

BEFORE THE
WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

WASHINGTON UTILITIES AND
TRANSPORTATION COMMISSION,

Complainant,

v.

CASCADE NATURAL GAS
CORPORATION,

Respondent.

DOCKET UG-21 _____

CASCADE NATURAL GAS CORPORATION

DIRECT TESTIMONY OF PAMELA J. ARCHER

September 30, 2021

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3. Exh. PJA-4 Residential and non-residential bill impacts at varying levels of usage

I. INTRODUCTION

1 **Q. Please state your name, business address, and present position.**

2 A. My name is Pamela J. Archer and my business address is 8113 W. Grandridge Blvd.,
3 Kennewick, WA 99336. My present position is Regulatory Analyst IV for Cascade
4 Natural Gas Corporation (“Cascade” or “Company”), a wholly owned subsidiary of
5 MDU Resources Group, Inc. (“MDU Resources”).

6 **Q. Would you briefly describe your duties?**

7 A. Yes. I prepare regulatory reports and rate/tariff filings for regulatory approval, as well as
8 provide regulatory and tariff advice and knowledge to others within the Company. I also
9 provide testimony in rate cases as needed on cost of service and rate design issues.

10 **Q. Please briefly describe your educational background and professional experience.**

11 A. I am a 1992 graduate of The Ohio State University with a B.S. in Chemical Engineering.
12 In 1996, I graduated from Ashland University with a Master of Business Administration
13 Degree. Prior to joining Cascade in September 2010, I was employed as an Energy
14 Specialist at the Office of the Ohio Consumers’ Counsel for fifteen years. I have received
15 additional training at the Annual Regulatory Studies Program sponsored by the National
16 Association of Regulatory Utility Commissioners (“NARUC”) at Michigan State
17 University in 1992 as well as at multiple NARUC sponsored events. I have also taken
18 post-graduate courses in Managerial Accounting, Corporate Finance, and Business Law
19 at The Ohio State University.

1 **Q. Have you previously testified?**

2 A. Yes. I testified before the Washington Utilities and Transportation Commission
3 (“Commission”) in Cascade’s 2015 general rate case in Docket UG-152286, its 2019
4 general rate case in Docket UG-190210, and its 2020 general rate case in Docket UG-
5 200568. I also testified on behalf of Cascade before the Public Utility Commission of
6 Oregon in Dockets UG 287, UG 305, UG 347, and UG 390. I also testified before the
7 Public Utilities Commission of Ohio on behalf of the Office of the Ohio Consumers’
8 Counsel in Docket Numbers 93-2006-GA-AIR, 94-996-EL-AIR, 94-1918-EL-AIR, 95-
9 656-GA-AIR, 01-1228-GA-AIR, 04-571-GA-AIR, and 05-0059-EL-AIR.

10 **Q. What is the purpose of your testimony?**

11 A. The purpose of my testimony is to introduce all proposed changes to Cascade’s current
12 rate schedules. The proposed tariff and the proposed tariff with all revisions shown in
13 legislative format are included in this filing as attachments A and B to the cover letter
14 accompanying Cascade’s general rate case filing, respectively. The proposed tariff is also
15 introduced into the record under my testimony as Exh. PJA-2. I also discuss the customer
16 bill impacts of the proposed rate increase upon the various customer classes.

17 **Q. Please list the exhibits you are sponsoring that accompany this testimony.**

18 A.	Exh. PJA-2	Proposed tariff sheets
19	Exh. PJA-3	Monthly and annual residential bill impacts
20	Exh. PJA-4	Residential and non-residential bill impacts at varying levels of
21		usage

II. PROPOSED TARIFF

1 **Q. Would you please explain what is contained in Exh. PJA-2?**

2 A. Yes. Exh. PJA-2 contains a copy of the Company's proposed tariff sheets that are being
3 presented in this case.

4 **Q. Did you rely on data or information provided by other witnesses to prepare the
5 tariff sheets?**

6 A. Yes. As I discuss in greater detail below, I relied on testimony and exhibits provided by
7 Company witnesses Isaac Myhrum and Maryalice Gresham.

