

**BEFORE THE**  
**WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION**

WASHINGTON UTILITIES AND  
TRANSPORTATION COMMISSION,

Complainant,

v.

CASCADE NATURAL GAS  
CORPORATION,

Respondent.

DOCKET UG-240008

**CASCADE NATURAL GAS CORPORATION**  
**FIRST EXHIBIT TO THE**  
**DIRECT TESTIMONY OF JACOB A. DARRINGTON**

**March 29, 2024**

Cascade Natural Gas Corp.  
Washington Jurisdiction  
Twelve-Months ended December 31, 2023  
Summary of Adjusted Test Year Revenues by Rate Schedule

Lin No	Rate Class	Test Year Results		Remove Supplemental	Billing Determinant Recalculation at Current		Weather Normalization		
		Billing Determinants (Customers/Therms)	Per Books Revenue (Dollars)	Schedule Revenues	Rates	Adjustment Amount	Weather Normalization Adjustment (Therms)	Current Rates	Adjustment Amount
	(A)	(B)	(C)	(D)	(E)	(F) = (B)*(E)-(C)	(G)	(H)	(I) = (G)*(H)
1	<b>503</b>								
2	Margin Revenues:								
3	Basic Service Charge	2,438,793	\$ 12,736,722		\$ 5.00	\$ (542,757)			
4	Margin	125,222,746	42,768,014		0.33951	(253,640)	4,035,411	0.33951	1,370,062
5									
6	Non-Margin Revenues:								
7	Average Cost of Gas		88,202,462	(88,202,462)					
8	Temporary Gas Cost Amortization		24,693,670	(24,693,670)					
9	WA Energy Assistance Fund Program		830,181	(830,181)					
10	WA Replacement Pipe Cost Recovery		1,373,249						
11	WA Decoupling Mechanism		1,346,704	(1,346,704)					
12	WA Conservation Cost Recovery		4,342,527	(4,342,527)					
13	WA Protected-Plus Excess Deferred Income Tax		(275,820)	275,820					
14	WA Unprotected Excess Deferred Income Tax		(376,810)	376,810					
15	City Tax		9,067,556						
16	State Utility Tax Credit		(1,076)						
17	Indian Nation Tribal Charge		30,648						
18	Test Year Decoupling Deferral		2,181,347						(2,181,347)
19	Amortization of Prior Year Decoupling Deferral		(1,333,133)	1,333,133					
20	Amortization of Prior Year WEAFF Balance		(797,700)	797,700					
21	<b>Total Rate Schedule 503 Revenue</b>	\$0	184,788,541	\$ (116,632,080)		\$ (796,397)			\$ (811,284)
22									
23	<b>504</b>								
24	Margin Revenues:								
25	Basic Service Charge	330,083	\$ 4,467,997		\$ 13.00	\$ (176,918)			
26	Margin	91,384,163	26,331,956		0.28432	(349,611)	228,850	0.28432	65,067
27									
28	Non-Margin Revenues:								
29	Average Cost of Gas		64,264,827	(64,264,827)					
30	Temporary Gas Cost Amortization		17,895,595	(17,895,595)					
31	WA Energy Assistance Fund Program		482,109	(482,109)					
32	WA Replacement Pipe Cost Recovery		649,476						
33	WA Decoupling Mechanism		2,040,415	(2,040,415)					
34	WA Conservation Cost Recovery		3,149,087	(3,149,087)					
35	WA Protected-Plus Excess Deferred Income Tax		(152,645)	152,645					
36	WA Unprotected Excess Deferred Income Tax		(211,022)	211,022					
37	City Tax		7,181,759						
38	State Utility Tax Credit		(5,688)						
39	Indian Nation Tribal Charge		55,626						
40	Test Year Decoupling Deferral		(844,882)						844,882
41	Amortization of Prior Year Decoupling Deferral		(1,929,366)	1,929,366					
42	Amortization of Prior Year WEAFF Balance		(461,592)	461,592					
43	<b>Total Rate Schedule 504 Revenue</b>	\$0	122,913,654	\$ (85,077,410)		\$ (526,529)			\$ 909,948

