WUTC DOCKET: UG-190210
EXHIBIT: BLR-1T
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Exhibit No. __ (BLR-1T)
Docket No. UG-19____
Witness: Brian L. Robertson

BEFORE THE
WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION, Complainant, v. CASCADE NATURAL GAS CORPORATION, Respondent.	DOCKET UG-19_____

CASCADE NATURAL GAS CORPORATION

DIRECT TESTIMONY OF BRIAN L. ROBERTSON

March 29, 2019

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I.INTRODUCTION AND SUMMARY

Q. Please state your name and address for the record.

A. Brian L. Robertson, 8113 W Grandridge Blvd., Kennewick, WA 99336.

Q. By whom are you employed and what is your title and job duties?

A. I am employed by Cascade Natural Gas Corporation ("Cascade" or the "Company") as a Gas Supply Senior Resource Planning Analyst. My job duties include long-term forecasting, market research, upstream modeling, and other duties regarding the Integrated Resource Plan.

Q. Please describe your educational background and professional experience.

A. I am a graduate of Central Washington University with a degree in Actuarial Science. After graduating, I joined Cascade February of 2014 as a Regulatory Analyst. I joined the Gas Supply department in March of 2015 as a Resource Planning Analyst II. In July 2016, I was promoted to Senior Resource Planning Analyst.

Q. Have you previously submitted written testimony to or testified before the Washington Utilities and Transportation Commission ("Commission") or another regulatory commission?

A. Yes. I previously testified before this Commission in Cascade's most recent Washington rate cases, Dockets UG-170929 and UG-152286. I have also testified before the Public Utility Commission of Oregon in Cascade's most recent Oregon rate cases, Docket Nos. UG 347 and UG 305.

Q. What is the purpose of your testimony in this proceeding?

A. My testimony presents the results of Cascade's Weather Normalization study that I performed for this case. Based on this analysis, I show the adjustments necessary to

establish the "normalized" level of therm sales that would have been made during the Test Year if Cascade had experienced "normal" weather during this period. The adjustments that I recommend here only apply to the Company's Residential and Commercial Schedules, 503 and 504.

II.WEATHER NORMALIZATION

Q. As background, please explain the recent history leading to adoption of the Weather Normalization methodology performed by Cascade for this case.

A. In Docket UG-152286, Cascade and Staff worked together to formulate the Company's Weather Normalization methodology in use today.[1] This same methodology was used to set rates in Docket UG-170929.[2] The agreed-upon methodology is a linear regression model that examines five-years of historical therm usage per customer per month for residential and commercial customers and the monthly heating degree days ("HDDs") for Cascade's four weather locations: Bellingham, Bremerton, Walla Walla, and Yakima. The model produces an intercept that indicates the "base load" therms per customer. The model also provides a best fit coefficient of use per customer for each month and weather location for both the residential and commercial customer classes. The best fit coefficient represents the heat sensitivity use per customer per HDD. The regression results can be found in exhibit BLR-2. The "normal" HDDs and actual customers from the Test Year are applied to the heat sensitive coefficient to produce normalized therms for the Test Year.

[1] *Wash. Utils. & Transp. Comm'n v. Cascade Natural Gas Corporation*, Docket UG-152286, Order 04 at ¶¶ 13 and 32 (July 7, 2016); *See also*, Exhibit No. JT_1T at 24:14-25:5.
[2] *Wash. Utils. & Transp. Comm'n v. Cascade Natural Gas Corporation*, Docket UG-170929, Order 06 at ¶ 81 (July 20, 2018).

The weather normalization adjustment was calculated by the difference between actual recorded therms and the calculated normalized therms.

Q. Has Cascade made any changes to the agreed upon methodology for this case?

A. No, it has not. The Company's as-filed rates reflect the outcomes determined by weather normalization methodology agreed upon in the Company's 2015 rate case.

Q. Please provide the results of Cascade's weather normalization study.

A. The methodology produced the following conclusions and Test Year adjustments: residential therm usage is calculated to be 11,644,753 therms higher than actual sales; and commercial therm usage is calculated to be 6,906,939 therms higher than actual sales. These are provided in cells C18 and D18 of 'Summary – 60' tab in exhibit BLR-3.

Q. Does the Company accept these results?

A. Yes, Cascade accepts the methodology's results for this case. However, the Company believes the methodology could be improved to show results that better reflect the impact weather has on Cascade's residential and commercial customer class usage. To further refine its weather normalization outcomes, the Company is building its data base to include a broader range of results. At a point when Cascade believes its data base is sufficiently robust, it will revisit use of the current methodology and if it is believed to produce less accurate results, it will present its preferred study and results to the Commission in a future rate case.

Q. Does this conclude your testimony?

A. Yes.