

**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**  
**SIXTH 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 Adjustments

Line No	Description	Remove Supplemental Schedules Adjustment R-1	Normalize Revenue Adjustment R-2	Restate End of Period Adjustment R-3	Annualized CRM Adjustment R-4	Promotional Advertising Adjustment R-5	Restate Wages Adjustment R-6	Restate Incentives Adjustment R-7	Director & Officers Adjustment R-8
1	<b>Operating Revenues</b>								
2	Natural Gas Sales	(230,012,436)	(1,659,934)	412,087	1,375,371	-	-	-	-
3	Gas Transportation Revenue	282,531	(114,550)	24,160	456,594	-	-	-	-
4	Other Operating Revenues	(1,384,433)	-	-	-	-	-	-	-
5	<b>Total Operating Revenues</b>	<b>(231,114,338)</b>	<b>(1,774,484)</b>	<b>436,247</b>	<b>1,831,965</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
6									
7	<b>Operating Expenses</b>								
8	Nat. Gas/Production Costs	(212,859,302)	-	-	-	-	-	-	-
9	Revenue Taxes	(9,559,397)	(75,451)	18,549	77,895	-	-	-	-
10	Production	-	-	-	-	-	-	(33,689)	-
11	Distribution	-	-	-	-	-	86,314	(419,642)	-
12	Customer Accounts	(864,009)	(11,923)	2,931	12,309	-	3,064	(245,832)	-
13	Customer Service	(8,150,919)	-	-	-	-	-	(63,736)	-
14	Sales	-	-	-	-	-	-	(1,362)	-
15	Administrative and General	-	-	-	-	(36,574)	17	(1,795,330)	(160,480)
16	Depreciation & Amortization	-	-	1,212,420	-	-	-	-	-
17	Regulatory Debits								
18	Taxes Other Than Income	-	-	-	-	-	6,839	-	-
19	State & Federal Income Taxes	67,051	(354,293)	(167,507)	365,770	7,681	(20,209)	537,514	33,701
20	<b>Total Operating Expenses</b>	<b>(231,366,576)</b>	<b>(441,667)</b>	<b>1,066,393</b>	<b>455,974</b>	<b>(28,893)</b>	<b>76,024</b>	<b>(2,022,077)</b>	<b>(126,779)</b>
21									
22	<b>Net Operating Income</b>	<b>252,238</b>	<b>(1,332,817)</b>	<b>(630,146)</b>	<b>1,375,991</b>	<b>28,893</b>	<b>(76,024)</b>	<b>2,022,077</b>	<b>126,779</b>
23									
24	<b>Rate Base</b>								
25	Total Plant in Service			48,540,095					
26	Total Accumulated Depreciation			(12,430,504)					
27	Customer Adv. For Construction			18,870					
28	Deferred Accumulated Income Taxes			(308,102)					
29	Working Capital Allowance			-					
30	<b>Total Rate Base</b>	<b>-</b>	<b>-</b>	<b>35,820,359</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
31									
32	<b>Revenue Requirement Effect</b>	<b>(\$335,824)</b>	<b>\$1,774,484</b>	<b>\$4,603,647</b>	<b>(\$1,831,965)</b>	<b>(\$38,468)</b>	<b>\$101,217</b>	<b>(\$2,692,150)</b>	<b>(\$168,791)</b>