Cascade Natural Gas Corp.  
Washington Jurisdiction  
Twelve-Months ended December 31, 2023  
Summary of Adjusted Test Year Revenues by Rate Schedule

Lin No	Rate Class	End of Period			Cost Recovery Mechanism			Adjusted Test Year Results	
		End of Period Billing Determinants Adjustment (Customers/Therms) (J)	Current Rates (K)	Adjustment Amount (L) = (J)*(K)	Proposed Billing Determinants (Customers/Therms) (M) = (B)+(G)+(J)	Current Rates (N)	Adjustment Amount (O) = (M)*(N)	Proposed Billing Determinants (Customers/Therms) (P) = (B)+(G)+(J)	Adjustment Amount (Q) = (C)+(D)+(F)+(I)+(L)+(O)
1	<b>503</b>								
2	Margin Revenues:								
3	Basic Service Charge	15,399	\$ 5.00	\$ 76,995				2,454,192	\$ 12,270,960
4	Margin	655,289	0.33951	222,477	129,913,446	\$ 0.01769	2,298,169	129,913,446	46,405,083
5									
6	Non-Margin Revenues:								
7	Average Cost of Gas								-
8	Temporary Gas Cost Amortization								-
9	WA Energy Assistance Fund Program								-
10	WA Replacement Pipe Cost Recovery						(1,373,249)		-
11	WA Decoupling Mechanism								-
12	WA Conservation Cost Recovery								-
13	WA Protected-Plus Excess Deferred Income Tax								-
14	WA Unprotected Excess Deferred Income Tax								-
15	City Tax								9,067,556
16	State Utility Tax Credit								(1,076)
17	Indian Nation Tribal Charge								30,648
18	Test Year Decoupling Deferral								-
19	Amortization of Prior Year Decoupling Deferral								-
20	Amortization of Prior Year WEAFF Balance								-
21	<b>Total Rate Schedule 503 Revenue</b>			\$ 299,472			\$ 924,920		\$ 67,773,171
22									
23	<b>504</b>								
24	Margin Revenues:								
25	Basic Service Charge	1,789	\$ 13.00	\$ 23,257				331,872	\$ 4,314,336
26	Margin	313,461	0.28432	89,123	91,926,474	\$ 0.01096	1,007,514	91,926,474	27,144,049
27									
28	Non-Margin Revenues:								
29	Average Cost of Gas								-
30	Temporary Gas Cost Amortization								-
31	WA Energy Assistance Fund Program								-
32	WA Replacement Pipe Cost Recovery						(649,476)		-
33	WA Decoupling Mechanism								-
34	WA Conservation Cost Recovery								-
35	WA Protected-Plus Excess Deferred Income Tax								-
36	WA Unprotected Excess Deferred Income Tax								-
37	City Tax								7,181,759
38	State Utility Tax Credit								(5,688)
39	Indian Nation Tribal Charge								55,626
40	Test Year Decoupling Deferral								-
41	Amortization of Prior Year Decoupling Deferral								-
42	Amortization of Prior Year WEAFF Balance								-
43	<b>Total Rate Schedule 504 Revenue</b>			\$ 112,380			\$ 358,038		\$ 38,690,082

Cascade Natural Gas Corp.  
Washington Jurisdiction  
Twelve-Months ended December 31, 2023  
Summary of Adjusted Test Year Revenues by Rate Schedule

