

**BEFORE THE WASHINGTON
UTILITIES AND TRANSPORTATION COMMISSION**

**WUTC v. Cascade Natural Gas Corp.
Docket UG-170929
Public Counsel
UG-170929**

Request No. 114

Date prepared: February 6, 2018

Preparer: Jennifer Gross

Contact: Michael Parvinen

Telephone: 509-734-4593

PC-114

Please refer to Cascade's Response to Public Counsel Data Request No. 78. Has the Company completed any analysis on the need for increasing the charges for Reconnection (business hours), Reconnection (after hours), Disconnection, Returned Check, and Pilot Light Service, referenced to influence customer behavior?

- a. If answered in the affirmative, please describe with particularity the type of analysis conducted and provide all documents and workpapers associated with the analysis.
- b. If answered in the negative, please explain with particularity why Cascade did not conduct an analysis on the effect of the Company's current charges versus the Company's proposed increased charges on influencing customer behavior.
- c. Does the Company consider the "conversations with the Company's Credit Manager" as equivalent to an analysis on the effects of the Company's miscellaneous charges and their influence on customer behavior?
- d. If the Company answers subpart (c) in the affirmative, please provide copies of the "conversations" and "feedback." If copies do not exist, provide detailed descriptions of the "conversations" and "feedback," and provide any notes resulting from the "conversations" and "feedback."
- e. If the Company answers subpart (c) in the negative, please explain why the Company does not consider "conversations with the Company's Credit Manager" as an equivalent as to an analysis. Also, please explain how this relates to the Company's revised "methodology for assessing risk of past due amounts."

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Response:

The Company performed no analysis on the need for increasing the Reconnection (business hours), Reconnection (after hours), Disconnection, Returned Check, and Pilot Light Service charges to impact customer behavior.

- a. The Company answered in the negative.
- b. Cascade did not perform an analysis on the effect the proposed charges would have on influencing customer behavior. The Company applied reason. Price affects demand; a high price will generally decrease demand, and a lower price will generally increase demand. If the Commission-approved rates for the miscellaneous charges were just and reasonable, then adjusting those fees for the time value of money would maintain the equilibrium between price and demand as deemed appropriate by the Commission in UG-060256.
- c. While the conversation with the credit manager by itself was not analysis, the information the credit manager provides is the result of analytical thinking about the Company's billings and receivables. The Company values the experience and expertise of its credit manager. He has years of experience of daily work that includes implementing strategies to reduce uncollectibles and observing payment trends and customer behavior.
- d. The Company stated in the negative that the conversation itself was not analysis.

As stated in response to DR PC-114(c), the conversation itself was not analysis. It was the relaying of information. The credit manager passed on the information he had acquired as the subject matter expert and responsible party over Cascade's credit and collections. He explained he considered the Company's methodology for assessing risk of past due amounts, meaning the Company's policies for working delinquent accounts are intended to encourage customers to submit timely payments. Having done what he could do internally, he explained that it would be useful to increase the rates for the Reconnection (business hours), Reconnection (after hours), Disconnection, Returned Check, and Pilot Light Service fees so that the fees keep pace with inflation and customers will be encouraged to avoid incurring the fees. His strategy is to encourage customers to make timely payments, because many customers are chronic late-payers but have money immediately available to reconnect, suggesting that disconnection could have been avoided.

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Request No. 115

Date prepared: February 6, 2018

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Telephone: 509-734-4593

PC-115

Please refer to Cascade's Response to Public Counsel Data Request No. 80.

Please provide all documents and resources, if any, used in determining "different bases for increasing the miscellaneous charges."

Response:

The Company does not have additional documents or resources to provide demonstrating its general brainstorming of different bases for increasing the miscellaneous charges.

**BEFORE THE WASHINGTON
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**WUTC v. Cascade Natural Gas Corp.
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Request No. 117

Date prepared: February 6, 2018

Preparer: Jennifer Gross

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Telephone: 509-734-4593

PC-117

Please refer to Cascade's Response to Public Counsel Data Request No. 81.

- a. Please state whether Cascade has or has not conducted an analysis on how the miscellaneous charges effect customer behavior and provide "appropriate cost signals" either at the current level or the proposed increased level.
- b. Please provide and explain the Company's definition of "appropriate cost signals."

Response:

- a. Cascade has not conducted an analysis on how the miscellaneous charges effect customer behavior and provide *appropriate cost signals* either at the current level or the proposed increased level.
- b. The Company defines *appropriate cost signal* as the information conveyed to customers through the rate of a product or service, which provides a signal to either increase demand if the price is low or decrease demand if the price is high.