

**BEFORE THE WASHINGTON
UTILITIES & TRANSPORTATION COMMISSION**

WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION,

Complainant,

v.

CASCADE NATURAL GAS COMPANY.

Respondent.

DOCKET UG-240008

**STEFAN DE VILLIERS
ON BEHALF OF THE
WASHINGTON STATE OFFICE OF THE ATTORNEY GENERAL
PUBLIC COUNSEL UNIT**

EXHIBIT SDV-2

Cascade's Response to Public Counsel Data Request No. 98

September 25, 2024

BEFORE THE WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

**Docket UG-240008
Cascade Natural Gas Corporation
2024 General Rate Case**

PUBLIC COUNSEL DATA REQUEST NO. 98:

Re: Line Extension Allowances

Do the Company's line extension allowances cover costs in addition to the main and service line extension investments documented in the Company's response Public Counsel Data Request No. 1? Such costs may include but are not limited to meters, regulators, and other equipment installed during line extensions.

Response:

Per Cascade Natural Gas Corporation's ("Cascade") Rule 8 – Extension of Distribution Facilities ("Rule 8"), line extension costs are the sum of all estimated costs of furnishing and installing the distribution facilities necessary to provide gas service to a customer. Line extension costs attributed to the customer generally exclude the cost of the billing meter, per Cascade's Rule 7 – Meters and Meter Testing Procedures. The majority of the distribution facilities necessary to provide gas service are main and service line extensions. Other facilities such as regulator stations and town border stations may be required on occasion, and if it was determined that the need for such facilities was based on the addition of a specific customer, the cost would be included in the line extension costs attributed to the customer. The need for these facilities is sometimes attributed to service for entire distribution systems or areas rather than individual customers, and when that is the case the costs would not be attributed to a specific customer.

Cascade calculates a margin allowance toward the line extension costs to a qualifying new or modified line extension project as described in Rule 8. When the allowance is greater than or equal to the line extension costs attributed to the customer, the distribution facilities will be installed at no additional cost to the customer. If the allowance is less than the line extension costs, then prior to the installation of service, the customer must pay the total of line extension costs less the allowance, multiplied by an amount to account for Federal income taxes.