Lin No	Rate Class	Test Year Results		Remove Supplemental	Billing Determinant Recalculation at Current		Weather Normalization		
		Billing Determinants (Customers/Therms)	Per Books Revenue (Dollars)	Schedule Revenues	Rates	Adjustment Amount	Weather Normalization Adjustment (Therms)	Current Rates	Adjustment Amount
	(A)	(B)	(C)	(D)	(E)	(F) = (B)*(E)-(C)	(G)	(H)	(I) = (G)*(H)
44									
45	505								
46	Margin Revenues:								
47	Basic Service Charge	5,901	\$ 368,082		\$ 60.00	\$ (14,022)			
48	Margin First 500 Therms	1,777,957	392,282		0.21929	(2,394)			
49	Margin Next 3,500 Therms	5,625,345	1,019,595		0.17998	(7,146)			
50	Margin > 4,000 Therms	4,720,007	827,599		0.17404	(6,129)			
51									
52	Non-Margin Revenues:								
53	Average Cost of Gas		8,509,023	(8,509,023)					
54	Temporary Gas Cost Amortization		2,226,368	(2,226,368)					
55	WA Energy Assistance Fund Program		32,371	(32,371)					
56	WA Replacement Pipe Cost Recovery		63,981						
57	WA Decoupling Mechanism		162,068	(162,068)					
58	WA Conservation Cost Recovery		393,442	(393,442)					
59	WA Protected-Plus Excess Deferred Income Tax		(15,402)	15,402					
60	WA Unprotected Excess Deferred Income Tax		(17,794)	17,794					
61	City Tax		593,579						
62	State Utility Tax Credit		-						
63	Indian Nation Tribal Charge		23,861						
64	Test Year Decoupling Deferral		(67,350)						67,350
65	Amortization of Prior Year Decoupling Deferral		(161,096)	161,096					
66	Amortization of Prior Year WEAFF Balance		(31,206)	31,206					
67	<b>Total Rate Schedule 505 Revenue</b>	\$0	14,319,403	\$ (11,097,774)		\$ (29,691)			\$ 67,350
68									
69	511								
70	Margin Revenues:								
71	Basic Service Charge	1,192	\$ 150,638		\$ 125.00	\$ (1,638)			
72	Margin First 20,000 Therms	9,910,204	1,738,570		0.17424	(11,816)			
73	Margin Next 80,000 Therms	5,361,730	730,869		0.13551	(4,301)			
74	Margin > 100,000 Therms	1,490,771	59,656		0.03970	(472)			
75									
76	Non-Margin Revenues:								
77	Average Cost of Gas		11,626,519	(11,626,519)					
78	Temporary Gas Cost Amortization		3,148,052	(3,148,052)					
79	WA Energy Assistance Fund Program		41,125	(41,125)					
80	WA Replacement Pipe Cost Recovery		50,618						
81	WA Decoupling Mechanism		(381,678)	381,678					
82	WA Conservation Cost Recovery		555,335	(555,335)					
83	WA Protected-Plus Excess Deferred Income Tax		(16,437)	16,437					
84	WA Unprotected Excess Deferred Income Tax		(20,142)	20,142					
85	City Tax		613,500						
86	State Utility Tax Credit		(2,779)						
87	Indian Nation Tribal Charge		6,384						
88	Deficiency Billings		13,050	(13,050)					
89	Test Year Decoupling Deferral		459,207						(459,207)
90	Amortization of Prior Year Decoupling Deferral		380,403	(380,403)					
91	Amortization of Prior Year WEAFF Balance		(39,408)	39,408					
92	<b>Total Rate Schedule 511 Revenue</b>	\$0	19,113,483	\$ (15,306,820)		\$ (18,227)			\$ (459,207)

