

**Summary of Proposed Adjustments to Test Year Results**

**Witness: Maryalice C. Peters**

WASHINGTON UTILITIES AND  
TRANSPORTATION COMMISSION,  
Complainant,

v.

CASCADE NATURAL GAS  
CORPORATION,

Respondent.

**CASCADE NATURAL GAS CORPORATION**

**EXHIBIT OF MARYALICE C. PETERS**

**SUMMARY OF PROPOSED ADJUSTMENTS TO TEST YEAR RESULTS**

**3/29/2019**

**Cascade Natural Gas**  
**Proposed Adjustments to Test Year Results**  
**Twelve Months Ended December 31, 2018**

	Annualize CRM Adjustment R-1	Promotional Advertising Adjustment R-2	Restate Revenue Adjustment R-3	Restate End of Period (EOP) Adj. R-4	Restate Wages R-5	Executive Incentives R-6	Interest Coordination Adjustment P-1	Pro Forma Wage Adjustment P-2	Pro Forma Plant Additions P-3	MAOP Deferral Amortization P-4	<b>Total Adjustments</b>
<b>Operating Revenues</b>											
Natural Gas Sales	684,346		2,733,772	678,910							4,097,028
Gas Transportation Revenue								0			0
Other Operating Revenues											0
<b>REVENUE</b>	<b>\$684,346</b>	<b>\$0</b>	<b>\$2,733,772</b>	<b>\$678,910</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>		<b>\$4,097,028</b>
<b>Operating Expenses</b>											
Nat. Gas/Production Costs											\$0
Revenue Taxes	27,730		110,772	27,509				0			\$166,012
Production					0		7,721				\$7,721
Distribution					74,550		856,284		859,551		\$1,790,385
Customer Accounts	2,118.98		\$8,465	\$2,102	3,650		83,722	\$0			\$100,058
Customer Service							52,301				\$52,301
Sales		(1,547)									(\$1,547)
Administrative and General		(22,434)			92	(894,390)	512,600				(\$404,132)
Depreciation & Amortization				1,490,380				648,693			\$2,139,074
Regulatory Debits											\$0
Taxes Other Than Income					5,989		88,725	396,050			\$490,764
State & Federal Income Taxes	137,445	5,036	549,052	(176,627)	(17,699)	187,822	(285,943)	(336,284)	(219,396)	(180,506)	(\$337,100)
<b>Total Operating Expenses</b>	<b>167,293</b>	<b>(18,945)</b>	<b>668,289</b>	<b>1,343,365</b>	<b>66,583</b>	<b>(706,568)</b>	<b>(285,943)</b>	<b>1,265,069</b>	<b>825,347</b>	<b>679,045</b>	<b>\$4,003,535</b>
<b>Net Operating Revenues</b>	<b>\$517,053</b>	<b>\$18,945</b>	<b>\$2,065,482</b>	<b>(\$664,455)</b>	<b>(\$66,583)</b>	<b>\$706,568</b>	<b>\$285,943</b>	<b>(\$1,265,069)</b>	<b>(\$825,347)</b>	<b>(\$679,045)</b>	<b>\$93,493</b>
<b>Rate Base</b>											
Total Plant in Service				36,939,567				32,794,040			\$69,733,608
Total Accumulated Depreciation				(2,158,314)				(324,347)			(\$2,482,660)
Customer Adv. For Construction				79,441							\$79,441
Deferred Accumulated Income Taxes				(513,833)				(61,014)			(\$574,846)
Working Capital Allowance				0							\$0
<b>TOTAL RATE BASE</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$34,346,862</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$32,408,680</b>		<b>\$66,755,542</b>
<b>Revenue Requirement Effect</b>	<b>(\$684,346)</b>	<b>(\$25,075)</b>	<b>(\$2,733,772)</b>	<b>\$4,392,576</b>	<b>\$88,126</b>	<b>(\$935,179)</b>	<b>(\$378,460)</b>	<b>\$1,674,384</b>	<b>\$4,407,280</b>	<b>\$898,751</b>	<b>\$6,704,284</b>