEREBY CERTIFY that I have this day served *Public Counsel's Response to Cascade's Motion to Amend Order 04* upon all parties of record in this proceeding, by electronic transmission to the email address(es) or by mailing a true and correct copy, postage prepaid, to each party or party representative listed in the Commission's master service list for this docket.

<p>COMMISSION STAFF:</p> <p>Sally Brown Nash Callaghan P.O. Box 40128 Olympia, WA 98504-0128 Sally.Brown@UTC.WA.GOV Nash.Callaghan@UTC.WA.GOV</p> <p>Betsy DeMarco, Betsy.DeMarco@UTC.WA.GOV</p> <p>Erika Summers, Erika.Summers@UTC.WA.GOV</p>	<p>CASCADE NATURAL GAS CO.:</p> <p>Christopher Mickelson Manager, Regulatory Affairs Cascade Natural Gas Corporation 8113 West Grandridge Blvd. Kennewick, WA 99336-7166 Christopher.Mickelson@cngc.com</p>
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Dated at Seattle, Washington this 27th day of August, 2021.

/s/ Brice C. Hartman
BRICE C. HARTMAN
Legal Assistant