Cascade Natural Gas Corp.  
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Lin No	Rate Class	End of Period			Cost Recovery Mechanism			Adjusted Test Year Results	
		End of Period Billing Determinants Adjustment (Customers/Therms) (J)	Current Rates (K)	Adjustment Amount (L) = (J)*(K)	Proposed Billing Determinants (Customers/Therms) (M) = (B)+(G)+(J)	Current Rates (N)	Adjustment Amount (O) = (M)*(N)	Proposed Billing Determinants (Customers/Therms) (P) = (B)+(G)+(J)	Adjustment Amount (Q) = (C)+(D)+(F)+(I)+(L)+(O)
44									
45	505								
46	Margin Revenues:								
47	Basic Service Charge	39	\$ 60.00	\$ 2,340				5,940	\$ 356,400
48	Margin First 500 Therms	8,636	0.21929	1,894	1,786,593	\$ 0.00915	16,347	1,786,593	408,129
49	Margin Next 3,500 Therms	23,569	0.17998	4,242	5,648,914	\$ 0.00915	51,688	5,648,914	1,068,379
50	Margin > 4,000 Therms	18,635	0.17404	3,243	4,738,642	\$ 0.00915	43,359	4,738,642	868,072
51									
52	Non-Margin Revenues:								
53	Average Cost of Gas								-
54	Temporary Gas Cost Amortization								-
55	WA Energy Assistance Fund Program								-
56	WA Replacement Pipe Cost Recovery						(63,981)		-
57	WA Decoupling Mechanism								-
58	WA Conservation Cost Recovery								-
59	WA Protected-Plus Excess Deferred Income Tax								-
60	WA Unprotected Excess Deferred Income Tax								-
61	City Tax								593,579
62	State Utility Tax Credit								-
63	Indian Nation Tribal Charge								23,861
64	Test Year Decoupling Deferral								-
65	Amortization of Prior Year Decoupling Deferral								-
66	Amortization of Prior Year WEAFF Balance								-
67	<b>Total Rate Schedule 505 Revenue</b>			\$ 11,719			\$ 47,412		\$ 3,318,419
68									
69	511								
70	Margin Revenues:								
71	Basic Service Charge	(4)	\$ 125.00	\$ (500)				1,188	\$ 148,500
72	Margin First 20,000 Therms	(49,165)	0.17424	(8,567)	9,861,039	\$ 0.00541	53,348	9,861,039	1,771,536
73	Margin Next 80,000 Therms	(14,935)	0.13551	(2,024)	5,346,795	\$ 0.00541	28,926	5,346,795	753,470
74	Margin > 100,000 Therms	(9,927)	0.03970	(394)	1,480,844	\$ 0.00541	8,011	1,480,844	66,801
75									
76	Non-Margin Revenues:								
77	Average Cost of Gas								-
78	Temporary Gas Cost Amortization								-
79	WA Energy Assistance Fund Program								-
80	WA Replacement Pipe Cost Recovery						(50,618)		-
81	WA Decoupling Mechanism								-
82	WA Conservation Cost Recovery								-
83	WA Protected-Plus Excess Deferred Income Tax								-
84	WA Unprotected Excess Deferred Income Tax								-
85	City Tax								613,500
86	State Utility Tax Credit								(2,779)
87	Indian Nation Tribal Charge								6,384
88	Deficiency Billings								-
89	Test Year Decoupling Deferral								-
90	Amortization of Prior Year Decoupling Deferral								-
91	Amortization of Prior Year WEAFF Balance								-
92	<b>Total Rate Schedule 511 Revenue</b>			\$ (11,485)			\$ 39,668		\$ 3,357,412

Cascade Natural Gas Corp.  
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Twelve-Months ended December 31, 2023  
Summary of Adjusted Test Year Revenues by Rate Schedule

