

**Exh. JH-2
Docket UG-200568
Witness: Joanna Huang**

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

**WASHINGTON UTILITIES AND
TRANSPORTATION COMMISSION,**

Complainant,

v.

**CASCADE NATURAL GAS
CORPORATION,**

Respondent.

DOCKET UG-200568

**EXHIBIT TO
TESTIMONY OF**

Joanna Huang

**STAFF OF
WASHINGTON UTILITIES AND
TRANSPORTATION COMMISSION**

*Staff's calculation of Pro Forma Wage Adjustment,
Adjustment P-2*

November 19, 2020

**Cascade Natural Gas
Results of Operations Summary Sheet
Twelve Months Ended December 31, 2019**

Pro Forma Wage Adjustment Comparison

Col.	A	B Cascade Proposed Per UTC Staff DR No. 127	C Staff Proposed	D = C - B Difference
Line No.				
1	Operating Revenues			
2	Natural Gas Sales			
3	Gas Transportation Revenue			
4	Other Operating Revenues			
5	REVENUE	\$0	\$0	\$0
6	Operating Expenses			
7	Nat. Gas/Production Costs			
8	Revenue Taxes			
9	Production	13,283	4,883	8,399
10	Distribution	904,453	401,920	502,533
11	Customer Accounts	231,211	88,415	142,796
12	Customer Service	57,097	20,992	36,106
13	Sales		80	(80)
14	Administrative and General	705,685	259,647	446,039
15	Depreciation & Amortization			0
16	Regulatory Debits			0
17	Taxes Other Than Income	108,841	45,974	62,867
18	State & Federal Income Taxes	(424,366)	(172,601)	(251,764)
19	Total Operating Expenses	1,596,205	649,310	946,895
20	Net Operating Income	(\$1,596,205)	(\$649,310)	(\$946,895)
21	Rate Base			
22	Total Plant in Service			
23	Total Accumulated Depreciation			
24	Customer Adv. For Construction			
25	Def. Accumulated Income Taxes			
26	Working Capital Allowance			
27	TOTAL RATE BASE	\$0	\$0	\$0
28	Revenue Requirement Effect	\$2,114,702	\$860,226	\$1,254,476

Cascade Natural Gas Corporation
UG 200568
Restate Wage Adjustment R-5
Pro Forma Wage Adjustment P-2
Twelve Months Ended December 31, 2019

