

**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-3

Cascade's Response to Public Counsel Data Request No. 96

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. 96:

Re: Line Extension Allowances

Does the Company believe line extension allowances benefit current ratepayers who subsidize the allowances through rates but do not directly benefit from the line extensions they cover? If so, please explain why.

Response:

Cascade Natural Gas Corporation's approved Line Extension tariff, Rule 8, does provide significant benefits to current rate payers. There is no subsidy from current rate payers. The line extension allowance is the amount of the line extension costs that are supported by the incremental revenues from the new customers. After seven years all revenues from the new customers reduce the overall cost of service to all existing customers, thus providing significant benefits to current customers.