

**BEFORE THE WASHINGTON
UTILITIES & TRANSPORTATION COMMISSION**

WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION,

Complainant,

v.

CASCADIA WATER, LLC.

Respondent.

DOCKET UW-240151

**STEFAN DE VILLIERS
ON BEHALF OF THE
WASHINGTON STATE OFFICE OF THE ATTORNEY GENERAL
PUBLIC COUNSEL UNIT**

EXHIBIT SDV-10

Adjusted Revenue Requirement

November 20, 2024

SDV-10: Adjusted Revenue Requirement

	Western Systems	Pelican Point	Total
Debt Weight	34.00%	34.00%	34.00%
Cost of Debt	5.22%	5.22%	5.22%
Equity Weight	66.00%	66.00%	66.00%
Proposed Return on Equity (ROE)	10.90%	10.90%	10.90%
Public Counsel ROE	7.90%	7.90%	7.90%
Proposed Weighted Cost of Capital (WACC)	8.97%	8.97%	8.97%
Public Counsel WACC	6.99%	6.99%	6.99%
Net Rate Base	\$ 9,711,249	\$ 803,556	\$ 10,514,805
Proposed Operating Income Return	\$ 871,099	\$ 72,079	\$ 943,178
Public Counsel Operating Income Return	\$ 678,700	\$ 56,159	\$ 734,859
Pro Forma Net Operating Income Loss	\$ (264,722)	\$ (143,621)	\$ (408,343)
Proposed Operating Income Deficiency	\$ 1,135,821	\$ 215,700	\$ 1,351,521
Public Counsel Operating Income Deficiency	\$ 943,422	\$ 199,779	\$ 1,143,202
Revenue Conversion Factor	74.32%	74.32%	74.32%
Proposed Revenue Requirement Calculated	\$ 1,528,365	\$ 290,246	\$ 1,818,611
Proposed Revenue Forgone	\$ 72,470	\$ 19,542	\$ 92,012
Proposed Revenue Requirement	\$ 1,455,895	\$ 270,704	\$ 1,726,599
Public Counsel Revenue Requirement	\$ 1,269,472	\$ 268,824	\$ 1,538,296

Source: Direct Testimony of Matthew J. Rowell, Exh. MJR-1T, at 13 (Table 5) and Workpapers 1 and 2 ('Capital Structure', 'PFIS', and 'Int Sync, NTG, Rev Req')