Col.	A	B	C	D	E	F	G	H	I	J	K	L	M	N	O	Pro Forma Wage Total	
	A	Annual Wages	Annual Wages	Wage	Annual Wage	Annualize									Total	Total	
Line No.	Account Number	2019 [1] Non-Capital	Increase Date	Year-to-date [1] Prior to increase	[2]	2019 wage increase	Total Wages	2020 Wage Increase [2]	2020 Wage Increase	2020 Total Wages	2021 Wage Increase	2021 Wage Wages	Restate Wage Adjustment	Pro Forma Wage Adjustment			
1		\$9,796,448.23	Jan 1 2019	\$0.00	4.00%	\$0.00	\$9,796,448.23	3.00%	\$293,893.45	\$10,090,341.68	0.00%	\$0.00	\$10,090,341.68	\$0.00	\$293,893.45		
2	Non-Union																
3																	
4	Union	\$10,155,364.93	Apr 1 2019	\$2,685,444.82	3.00%	\$80,563.34	\$10,235,928.27	3.00%	\$307,077.85	\$10,543,006.12	0.00%	\$0.00	\$10,543,006.12	\$80,563.34	\$307,077.85		
5																	
6		\$19,951,813.16		\$2,685,444.82		\$80,563.34	\$20,032,376.50		\$600,971.30	\$20,633,347.80		\$0.00		\$80,563.34	\$600,971.30		
7	Employer FICA													7.65%	\$6,163.10	\$45,974.30	
8																	
9	Non-Union																
10	Other Gas Supply	28130	162,147.77			\$0.00	\$162,147.77	3.00%	\$4,864.43	\$167,012.20	0.00%	\$0.00	\$167,012.20	\$0.00	\$4,864.43		
11	Operations	28410	631.48			\$0.00	\$631.48	3.00%	\$18.94	\$650.42	0.00%	\$0.00	\$650.42	\$0.00	\$18.94		
12	Operation Supervision & Engineering	28700	1,680,934.36			\$0.00	\$1,680,934.36	3.00%	\$50,428.03	\$1,731,362.39	0.00%	\$0.00	\$1,731,362.39	\$0.00	\$50,428.03		
13	Distribution Load Dispatching	28710	206,774.76			\$0.00	\$206,774.76	3.00%	\$6,203.24	\$212,978.00	0.00%	\$0.00	\$212,978.00	\$0.00	\$6,203.24		
14	Routine Main/Service Operation	28740	353,792.99			\$0.00	\$353,792.99	3.00%	\$10,613.79	\$364,406.78	0.00%	\$0.00	\$364,406.78	\$0.00	\$10,613.79		
15	Measuring and Regulating-General	28750	367.80			\$0.00	\$367.80	3.00%	\$11.03	\$378.83	0.00%	\$0.00	\$378.83	\$0.00	\$11.03		
16	Other	28800	415,608.43			\$0.00	\$415,608.43	3.00%	\$12,468.25	\$428,076.68	0.00%	\$0.00	\$428,076.68	\$0.00	\$12,468.25		
17	Maintenance Supervision & Engineering	28850	899,501.76			\$0.00	\$899,501.76	3.00%	\$26,985.05	\$926,486.81	0.00%	\$0.00	\$926,486.81	\$0.00	\$26,985.05		
18	Mains-Maintenance	28870	4,395.50			\$0.00	\$4,395.50	3.00%	\$131.87	\$4,527.37	0.00%	\$0.00	\$4,527.37	\$0.00	\$131.87		
19	Pipeline	28871	3,604.92			\$0.00	\$3,604.92	3.00%	\$108.15	\$3,713.07	0.00%	\$0.00	\$3,713.07	\$0.00	\$108.15		
20	Station & Odorizer Station	28890	1,386.53			\$0.00	\$1,386.53	3.00%	\$41.60	\$1,428.13	0.00%	\$0.00	\$1,428.13	\$0.00	\$41.60		
21	Service	28920	51,071.97			\$0.00	\$51,071.97	3.00%	\$1,532.16	\$52,604.13	0.00%	\$0.00	\$52,604.13	\$0.00	\$1,532.16		
21	Maintenance of Other	28940	18,930.04			\$0.00	\$18,930.04	3.00%	\$567.90	\$19,497.94	0.00%	\$0.00	\$19,497.94	\$0.00	\$567.90		
22	Customer Accounting	29010	93,952.32			\$0.00	\$93,952.32	3.00%	\$2,818.57	\$96,770.89	0.00%	\$0.00	\$96,770.89	\$0.00	\$2,818.57		
23	Routine Meter Reading	29020	91,331.83			\$0.00	\$91,331.83	3.00%	\$2,739.95	\$94,071.78	0.00%	\$0.00	\$94,071.78	\$0.00	\$2,739.95		
24	Customer Collection	29030	2,313,680.70			\$0.00	\$2,313,680.70	3.00%	\$69,410.42	\$2,383,091.12	0.00%	\$0.00	\$2,383,091.12	\$0.00	\$69,410.42		
25	Customer Assistance	29080	461,845.34			\$0.00	\$461,845.34	3.00%	\$13,855.36	\$475,700.70	0.00%	\$0.00	\$475,700.70	\$0.00	\$13,855.36		
26	Misc. Customer Service & Information	29100	237,878.66			\$0.00	\$237,878.66	3.00%	\$7,136.36	\$245,015.02	0.00%	\$0.00	\$245,015.02	\$0.00	\$7,136.36		
27	Demonstration	29120	2,672.00	0	0	0.00%	\$0.00	\$2,672.00	3.00%	\$80.16	\$2,752.16	0.00%	\$0.00	\$2,752.16	\$0.00	\$80.16	
29	Administration & General	29200	2,791,420.73			\$0.00	\$2,791,420.73	3.00%	\$83,742.62	\$2,875,163.35	0.00%	\$0.00	\$2,875,163.35	\$0.00	\$83,742.62		
28	Office Supplies & Expenses	29210	371.45			\$0.00	\$371.45	3.00%	\$11.14	\$382.59	0.00%	\$0.00	\$382.59	\$0.00	\$11.14		
31	Employee Pensions and Benefits	29260	4,146.87			\$0.00	\$4,146.87	3.00%	\$124.41	\$4,271.28	0.00%	\$0.00	\$4,271.28	\$0.00	\$124.41		
32		9,796,448.21		0.00		0.00	9,796,448.21		293,893.45	10,090,341.66		0.00	10,090,341.66	0.00	293,893.45		