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Line No	Description	Restate COVID-19	Restate CCA	Restate Commission		Restating Adjustments	Interest	2024 Pro Forma Wage Adjustment	MAOP Deferral Amortization	Pro Forma Rate	Pro Forma Medical, Dental, & Life Insurance Expense Adjustment
		Deferral Offsets Adjustment	Labor Expense Adjustment	Fees Adjustment	OPEN		Coordination Adjustment			Case Expense Adjustment	
		R-9	R-10	R-11	-	R-Total	P-1	P-2	P-3	P-4	P-5
1	<b>Operating Revenues</b>										
2	Natural Gas Sales	-	-	-	-	(229,884,912)	-	-	-	-	-
3	Gas Transportation Revenue	-	-	-	-	648,735	-	-	-	-	-
4	Other Operating Revenues	-	-	-	-	(1,384,433)	-	-	-	-	-
5	<b>Total Operating Revenues</b>	-	-	-	-	(230,620,610)	-	-	-	-	-
6											
7	<b>Operating Expenses</b>										
8	Nat. Gas/Production Costs	-	-	-	-	(212,859,302)	-	-	-	-	-
9	Revenue Taxes	-	-	364,822	-	(9,173,582)	-	-	-	-	-
10	Production	-	-	-	-	(33,689)	-	16,335	-	-	-
11	Distribution	-	-	-	-	(333,328)	-	806,206	2,018,196	-	-
12	Customer Accounts	-	-	-	-	(1,103,460)	-	181,036	-	-	-
13	Customer Service	-	18,394	-	-	(8,196,261)	-	10,708	-	-	-
14	Sales	-	-	-	-	(1,362)	-	1,046	-	-	-
15	Administrative and General	1,445,090	49,660	-	-	(497,618)	-	403,436	-	1,321,811	1,063,225
16	Depreciation & Amortization	-	-	-	-	1,212,420	-	-	-	-	-
17	Regulatory Debits	-	-	-	-	-	-	-	-	-	-
18	Taxes Other Than Income	-	-	-	-	6,839	-	108,536	-	-	-
19	State & Federal Income Taxes	(303,469)	(14,291)	(76,613)	-	75,334	983,422	(320,733)	(423,821)	(277,580)	(223,277)
20	<b>Total Operating Expenses</b>	1,141,621	53,762	288,209	-	(230,904,010)	983,422	1,206,567	1,594,375	1,044,231	839,947
21						-					
22	<b>Net Operating Income</b>	(1,141,621)	(53,762)	(288,209)	-	283,399	(983,422)	(1,206,567)	(1,594,375)	(1,044,231)	(839,947)
23											
24	<b>Rate Base</b>										
25	Total Plant in Service					48,540,095					
26	Total Accumulated Depreciation					(12,430,504)					
27	Customer Adv. For Construction					18,870					
28	Deferred Accumulated Income Taxes					(308,102)					
29	Working Capital Allowance					-					
30	<b>Total Rate Base</b>	-	-	-	-	35,820,359	-	-	-	-	-
31											
32	<b>Revenue Requirement Effect</b>	\$1,519,929	\$71,578	\$383,716	\$0	\$3,387,372	\$1,309,306	\$1,606,398	\$2,122,717	\$1,390,266	\$1,118,288

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Line No	Description	2024 Pro Forma				Proforma Adjustments	2024 Offsets to		
		Pro Forma Property Tax Adjustment	2024 Pro Forma Pension Expense Adjustment	Tax Flow-Through Adjustment	Misc. O&M Expense Adjustment		2024 Provisional Plant Additions	Provisional Plant Additions	Provisional Year 1
		P-6	P-7	P-8	P-9	P-Total	PR- 1	PR - 2	PRYR1-Total
1	<b>Operating Revenues</b>								
2	Natural Gas Sales	-	-	-	-	-	-	1,571,477	1,571,477
3	Gas Transportation Revenue	-	-	-	-	-	-	-	-
4	Other Operating Revenues	-	-	-	-	-	-	-	-
5	<b>Total Operating Revenues</b>	-	-	-	-	-	-	1,571,477	1,571,477
6									
7	<b>Operating Expenses</b>								
8	Nat. Gas/Production Costs	-	-	-	-	-	-	-	-
9	Revenue Taxes	-	-	-	-	-	-	66,819	66,819
10	Production	-	-	-	4,039	20,373	-	-	-
11	Distribution	-	-	-	85,129	2,909,531	-	(280,000)	(280,000)
12	Customer Accounts	-	-	-	29,637	210,673	-	(1,941)	(1,941)
13	Customer Service	-	-	-	(10,149)	559	-	-	-
14	Sales	-	-	-	1	1,047	-	-	-
15	Administrative and General	-	826,039	-	109,736	3,724,247	-	-	-
16	Depreciation & Amortization	-	-	-	-	-	3,791,581	-	3,791,581
17	Regulatory Debts	-	-	-	-	-	-	-	-
18	Taxes Other Than Income	201,869	-	-	-	310,404	330,313	-	330,313
19	State & Federal Income Taxes	(42,392)	(173,468)	9,176	(45,863)	(514,538)	(920,480)	375,186	(545,294)
20	<b>Total Operating Expenses</b>	159,476	652,571	9,176	172,531	6,662,297	3,201,414	160,064	3,361,477
21									
22	<b>Net Operating Income</b>	(159,476)	(652,571)	(9,176)	(172,531)	(6,662,297)	(3,201,414)	1,411,413	(1,790,000)
23									
24	<b>Rate Base</b>								
25	Total Plant in Service	-	-	-	-	-	136,127,828	-	136,127,828
26	Total Accumulated Depreciation	-	-	-	-	-	(31,646,071)	-	(31,646,071)
27	Customer Adv. For Construction	-	-	-	-	-	-	-	-
28	Deferred Accumulated Income Taxes	-	-	-	-	-	68,762	-	68,762
29	Working Capital Allowance	-	523,327	-	-	523,327	-	-	-
30	<b>Total Rate Base</b>	-	523,327	-	-	523,327	104,550,518	-	104,550,518
31									
32	<b>Revenue Requirement Effect</b>	\$212,323	\$923,820	\$12,217	\$229,704	\$8,925,039	\$15,250,449	(\$1,879,125)	\$13,371,323

