

Exhibit No. __ (PJA-1T)
Docket No. UG-15____
Witness: Pamela J. Archer

**BEFORE THE
WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION**

WASHINGTON UTILITIES AND
TRANSPORTATION COMMISSION,
Complainant,

v.

CASCADE NATURAL GAS
CORPORATION,
Respondent.

DOCKET UG-15____

**CASCADE NATURAL GAS CORPORATION
DIRECT TESTIMONY OF PAMELA J. ARCHER**

December 1, 2015

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1 **I. INTRODUCTION**

2 **Q. Please state your name, business address, and present position with Cascade**
3 **Natural Gas Corporation (Cascade or Company).**

4 A. My name is Pamela J. Archer and my business address is 8113 W. Grandridge Blvd.,
5 Kennewick, WA 99336. My present position is Supervisor, Regulatory Analysis for
6 Cascade, a wholly-owned subsidiary of Montana Dakota Utilities Resources Group, Inc.
7 (MDU Resources).

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

9 A. Yes. I supervise the preparation of regulatory reports and rate/tariff filings for regulatory
10 approval, as well as provide regulatory and tariff advice and knowledge to others within
11 the Company.

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

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

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

23 A. The purpose of my testimony is to describe the revenue proof shown in Exhibit No. __
24 (PJA-2), and to explain various changes to Cascade's rate schedules proposed in this
25 case. Cascade's revised tariff sheets are provided in Exhibit No. __ (PJA-3).

1 **II. REVENUE PROOF**

2 **Q. Would you please describe the revenue proof shown in Exhibit No. __ (PJA-2)?**

3 A. Yes. The first section of the revenue proof shows the presentation of the test year
4 volumes and billing determinants at test year rates from July 1, 2014 through June 30,
5 2015. The amount shown includes all the components of the rates, including gas costs,
6 taxes, tribal charges, and any billing adjustments for each rate schedule.

7 **Q. What is shown in the current rates section of the revenue proof?**

8 A. The current rates section shows the current rates, as of November 1, 2015, being applied
9 to the weather-normalized test year volumes and the test year billing determinants.

10 **Q. What does the column labeled 2015 Revenue Adjustment represent?**

11 A. This column represents the difference between the weather-normalized test year volumes
12 and test year billing determinants for each rate class at current rates and the test year
13 volumes and billings at test year rates. The difference between these two sections shows
14 how much revenue can be attributed to changes in weather normalization, the Cost
15 Recovery Mechanism, and changes in special contract rates due to the annual CPI
16 (Consumer Price Index) update.

17 **Q. What is shown in the proposed rates section of the revenue proof?**

18 A. This section shows the rates being proposed in this case applied to the weather-
19 normalized test year volumes and the test year billing determinants for each rate class.

20 **Q. What does the difference in the proposed rates and current rates sections show?**

21 A. The difference between the proposed rates and current rates shows the revenue increase
22 the Company is requesting in this case.

1 **III. CHANGES TO CASCADE’S TARIFFS**

2 **Q. Would you please explain what is contained in Exhibit No. __ (PJA-4)?**

3 A. Yes. Exhibit No. __ (PJA-4) contains a copy of the Company’s present tariff sheets that
4 are being revised in this case.

5 **Q. Did you prepare revised tariff sheets to reflect the rate increase and other tariff
6 changes proposed in this case?**

7 A. Yes. Cascade’s revised tariff sheets are provided in Exhibit No. __ (PJA- 3).

8 **Q. Did you rely on data or information provided by another witness to prepare the
9 tariff sheets?**

10 A. Yes. I relied on the cost-of-service study data and testimony provided by Ronald J. Amen
11 and the decoupling testimony provided by Jennifer G. Gross.

12 **Q. Is the Company proposing any changes to its current Tariff?**

13 A. Yes. The Company seeks to make some housekeeping revisions and to withdraw a
14 number of schedules that have either been previously cancelled or contain services or
15 rates that are no longer offered.

16 **Q. What schedules is the Company withdrawing?**

17 A. Cascade is proposing to withdraw the following current rate schedules:

- 18 • Third Revision Sheet No. 21-C, “Rules and Regulations;”
- 19 • Fifty-Fourth Revision Sheet No. 541, “Gas Air Conditioning Rate;”
- 20 • Fifth Revision Sheet No. 545, “Residential Heating Equipment Service Rate;”
- 21 • Eighth Revision Sheet No. 599, “Refund Adjustment;”
- 22 • Fifth Revision Sheet No. 664; “Cancellation of Schedule No. 664;”
- 23 • First Revision Sheet No. 665, “Cancelation of Schedule No. 665;”
- 24 • Fourth Revision Sheet No. 678, “Interruptible Electric Generation Gas Service;”
- 25 • Third Revision Sheet No. 678-A, “Interruptible Electric Generation Gas Service;”
- 26 • Second Revision Sheet No. 679, “Cancelation of Schedule No. 679;”

- 1 • Ninth Revision Sheet No. 681, “Cancellation of Schedule No. 681;”
- 2 • Substitute Sixth Revision Sheet No. 682, “Optional Best Efforts Spot Market Gas
- 3 Supply;”
- 4 • Fourth Revision Sheet No. 683, “Cancellation of Schedule No. 683;”
- 5 • Substitute Fourth Revision Sheet No. 684, “Optional Gas Supply;”
- 6 • Substitute Third Revision Sheet No. 684-A, “Optional Gas Supply;” and
- 7 • Original Sheet No. 699, “Refund Adjustment.”