Cascade Natural Gas Corporation
UG 200568
Restate Wage Adjustment R-5
Pro Forma Wage Adjustment P-2
Twelve Months Ended December 31, 2019

Col.	A	B	C	B	C	D = C - B	G	H	I	J	K	L	M	N	O	Pro Forma Wage
	A			D	E	F										
Line No Union																
33 Operation Supervision & Engineering	28700	1,287.03			0	3.00%	\$0.00	\$1,287.03	3.00%	\$38.61	\$1,325.64	0.00%	\$0.00	\$1,325.64	\$0.00	\$38.61
34 Distribution Load Dispatching	28710	48,252.92			19,377.68	3.00%	\$581.33	\$48,834.25	3.00%	\$1,465.03	\$50,299.28	0.00%	\$0.00	\$50,299.28	\$581.33	\$1,465.03
35 Compressor Station Operating	28720	21,804.45			4,790.26	3.00%	\$143.71	\$21,948.16	3.00%	\$658.44	\$22,606.60	0.00%	\$0.00	\$22,606.60	\$143.71	\$658.44
36 Routine Main/Service Operation	28740	2,108,300.17			519,275.66	3.00%	\$15,578.27	\$2,123,878.44	3.00%	\$63,716.35	\$2,187,594.79	0.00%	\$0.00	\$2,187,594.79	\$15,578.27	\$63,716.35
37 Measuring and Regulating-General	28750	166,198.94			50,169.81	3.00%	\$1,505.09	\$167,704.03	3.00%	\$5,031.12	\$172,735.16	0.00%	\$0.00	\$172,735.16	\$1,505.09	\$5,031.12
38 Measuring and Regulating-Industrial	28760	87,276.54			23,467.43	3.00%	\$704.02	\$87,980.56	3.00%	\$2,639.42	\$90,619.98	0.00%	\$0.00	\$90,619.98	\$704.02	\$2,639.42
39 Routine Meter and House Regulator	28780	915,293.16			229,776.52	3.00%	\$6,893.30	\$922,186.46	3.00%	\$27,665.59	\$949,852.05	0.00%	\$0.00	\$949,852.05	\$6,893.30	\$27,665.59
40 Customer Installation	28790	615,370.34			179,612.83	3.00%	\$5,388.38	\$620,758.72	3.00%	\$18,622.76	\$639,381.49	0.00%	\$0.00	\$639,381.49	\$5,388.38	\$18,622.76
41 Other	28800	2,535,799.42			706,560.89	3.00%	\$21,196.83	\$2,556,996.25	3.00%	\$76,709.89	\$2,633,706.13	0.00%	\$0.00	\$2,633,706.13	\$21,196.83	\$76,709.89
42 Mains-Maintenance	28870	525,265.23			126,660.95	3.00%	\$3,799.83	\$529,065.06	3.00%	\$15,871.95	\$544,937.01	0.00%	\$0.00	\$544,937.01	\$3,799.83	\$15,871.95
43 Compressor Station Maintenance	28880	56,815.88			13,653.52	3.00%	\$409.61	\$57,225.49	3.00%	\$1,716.76	\$58,942.25	0.00%	\$0.00	\$58,942.25	\$409.61	\$1,716.76
44 Station & Odorizer Station	28890	235,823.44			71,401.27	3.00%	\$2,142.04	\$237,965.48	3.00%	\$7,138.96	\$245,104.44	0.00%	\$0.00	\$245,104.44	\$2,142.04	\$7,138.96
45 Maintenance of Measuring & Regulating	28900	25,640.68			3,020.59	3.00%	\$90.62	\$25,731.30	3.00%	\$771.94	\$26,503.24	0.00%	\$0.00	\$26,503.24	\$90.62	\$771.94
46 Service	28920	793,387.64			204,008.03	3.00%	\$6,120.24	\$799,507.88	3.00%	\$23,985.24	\$823,493.12	0.00%	\$0.00	\$823,493.12	\$6,120.24	\$23,985.24
47 Meter/Regulator Maintenance	28930	689,855.71			170,799.20	3.00%	\$5,123.98	\$694,979.69	3.00%	\$20,849.39	\$715,829.08	0.00%	\$0.00	\$715,829.08	\$5,123.98	\$20,849.39
48 Maintenance of Other	28940	857,430.33			249,586.68	3.00%	\$7,487.60	\$864,917.93	3.00%	\$25,947.54	\$890,865.47	0.00%	\$0.00	\$890,865.47	\$7,487.60	\$25,947.54
49 Routine Meter Reading	29020	346,337.29			89,063.33	3.00%	\$2,671.90	\$349,009.19	3.00%	\$10,470.28	\$359,479.47	0.00%	\$0.00	\$359,479.47	\$2,671.90	\$10,470.28
50 Customer Collection	29030	98,505.75			22,918.49	3.00%	\$687.55	\$99,193.30	3.00%	\$2,975.80	\$102,169.10	0.00%	\$0.00	\$102,169.10	\$687.55	\$2,975.80
51 Administration & General	29200	691.57			-	3.00%	\$0.00	\$691.57	3.00%	\$20.75	\$712.32	0.00%	\$0.00	\$712.32	\$0.00	\$20.75
52 Office Supplies & Expenses	29210	361.65			-	3.00%	\$0.00	\$361.65	3.00%	\$10.85	\$372.50	0.00%	\$0.00	\$372.50	\$0.00	\$10.85
53 Employee Pensions and Benefits	29260	23,110.23			-	3.00%	\$0.00	\$23,110.23	3.00%	\$693.31	\$23,803.54	0.00%	\$0.00	\$23,803.54	\$0.00	\$693.31
54 Maintenance of General Plant	29350	2,556.56			1,301.68	3.00%	\$39.05	\$2,595.61	3.00%	\$77.87	\$2,673.48	0.00%	\$0.00	\$2,673.48	\$39.05	\$77.87
55		10,155,364.93			2,685,444.82			80,563.34		10,235,928.27			0.00	10,543,006.12	80,563.34	307,077.85

