

**BEFORE THE WASHINGTON
UTILITIES AND TRANSPORTATION COMMISSION**

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

Request No. 124

Date prepared: 3/5/2018

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**PC-124 Re: Cascade Natural Gas's supplemental response to Bench Request
No. 1**

With respect to Cascade's Excess Deferred Federal Income Tax (EDFIT), please provide the following:

- a. The amount of plant-related EDFIT as of December 31, 2017 broken out between the protected portion (i.e., portion protected under the normalization rules) and the non-protected portion.
- b. The amount of non-plant related EDFIT as of December 31, 2017.
- c. The balance of the protected plant-related EDFIT, the non-protected plant-related EDFIT and the non-plant EDFIT as of the most recent date available. Provide the balance for each category (i.e., protected plant, non-protected plant, and non-plant) separately.
- d. The projected balance of the protected plant-related EDFIT, the non-protected plant-related EDFIT and non-plant EDFIT as of July 31, 2018. Provide the balance for each of these three categories of EDFIT separately.
- e. If any of the non-plant EDFIT has been amortized on the Company's books causing the current non-plant EDFIT balance to be lower than the December 31, 2017 balance, identify when amortization began and the amortization period being used. Also, explain why the company began amortization of the non-plant related EDFIT.
- f. If the non-protected plant related EDFIT has declined since the December 31, 2017 balance, explain why and identify the amortization period being used.

Response:

See attached spreadsheet.

Cascade Natural Gas
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a) Excess Plant Deferred Income Tax @ 12/31/2017

	Protected	Non Protected	Flowthrough
Plant in service	37,635,485.04	2,624,340.74	958,975.78
CWIP		63,007.25	(76,745.03)
ITC			58,999.30
Total	37,635,485.04	2,687,347.99	941,230.05

b) Excess Non-plant Deferred Income Tax @ 12/31/2017

Non-plant 7,894,731.82

c) Balance of excess plant deferred Income Tax @ 1/31/2018

	Protected	Non Protected	Flowthrough
Plant			
Plant in service	37,507,103.89	2,616,474.14	957,371.06
CWIP		63,007.25	(74,978.18)
ITC			58,263.79
Non-plant			
		7,828,942.35	
Total	37,507,103.89	10,508,423.74	940,656.67

d) Balance of excess plant deferred Income Tax @ 7/31/2018

	Protected	Non Protected	Flowthrough
Plant in service	36,736,816.99	2,569,274.54	947,742.74
CWIP		63,007.25	(64,377.08)
ITC			57,844.65
Total	36,736,816.99	2,632,281.79	941,210.31

e) Amortization of Non-plant excess deferred taxes

Non-plant excess deferred taxes are being amortized using 10 year straight line, spread evenly over 12 months.

789,473.18 Per year

65,789.43 Per month

f) Non-protected plant related excess deferred taxes

Non-protected plant excess deferred taxes are being amortized using the ARAM method.