

***Washington Utilities and Transportation Commission***  
**v.**  
***Cascade Natural Gas Corporation***  
**Bench Request**  
**UG-200568**

**Bench Request No. 9**

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**Bench Request:**

**BENCH REQUEST NO. 9:**

- a. Referring to Commissioner Ann Rendahl's bench questions for Michael Parvinen at TR 231:6-19, please confirm that Cascade's proposed P-3 Pro-forma Plant Additions adjustment is presented on an End-of-Period basis.
- b. Also clarify whether the associated R-10 Removal and Retirement adjustment uses End-of-Period valuation.
- c. If these two adjustments use End-of-Period valuation, please provide in Excel format an updated response to Bench Request No. 2(a) that presents the pro-forma plant and removal and retirement adjustment on an Average-of-Monthly-Averages basis within the revenue requirement model.
- d. Provide in your written response any needed narrative and the cell locations for each change made in the revenue requirement model.

**Response:**

- a. Yes, Cascade's proposed P-3 Pro Forma Plant Additions adjustment is presented on an end-of-period (EOP) basis, as of 12/31/2020. As Cascade explained in its testimony and briefing, Cascade believes that EOP is appropriate under the circumstances.
- b. Yes, the R-10 Removal and Retirement adjustment uses EOP valuation, as of 12/31/2020 .
- c. Please see the attached Excel spreadsheet entitled "UG-200568 CNGC Resp-to-Staff-Req 9, 3.29.21.xlsx". Adjustments to AMA are shown in tabs highlighted in blue and carry through the revenue requirement model.

The Company notes that the use of AMA for 2020 capital additions is not representative of the level of rate base in place when rates go into effect.

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- d. Three tabs have been added to the spreadsheet. The tab entitled “BR-9 Plant AMA” is an AMA calculation of the 2020 pro forma discrete projects included in the Company’s rebuttal case. The tab entitled “BR-9 Blanket AMA” is the AMA calculation of the blanket or programmatic investment included in the Company’s rebuttal case.

The tab entitled “BR-9 Retirement AMA” is the AMA calculation of retirements and removal costs associated with all 2020 investments. These figures are carried forward to the tab entitled “Retirement,” which is the calculation of the depreciation expense associated with retirements and removal of the 2020 plant additions included in the Company’s Pro Forma Plant Additions adjustment.

It should also be noted that the offsetting revenue included in the Pro Forma Plant Additions adjustment is adjusted to reflect the average customers added in 2020, rather than end of period customer additions.