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Line No	Description	2025 Provisional Plant Additions PR - 3	2025 Offsets to Provisional Plant Additions PR - 4	2025 Pro Forma Wage Adjustment PR - 5	2025 Pro Forma	2025 Pro Forma	2025 Pro Forma	2025 Pro Forma	2025 Pro Forma Misc. O&M Expense Adjustment PR - 10	Provisional Year 2 PRYR2-Total
					Pension Expense Adjustment PR - 6	2025 Pro Forma 401K Expense Adjustment PR - 7	Tax Flow-Through Adjustment PR - 8	2025 Pro Forma Decarbonization Testing & Demonstration Expense Adjustment PR - 9		
<b>1</b>	<b>Operating Revenues</b>									
2	Natural Gas Sales	-	2,047,078	-	-	-	-	-	-	<b>2,047,078</b>
3	Gas Transportation Revenue	-	-	-	-	-	-	-	-	-
4	Other Operating Revenues	-	-	-	-	-	-	-	-	-
<b>5</b>	<b>Total Operating Revenues</b>	-	2,047,078	-	-	-	-	-	-	<b>2,047,078</b>
<b>7</b>	<b>Operating Expenses</b>									
8	Nat. Gas/Production Costs	-	-	-	-	-	-	-	-	-
9	Revenue Taxes	-	87,042	-	-	-	-	-	-	<b>87,042</b>
10	Production	-	-	11,243	-	-	-	-	4,100	<b>15,343</b>
11	Distribution	-	(280,000)	522,706	-	-	-	-	86,424	<b>329,130</b>
12	Customer Accounts	-	(161,246)	123,501	-	-	-	-	30,088	<b>(7,657)</b>
13	Customer Service	-	-	7,370	-	-	-	-	(10,304)	<b>(2,933)</b>
14	Sales	-	-	720	-	-	-	-	1	<b>721</b>
15	Administrative and General	-	-	277,681	968,209	120,946	-	350,000	111,405	<b>1,828,242</b>
16	Depreciation & Amortization	3,639,995	-	-	-	-	-	-	-	<b>3,639,995</b>
17	Regulatory Debits	-	-	-	-	-	-	-	-	-
18	Taxes Other Than Income	252,714	-	72,156	-	-	-	-	-	<b>324,871</b>
19	State & Federal Income Taxes	(675,801)	504,269	(213,230)	(203,324)	(25,399)	(1,732)	(73,500)	(46,560)	<b>(735,276)</b>
<b>20</b>	<b>Total Operating Expenses</b>	3,216,909	150,065	802,149	764,885	95,548	(1,732)	276,500	175,155	<b>5,479,479</b>
<b>22</b>	<b>Net Operating Income</b>	(3,216,909)	1,897,013	(802,149)	(764,885)	(95,548)	1,732	(276,500)	(175,155)	<b>(3,432,401)</b>
<b>24</b>	<b>Rate Base</b>									
25	Total Plant in Service	104,148,133	-	-	-	-	-	-	-	<b>104,148,133</b>
26	Total Accumulated Depreciation	(34,196,120)	-	-	-	-	-	-	-	<b>(34,196,120)</b>
27	Customer Adv. For Construction	-	-	-	-	-	-	-	-	-
28	Deferred Accumulated Income Taxes	(1,767,079)	-	-	-	-	-	-	-	<b>(1,767,079)</b>
29	Working Capital Allowance	-	-	-	(635,127)	-	-	-	-	<b>(635,127)</b>
<b>30</b>	<b>Total Rate Base</b>	68,184,935	-	-	(635,127)	-	-	-	-	<b>67,549,808</b>
<b>32</b>	<b>Revenue Requirement Effect</b>	<b>\$11,449,092</b>	<b>(\$2,525,642)</b>	<b>\$1,067,964</b>	<b>\$951,600</b>	<b>\$127,210</b>	<b>(\$2,306)</b>	<b>\$368,126</b>	<b>\$233,198</b>	<b>\$11,669,243</b>