

**Exh. KMH-3
Docket UG-200568
Witness: Kristen M. Hillstead**

**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**

Kristen M. Hillstead

**STAFF OF
WASHINGTON UTILITIES AND
TRANSPORTATION COMMISSION**

Summary of Adjustments

November 19, 2020

Cascade Natural Gas
UG-200568
Staff Proposed Adjustments to Test Year Results
Twelve Months Ended December 31, 2019

		Uncontested Adjustments											
	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	Test Year Audit Expenses UTC-1	Total Adjustments	
1	Operating Revenues												
2	Natural Gas Sales	(2,913,264)	14,922,776	923,295					-			12,932,807	
3	Gas Transportation Revenue								0			0	
4	Other Operating Revenues											0	
5	REVENUE	(\$2,913,264)	\$0	\$14,922,776	\$923,295	\$0	\$0	\$0	\$0	\$0		\$12,932,807	
	Operating Expenses												
6	Nat. Gas/Production Costs											\$0	
7	Revenue Taxes	(118,045)	604,671	37,412					0			\$524,037	
8	Production				0			4,883				\$4,883	
9	Distribution				77,165			401,920		800,404		\$1,279,489	
10	Customer Accounts	(11,711)	\$59,988	\$3,712	3,359			88,415	0			\$143,763	
11	Customer Service							20,992			(4,394)	\$16,598	
12	Sales		(1,977)					80				(\$1,897)	
13	Administrative and General		(25,714)		39	(1,230,735)		259,647			(41,431)	(\$1,038,195)	
14	Depreciation & Amortization			1,910,512					111,547			\$2,022,059	
15	Regulatory Debits											\$0	
16	Taxes Other Than Income				6,163			45,974	79,460			\$131,598	
17	State & Federal Income Taxes	(584,537)	5,815	2,994,205	(215,952)	(18,213)	258,454	302,312	(172,601)	(40,111)	(168,085)	9,623	\$2,370,911
18	Total Operating Expenses	(714,293)	(21,876)	3,658,863	1,735,684	68,514	(972,281)	302,312	649,310	150,895	632,320	(36,202)	\$5,453,245
19	Net Operating Income	(\$2,198,971)	\$21,876	\$11,263,913	(\$812,389)	(\$68,514)	\$972,281	(\$302,312)	(\$649,310)	(\$150,895)	(\$632,320)	\$36,202	\$7,479,561
	Rate Base												
20	Total Plant in Service			31,077,329					6,860,763			\$37,938,093	
21	Total Accumulated Depreciation			(7,438,117)					(55,773)			(\$7,493,890)	
22	Customer Adv. For Construction			44,862								\$44,862	
23	Def. Accumulated Income Taxes			(2,047,962)					(15,302)			(\$2,063,263)	
24	Working Capital Allowance			0								\$0	
25	TOTAL RATE BASE	\$0	\$0	\$0	\$21,636,113	\$0	\$0	\$0	\$6,789,688			\$28,425,801	
26	Revenue Requirement Effect	\$2,913,264	(\$28,983)	(\$14,922,776)	\$3,062,419	\$90,769	(\$1,288,108)	\$400,512	\$860,226	\$823,187	\$837,716	(\$47,961)	(\$7,299,734)