

**BEFORE THE WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION**

**Docket UG-24008  
Cascade Natural Gas Corporation  
2024 General Rate Case**

**BENCH REQUEST NO. 5:**  
**For Witness Bradley Mullins:**

In your settlement testimony at Exh. BGM-9T at 4:4-21 and 5:1-4, you discuss the revenue requirement reduction of \$600,000 per rate year due to the “Capital Run Rate.” You discuss the issue of “Capital Run Rate” in your response testimony at Exh. BGM-1T at 32:1 – 33:2, and in BGM-7. Can you further describe what you refer to as a Capital Run Rate and the application of Capital Run Rate in the context of the portfolio vs. project-by-project review process resulting from this Settlement Agreement?

**Response:**

Cascade Natural Gas Corporation would like to also provide some additional clarity on the application of the \$600,000 Capital Run Rate adjustment. As shown on line 251 of 240008-CNGC-Attachment A to Full Multiparty Settlement Stipulation, the Capital Run Rate Adjustment will be included as part of the portfolio review. For simplicity, the Company included the Capital Run Rate adjustment in Account 380.3 - Services, however, the adjustment is not tied to a particular project, or projects. The single line item plant reduction was included in each provisional year to achieve a \$600,000 reduction to revenue requirement for each year. This line item reduces the total of the plant that will be subject to portfolio treatment in the annual provisional review.