

BEFORE THE WASHINGTON UTILITIES & TRANSPORTATION COMMISSION

WUTC V. CASCADE NATURAL GAS CORPORATION

DOCKET NO. UG-060256

DIRECT TESTIMONY OF MICHAEL L. BROSCHE (MLB-1T)

ON BEHALF OF

PUBLIC COUNSEL

ADDRESSING CASCADE NATURAL GAS

PROPOSED PLANT IN SERVICE AND DECOUPLING TRACKERS

REVISED OCTOBER 6, 2006

1 . regulatory proceedings involving electric, gas, telephone, water, sewer, transit, and
2 steam utilities. In Washington I have testified in several major proceedings before
3 the Commission, including Sprint's spinoff of its local telecommunications division
4 (UT-051291), U S West rate cases (UT-950200, UT-970766), the U S West/Qwest
5 merger (UT-991358), the most recent Verizon rate case (UT-040788) and the
6 regulatory accounting for, and later sale of Qwest's directory publishing business
7 (UT-98048 and UT-021120).

8 **Q. Have you previously participated in energy utility regulatory proceedings?**

9 A. Yes. I have participated in many electric and gas regulatory proceedings, as listed
10 and described in Exhibit No. ____ (MLB-3). While much of my experience involves
11 traditional rate increase or rate reduction cases, I have also addressed rate
12 adjustment tracking tariffs as well as deferral accounting proposals on many prior
13 occasions.

14 **Q. What is the purpose of your testimony in this docket?**

15 A. My testimony is intended to respond, on behalf of Public Counsel, to certain
16 regulatory policy concerns raised by two proposed rate adjustment tracking
17 mechanisms being advocated by Cascade. The first proposed new tracking
18 mechanism would increase gas utility service rates between future CNG rate cases
19 on a single-issue basis using what the Company has labeled its "Safety and
20 Reliability Infrastructure Adjustment Mechanism" or "SRIAM" to account for
21 increases in certain Plant in Service investments that are anticipated by the