Lin No	Rate Class	Test Year Results		Remove Supplemental Schedule Revenues	Billing Determinant Recalculation at Current Rates		Weather Normalization		
		Billing Determinants (Customers/Therms)	Per Books Revenue (Dollars)	Adjustment Amount	Current Rates	Adjustment Amount	Weather Normalization Adjustment (Therms)	Current Rates	Adjustment Amount
	(A)	(B)	(C)	(D)	(E)	(F) = (B)*(E)-(C)	(G)	(H)	(I) = (G)*(H)
93									
94	570								
95	Margin Revenues:								
96	Basic Service Charge	84	\$ 13,692		\$ 163.00	\$ -			
97	Margin First 30,000 Therms	1,086,598	107,317		0.09838	(418)			
98	Margin > 30,000 Therms	1,011,000	33,551		0.03301	(178)			
99									
100	Non-Margin Revenues:								
101	Average Cost of Gas		1,423,135	(1,423,135)					
102	Temporary Gas Cost Amortization		405,212	(405,212)					
103	WA Energy Assistance Fund Program		1,970	(1,970)					
104	WA Replacement Pipe Cost Recovery		7,525						
105	WA Decoupling Mechanism		(11,613)	11,613					
106	WA Conservation Cost Recovery		71,370	(71,370)					
107	WA Protected-Plus Excess Deferred Income Tax		(527)	527					
108	WA Unprotected Excess Deferred Income Tax		(929)	929					
109	City Tax		21,145						
110	State Utility Tax Credit		-						
111	Indian Nation Tribal Charge		59						
112	Deficiency Billings		-						
113	Test Year Decoupling Deferral		(4,698)						4,698
114	Amortization of Prior Year Decoupling Deferral		11,613	(11,613)					
115	Amortization of Prior Year WEAFF Balance		(1,878)	1,878					
116	<b>Total Rate Schedule 570 Revenue</b>	\$0	2,076,944	\$ (1,898,353)		\$ (596)			\$ 4,698
117									
118	663								
119	Margin Revenues:								
120	Basic Service Charge	2,325	\$ 1,439,375		\$ 625.00	\$ 13,750			
121	Contract Demand Charge	41,949,080	8,389,816		0.20000	-			
122	System Balancing Charge	857,750,139	343,100		0.00040	0			
123	Delivery Charge First 100,000 Therms	101,046,525	6,553,165		0.06463	(22,528)			
124	Delivery Charge Next 200,000 Therms	72,331,672	1,844,929		0.02542	(6,258)			
125	Delivery Charge Next 200,000 Therms	37,333,928	621,768		0.01659	(2,398)			
126	Delivery Charge Over 500,000 Therms	647,038,014	6,107,225		0.00941	(18,598)			
127									
128	Non-Margin Revenues:								
129	WA Energy Assistance Fund Program		463,945	(463,945)					
130	WA Replacement Pipe Cost Recovery		731,774						
131	WA Protected-Plus Excess Deferred Income Tax		(86,569)	86,569					
132	WA Unprotected Excess Deferred Income Tax		(219,606)	219,606					
133	Contract Charge		22,500						
134	City Tax		508,631						
135	State Utility Tax Credit		(5,834)						
136	Indian Nation Tribal Charge		11,595						
137	Gross Revenue Fee		1,131,463						
138	Amortization of Prior Year WEAFF Balance		(440,300)	440,300					
139	Adjustment		78,519			(78,519)			
140	<b>Total Rate Schedule 663 Revenue</b>	\$0	27,495,495	\$ 282,531		\$ (114,550)			\$ -