8 **Q. Why is the Company withdrawing the previously mentioned rate schedules?**

- 9 • Sheet No. 21-C is being withdrawn because it contains no text;
- 10 • Sheet No. 541 is removed as no customers are currently or are expected to be taking
- 11 service on this schedule;
- 12 • Sheet No. 599 is withdrawn because it contains a refund adjustment that expired
- 13 approximately 29 years ago;
- 14 • Sheet Nos. 545, 664, 665, 679, 681, and 683 contain services or rates that were
- 15 previously cancelled;
- 16 • Sheet Nos. 682, 684, and 684-A contain services that were not available after October
- 17 31, 2008;
- 18 • Sheet Nos. 678 and 678-A are withdrawn because the Company no longer has
- 19 customers taking service under these schedules; and
- 20 • Sheet No. 699 is withdrawn because it is a refund related to a 1992 docket that is no
- 21 longer in effect.

22 **Q. Is the Company proposing any general housekeeping changes to its current tariffs?**

23 A. Yes. The Company is filing the following revised sheets:

- 24 • Thirty-Fifth Revision Sheet No. 2
- 25 • Twentieth Revision Sheet No. 2-A

- 1 • Third Revision Sheet No. 7
- 2 • Fifth Revision Sheet No. 21
- 3 • Third Revision Sheet No. 301
- 4 • Thirty-Fifth Revision Sheet No. 595
- 5 • Eighty-First Revision Sheet No. 596
- 6 • Fourth Revision Sheet No. 685-A
- 7 • Fourth Revision Sheet No. 687

8 **Q. Can you please describe the proposed housekeeping changes being made to the**
9 **Company's current tariffs?**

10 A. Yes. The following changes are being proposed:

- 11 • Index Sheet No. 2 is changed to revise the title of Rule No. 21 from “Conservation
12 Alliance Plan Mechanism” to “Decoupling Mechanism.” Also, the references to
13 Schedule Nos. 541, “Gas Air Conditioning Rate” and 545, “Residential Heating
14 Equipment Service Rate” are removed as both schedules are herein withdrawn;
- 15 • Index Sheet No. 2-A is revised to remove the following withdrawn Schedules: 599,
16 664, 665, 678, 679, 681, 682, 683, 684, and 699. It is also revised to add a reference
17 to proposed Schedule No. 594, “Decoupling Mechanism Adjustment,” the rate
18 schedule that corresponds with Rule 21. Proposed Schedule No. 594 is discussed in
19 Jennifer G. Gross’ testimony;
- 20 • Sheet No. 7, Rule 3, “Applications and Contracts for Service” is revised to clarify that
21 applications for service may be either written or oral;
- 22 • Sheet No. 21, Rule 17, “Firm Service Priority” is revised to correct a reference from
23 Rule No. 14 to Rule No. 15, as the schedule that defines Force Majeure;
- 24 • Sheet No. 301, “Low Income Weatherization Incentive Program” is revised to
25 remove the requirement that eligible customers must live in homes built prior to 1991.

1 This is an unnecessarily restrictive standard. Newer homes often need cost-effective
2 repairs to insulation because of faulty installations of insulation; and

- 3 • Sheet Nos. 595 and 596 are revised to remove the references to Schedule No. 541
4 which are herein withdrawn; and
- 5 • Sheet No. 685-A, “Optional Firm Pipeline Capacity Supplemental Schedule No. 685”
6 is revised to include Cascade’s correct address; and
- 7 • Sheet No. 687, “Optional Gas Management Services” is revised to include the
8 updated names of the pipeline companies.

9 **Q. Is the Company making any substantive changes to its Tariff?**

10 A. Yes. Besides the housekeeping changes described above, the Company is also filing the
11 following revised Sheets:

- 12 • First Revision Sheet No. 25
- 13 • Original Sheet No. 25-A
- 14 • Original Sheet No. 25-B
- 15 • Original Sheet No. 25-C
- 16 • Fifty-Third Revision Sheet No. 502
- 17 • Fifty-Eighth Revision Sheet No. 503
- 18 • Forty-Second Revision Sheet No. 504
- 19 • Forty-First Revision Sheet No. 505
- 20 • Fifty-Eighth Revision Sheet No. 511
- 21 • Thirty-Eighth Revision Sheet No. 512
- 22 • Fifty-Second Revision Sheet No. 570
- 23 • Forty-Ninth Revision Sheet No. 577
- 24 • Original Sheet No. 594
- 25 • Third Revision Sheet No. 597

1 • Sixteenth Revision Sheet No. 663

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

3 A. Below is a summary of the more substantive changes:

- 4 • First Revision Sheet No. 25, Original Sheet Nos. 25-A, 25-B, and 25-C, Rule 21,
5 “Conservation Alliance Plan Mechanism” is retitled “Decoupling Mechanism” and is
6 revised as discussed in the testimony of Company witness Jennifer G. Gross;
- 7 • Schedule Nos. 502, 503, 504, 505, 511, 512, 570, 577, and 663 are revised to include
8 changes to rates as discussed in the testimony of Company witness Ronald J. Amen;
- 9 • Schedule No. 594 is the new Decoupling Mechanism Adjustment that will establish the
10 rate applied in accordance with Rule 21, Decoupling Mechanism. This Schedule is
11 explained in Jennifer G. Gross’s testimony;
- 12 • Schedule No. 597 is revised to remove the rate for the Cost Recovery Mechanism as
13 these rates are now included in base rates; and
- 14 • Schedule No. 663 is edited to rename the Dispatch Service Charge to a Basic Service
15 Charge. The volumetric rate of \$0.0002 per therm is discontinued and is replaced with a
16 System Balancing Charge of \$0.0004 per therm. These proposed changes are discussed
17 in Ronald J. Amen’s testimony.

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

19 A. Yes.