

Exhibit No. __ (MPP-3)
Docket No. UG-17____
Witness: Michael P. Parvinen

WASHINGTON UTILITIES AND
TRANSPORTATION COMMISSION,
Complainant,

v.

CASCADE NATURAL GAS
CORPORATION,

Respondent.

DOCKET UG-17____

CASCADE NATURAL GAS CORPORATION

EXHIBIT OF MICHAEL P. PARVINEN

REVENUE REQUIREMENT CALCULATION

31-Jul-17

**Cascade Natural Gas
Revenue Requirement Calculation
12 Months ended December 31, 2016**

1 Adjusted Rate Base	\$301,435,260
2 Rate of Return	<u>7.60%</u>
3 Required Return (ln 1 x ln 2)	\$22,903,051
4 Adjusted Net Income	<u>\$19,208,991</u>
5 Required Net Income Increase (ln 3 - ln 4)	\$3,694,060
6 Conversion Factor	<u>0.62120</u>
7 Revenue Increase Required (ln 5 / ln 6)	<u>\$5,946,684</u>
8 Test Year Adjusted Revenue	\$217,191,907
9 Overall Revenue Increase	2.7380%