Cascade Natural Gas Corporation
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Twelve Months Ended December 31, 2019

Col.	A	B	C	B	C	D = C - B	G	H	I	J	K	L	M	N	O	Pro Forma Wage
	A	B	C	D	E	F										
5110: O&M Straight time allocated to CNG by Business Unit for 2019																
<u>Line No.</u>																
56	4760100	EVP Business Dev./Gas Supply			87,053.82				3.00%	2,611.61	89,665.43	0.00%	-	89,665.43	\$0.00	\$2,611.61
57	4760300	Dir. Process Imprvmt & Oper. Tech			17,105.60				3.00%	513.17	17,618.77	0.00%	-	17,618.77	\$0.00	\$513.17
58	4760500	MDUR Cross Charges to CNGC			1,790,432.89				3.00%	53,712.99	1,844,145.88	0.00%	-	1,844,145.88	\$0.00	\$53,712.99
59	4760600	Human Resources			63,503.67				3.00%	1,905.11	65,408.78	0.00%	-	65,408.78	\$0.00	\$1,905.11
60	4760800	Customer Service			46,296.31				3.00%	1,388.89	47,685.20	0.00%	-	47,685.20	\$0.00	\$1,388.89
61	4761800	VP Safety, Proc. Improv. Tech.			44,262.68				3.00%	1,327.88	45,590.56	0.00%	-	45,590.56	\$0.00	\$1,327.88
62	4762000	Technical Training			178,815.01				3.00%	5,364.45	184,179.46	0.00%	-	184,179.46	\$0.00	\$5,364.45
63	4762300	Dir. Operations Policies & Proc.			164,017.69				3.00%	4,920.53	168,938.22	0.00%	-	168,938.22	\$0.00	\$4,920.53
64	4762500	VP Field Operations			50,438.05				3.00%	1,513.14	51,951.19	0.00%	-	51,951.19	\$0.00	\$1,513.14
65	4763000	Dir. Quality Control			152,593.38				3.00%	4,577.80	157,171.18	0.00%	-	157,171.18	\$0.00	\$4,577.80
66	4763400	Enterprised GIS			57,821.92				3.00%	1,734.66	59,556.58	0.00%	-	59,556.58	\$0.00	\$1,734.66
67	4765800	Dir. Operations Services			219,071.45				3.00%	6,572.14	225,643.59	0.00%	-	225,643.59	\$0.00	\$6,572.14
68	4766000	VP Operations & Eng. Services			51,766.03				3.00%	1,552.98	53,319.01	0.00%	-	53,319.01	\$0.00	\$1,552.98
69	4766100	Fleet			0.00				3.00%	0.00	0.00	0.00%	-	0.00	\$0.00	\$0.00
70	4766300	Dir. of Construction Services			186,138.97				3.00%	5,584.17	191,723.14	0.00%	-	191,723.14	\$0.00	\$5,584.17
71	4766400	Mgr. Operations Systems			3,655.78				3.00%	109.67	3,765.45	0.00%	-	3,765.45	\$0.00	\$109.67
72	4766500	Dir. Systems Integrity			65,210.96				3.00%	1,956.33	67,167.29	0.00%	-	67,167.29	\$0.00	\$1,956.33
73	47665WA	Dir. Systems Integrity			956.70				3.00%	28.70	985.40	0.00%	-	985.40	\$0.00	\$28.70
