

**Exhibit No. \_\_ (MCP-3)**  
**Revenue Requirement Calculation**  
**Witness: Maryalice C. Peters**

WASHINGTON UTILITIES AND  
TRANSPORTATION COMMISSION,  
Complainant,

v.

CASCADE NATURAL GAS  
CORPORATION,

Respondent.

DOCKET UG-170929

**CASCADE NATURAL GAS CORPORATION**

**EXHIBIT OF MARYALICE C. PETERS**

**REVENUE REQUIREMENT CALCULATION**

**3/29/2019**

**Cascade Natural Gas  
Revenue Requirement Calculation  
12 Months ended December 31, 2018**

1 Adjusted Rate Base	\$405,155,119
2 Rate of Return	<u>7.73%</u>
3 Required Return (ln 1 x ln 2)	\$31,310,388
4 Adjusted Net Income	<u>\$21,708,547</u>
5 Required Net Income Increase (ln 3 - ln 4)	\$9,601,841
6 Conversion Factor	<u>0.75554</u>
7 Revenue Increase Required (ln 5 / ln 6)	<u><b>\$12,708,529</b></u>
8 Test Year Adjusted Revenue	\$228,581,669
9 Overall Revenue Increase	<b>5.5597%</b>