

**Exhibit No. __ (MPP-3)
Revenue Requirement Calculation
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

8/31/2017

Cascade Natural Gas Revenue Requirement Calculation 12 Months ended December 31, 2016
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1 Adjusted Rate Base	\$300,860,726
2 Rate of Return	<u>7.60%</u>
3 Required Return (ln 1 x ln 2)	\$22,859,398
4 Adjusted Net Income	<u>\$19,203,666</u>
5 Required Net Income Increase (ln 3 - ln 4)	\$3,655,732
6 Conversion Factor	<u>0.62120</u>
7 Revenue Increase Required (ln 5 / ln 6)	<u>\$5,884,984</u>
8 Test Year Adjusted Revenue	\$217,191,907
9 Overall Revenue Increase	2.7096%