74	4766600	Safety Mgmt. & Qlty. Assur.			124,549.92				3.00%	3,736.50	128,286.42	0.00%	-	128,286.42	\$0.00	\$3,736.50
75	4766900	Dir. of Engineering Services			141,164.45				3.00%	4,234.93	145,399.38	0.00%	-	145,399.38	\$0.00	\$4,234.93
76	4767000	Credit and Collections			159,195.80				3.00%	4,775.87	163,971.67	0.00%	-	163,971.67	\$0.00	\$4,775.87
77	4767100	Customer Service Director			85,072.95				3.00%	2,552.19	87,625.14	0.00%	-	87,625.14	\$0.00	\$2,552.19
78	4767200	Meridian Customer Service			875,917.72				3.00%	26,277.53	902,195.25	0.00%	-	902,195.25	\$0.00	\$26,277.53
79	4767300	Customer Development Service			287,512.97				3.00%	8,625.39	296,138.36	0.00%	-	296,138.36	\$0.00	\$8,625.39
80	4767400	Scheduling			203,880.66				3.00%	6,116.42	209,997.08	0.00%	-	209,997.08	\$0.00	\$6,116.42
81	4767500	Compliance Systems & Telecom			17,020.08				3.00%	510.60	17,530.68	0.00%	-	17,530.68	\$0.00	\$510.60
82	4767600	Information Tech, Director			35,070.40				3.00%	1,052.11	36,122.51	0.00%	-	36,122.51	\$0.00	\$1,052.11
83	4767700	Communications			787.94				3.00%	23.64	811.58	0.00%	-	811.58	\$0.00	\$23.64
84	4767800	Information Systems			66,933.38				3.00%	2,008.00	68,941.38	0.00%	-	68,941.38	\$0.00	\$2,008.00
85	4767900	Field Automation			73,862.30				3.00%	2,215.87	76,078.17	0.00%	-	76,078.17	\$0.00	\$2,215.87
86	4769000	Environmental			69,084.19				3.00%	2,072.53	71,156.72	0.00%	-	71,156.72	\$0.00	\$2,072.53
87	4769200	EVP Reg Cust Srv			72,895.60				3.00%	2,186.87	75,082.47	0.00%	-	75,082.47	\$0.00	\$2,186.87
88	4769300	Dir. Gas Supply & Control			108,215.66				3.00%	3,246.47	111,462.13	0.00%	-	111,462.13	\$0.00	\$3,246.47
89	4769400	Utility Group Controller			234,155.52				3.00%	7,024.67	241,180.19	0.00%	-	241,180.19	\$0.00	\$7,024.67
90	4769600	President & CEO			97,059.16				3.00%	2,911.77	99,970.93	0.00%	-	99,970.93	\$0.00	\$2,911.77
91	4769800	Dir. Safety & Technical Training			676.53				3.00%	20.30	696.83	0.00%	-	696.83	\$0.00	\$20.30
92					5,832,196.14					174,965.88	6,007,162.02		0.00	6,007,162.02	0.00	174,965.88

Notes:
[1] Provided by Cascade Human Resources Accounting System
[2] Union increase from the 2018 Agreement between CNGC and Local No. 121-C of the International Chemical Workers' Union Council/UFCW