Cascade Natural Gas Corp.  
Washington Jurisdiction  
Twelve-Months ended December 31, 2023  
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Lin No	Rate Class	End of Period			Cost Recovery Mechanism			Adjusted Test Year Results	
		End of Period Billing Determinants Adjustment (Customers/Therms) (J)	Current Rates (K)	Adjustment Amount (L) = (J)*(K)	Proposed Billing Determinants (Customers/Therms) (M) = (B)+(G)+(J)	Current Rates (N)	Adjustment Amount (O) = (M)*(N)	Proposed Billing Determinants (Customers/Therms) (P) = (B)+(G)+(J)	Adjustment Amount (Q) = (C)+(D)+(F)+(I)+(L)+(O)
93									
94	570								
95	Margin Revenues:								
96	Basic Service Charge	-	\$ 163.00	\$ -				84	\$ 13,692
97	Margin First 30,000 Therms	-	0.09838	-	1,086,598	\$ 0.00613	6,661	1,086,598	113,560
98	Margin > 30,000 Therms	-	0.03301	-	1,011,000	\$ 0.00613	6,197	1,011,000	39,571
99									
100	Non-Margin Revenues:								
101	Average Cost of Gas								-
102	Temporary Gas Cost Amortization								-
103	WA Energy Assistance Fund Program								-
104	WA Replacement Pipe Cost Recovery						(7,525)		-
105	WA Decoupling Mechanism								-
106	WA Conservation Cost Recovery								-
107	WA Protected-Plus Excess Deferred Income Tax								-
108	WA Unprotected Excess Deferred Income Tax								-
109	City Tax								21,145
110	State Utility Tax Credit								-
111	Indian Nation Tribal Charge								59
112	Deficiency Billings								-
113	Test Year Decoupling Deferral								-
114	Amortization of Prior Year Decoupling Deferral								-
115	Amortization of Prior Year WEAFF Balance								-
116	<b>Total Rate Schedule 570 Revenue</b>			\$ -			\$ 5,333		\$ 188,026
117									
118	663								
119	Margin Revenues:								
120	Basic Service Charge	(9)	\$ 625.00	\$ (5,625)				2,316	\$ 1,447,500
121	Contract Demand Charge	417,880	0.2	83,576				42,366,960	8,473,392
122	System Balancing Charge	(2,809,069)	0.0004	(1,124)				854,941,070	341,976
123	Delivery Charge First 100,000 Therms	(378,788)	0.06463	(24,481)	100,667,737	\$ 0.00139	139,928	100,667,737	6,646,084
124	Delivery Charge Next 200,000 Therms	(263,943)	0.02542	(6,709)	72,067,729	\$ 0.00139	100,174	72,067,729	1,932,136
125	Delivery Charge Next 200,000 Therms	(152,017)	0.01659	(2,522)	37,181,911	\$ 0.00139	51,683	37,181,911	668,531
126	Delivery Charge Over 500,000 Therms	(2,014,322)	0.00941	(18,955)	645,023,692	\$ 0.00139	896,583	645,023,692	6,966,256
127									
128	Non-Margin Revenues:								
129	WA Energy Assistance Fund Program								-
130	WA Replacement Pipe Cost Recovery						(731,774)		-
131	WA Protected-Plus Excess Deferred Income Tax								-
132	WA Unprotected Excess Deferred Income Tax								-
133	Contract Charge								22,500
134	City Tax								508,631
135	State Utility Tax Credit								(5,834)
136	Indian Nation Tribal Charge								11,595
137	Gross Revenue Fee								1,131,463
138	Amortization of Prior Year WEAFF Balance								-
139	Adjustment								-
140	<b>Total Rate Schedule 663 Revenue</b>			\$ 24,160			\$ 456,594		\$ 28,144,230

Cascade Natural Gas Corp.  
Washington Jurisdiction  
Twelve-Months ended December 31, 2023  
Summary of Adjusted Test Year Revenues by Rate Schedule

Lin No	Rate Class (A)	Test Year Results		Remove Supplemental Schedule Revenues	Billing Determinant Recalculation at Current Rates		Weather Normalization		
		Billing Determinants (Customers/Therms) (B)	Per Books Revenue (Dollars) (C)	Adjustment Amount (D)	Current Rates (E)	Adjustment Amount (F) = (B)*(E)-(C)	Weather Normalization Adjustment (Therms) (G)	Current Rates (H)	Adjustment Amount (I) = (G)*(H)
141									
142	Special Contracts								
143	Margin Revenues:								
144	Dispatch Service Charge	84	\$ 52,500						
145	Contract Demand Charge		60,000						
146	Monthly Charge		189,765						
147	Minimum Charge per Month		43,113						
148	Monthly Facilities Charge		179,100						
149	System Balancing Charge	182,556,284	70,258						
150	Commodity Charge	182,556,284	2,553,267						
151									
152	Non-Margin Revenues:								
153	Gross Revenue Fee		139,236						
154	City Tax		109,453						
155	Total Special Contract Revenue	\$0	\$ 3,396,691						
156									
157	<b>Total Cascade Rate Schedule Margin</b>		\$ 120,193,921	\$ -		\$ (1,407,470)			\$ 1,435,129
158	<b>Total Cascade Rate Schedule Revenue</b>	\$ (0)	\$ 374,104,210	\$ (229,729,905)		\$ (1,485,989)			\$ (288,495)
159									
160	Miscellaneous Service Revenues		\$ 363,240						
161	Rent From Gas Property		330,510						
162	Interdepartmental Rents		96,651						
163	Other Gas Revenue		140,885						
164	Provision for Rate Refund		1,214,363						
165	<b>Total Operating Revenue</b>	\$ (0)	\$ 376,249,860						



