

**BEFORE THE WASHINGTON
UTILITIES & TRANSPORTATION COMMISSION**

WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION,

Complainant,

v.

CASCADE NATURAL GAS CORPORATION,

Respondent.

DOCKET UG-210755

**ON BEHALF OF THE
WASHINGTON STATE OFFICE OF THE ATTORNEY GENERAL
PUBLIC COUNSEL UNIT**

EXHIBIT MEG-16

Cascade Natural Gas Corp. Response to AWEC Data Request No. 65, with Attachment A

April 25, 2022

BEFORE THE WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

**Docket UG-210755
Cascade Natural Gas Corporation
2021 General Rate Case**

AWEC DATA REQUEST NO. 065:

Financial Data

Reference Cascade's Revenue Requirement Model, Tab "Plt-Accum Depn": Please provide an updated version of the referenced workpaper with data through December 2021, when available.

Response:

Attached as Attachment A to Cascade Natural Gas Corporation's ("Cascade") Response to AWEC Data Request No. 065, please find an Excel spreadsheet with an updated version of Cascade's Revenue Requirement Model, Tab "Plt-Accum Depn" with data through December 2021.

Regarding the adjustment reflected within the file for FERC 367: In 2015, two assets were transferred from FERC subplant account 376 HP Distribution Mains to FERC subplant account 367 Transmission Mains per Engineering. The jurisdictional allocation factor used under FERC 376 correctly allocated these assets to Washington. However, when transferred to FERC 367, the allocation factor was set up incorrectly to allocate to Oregon and has been used that way since. This error was found when looking at the plant's Situs State on asset reports—specifically, the state on the work orders/assets were correct but the allocation on the depreciation reports where the jurisdiction factors were incorrect. There has been no activity to these two assets between 2015 and 2021. These assets and their corresponding accumulated reserve were transferred to the correct allocation group as of December 2021 so they will be reflected in the Washington jurisdiction. Therefore, any reporting going forward will correctly reflect these assets, accumulated reserve and depreciation expense in the Washington jurisdiction.

Please note on the Depreciation Reserve, depreciation uses a group level and we do not depreciate at an asset level. With that, the Total Reserve Cascade provided as of December 2020 in the footnote of Attachment A to Cascade's Response to AWEC Data Request No. 005 was an Allocated Reserve based on the Depreciation Group Bucket the two incorrect assets fell under. Also, you will note the total reserve is more than the plant adjustment due to the group having a 20 percent Cost of Removal Percentage, which means that the group is allowed to depreciate up to 120 percent of total plant.

**ATTACHMENT A to Cascade's Response
to AWEC Data Request
No. 065**

**Attachment A to Cascade Natural Gas Corp. Response to AWEC
Data Request No. 65 is provided in Electronic Version Only Due to
Voluminous Size of the Document when Printed**