8 **Q. What substantive changes is the Company making to its Tariff?**

9 A. The Company is filing the following revised Sheets:

- 10 • Eighth Revision Sheet No. 25
- 11 • Sixty-Fourth Revision Sheet No. 503
- 12 • Forty-Eighth Revision Sheet No. 504
- 13 • Forty-Eighth Revision Sheet No. 505
- 14 • Sixty-Sixth Revision Sheet No. 511
- 15 • Fifty-Ninth Revision Sheet No. 570
- 16 • Tenth Revision Sheet No. 663-A

17 **Q. Please explain the changes that are non-housekeeping in nature.**

18 A. Cascade proposes revising Schedule Nos. 503, 504, 505, 511, 570, and 663 to include
19 changes to rates, as discussed in the testimony of Company witnesses Isaac Myhrum and
20 Maryalice Gresham, Exh. IDM-1T and Exh. MCG-1T, respectively. In addition, the

1 Company proposes to update Rule 21, Decoupling Mechanism, which is also discussed in
2 Company witness Isaac Myhrum’s testimony.

3 **Q. Is the Company proposing any other revisions to the rates or values reflected in the**
4 **Tariff?**

5 A. Yes. The Company proposes that the Gross Revenue Fee in Rate Schedule 663 decrease
6 from 4.454 percent to 4.423 percent, consistent with the changes to the percentage
7 applied to bills to cover the costs for uncollectibles, state Business and Operating
8 (“B&O”) tax, and Commission fees, as shown in the third exhibit to the Direct Testimony
9 of Company witness Maryalice Gresham’s Exh. MCG-4.

10 **Q. Are there any other Tariff changes?**

11 A. No, there are not.

III. CUSTOMER BILL IMPACTS

12 **Q. Please describe the bill impacts for residential customers under Cascade’s rate**
13 **design proposal.**

14 A. The average monthly increase for a residential customer served on rate schedule 503
15 under the Company’s proposed rate design is \$2.89. The monthly and annual bill impacts
16 for a typical residential customer using 646 therms per year are shown in Exh. PJA-3.
17 The average monthly residential bill impacts are depicted on Exh. PJA-3, page 1, and bill
18 impacts over varying monthly levels of usage are presented on Exh. PJA-4, page 1.

19 **Q. Has the Company prepared bill comparisons for Cascade’s other rate classes?**

20 A. Yes. Exh. PJA-4, pages 2 through 6, presents bill comparisons for Cascade’s non-
21 residential service schedules at varying monthly levels of gas usage.

1 **Q. Please describe the bill impacts for commercial customers under Cascade's rate**
2 **design proposal.**

3 A. The average monthly increase for a commercial customer served on rate schedule 504
4 under the Company's proposed rate design is \$12.23. The bill impacts over varying
5 monthly levels of usage for a commercial customer are presented on Exh. PJA-4.

6 **Q. Please describe the bill impacts for firm industrial, large volume general,**
7 **interruptible, and non-core industrial service.**

8 A. Firm industrial customers on rate schedule 505 will experience an average rate increase
9 of \$59.85, under the proposed rate design. Large volume general service customers on
10 rate schedule 511 will experience an average rate increase of \$461.16, under the proposed
11 rate design. Interruptible service customers on rate schedule 570 will experience an
12 average rate increase of \$360.20, under the proposed rate design. Finally, non-core
13 industrial transport service customers on rate schedule 663 will experience an average
14 rate increase of \$1,771.87. The bill impacts over varying monthly levels of usage for firm
15 industrial, large volume general, interruptible, and non-core industrial service are
16 presented in Exh. PJA-4.

17 **Q. Does this conclude your testimony?**

18 A. Yes.