BEFORE THE WASHINGTON
UTILITIES & TRANSPORTATION COMMISSION

WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

Complainant,

v.

CASCADE NATURAL GAS CORPORATION,

Respondent.

__________________________________________________________

DOCKET UG-200568

MARK E. GARRETT ON BEHALF OF PUBLIC COUNSEL

EXHIBIT MEG-7

Incentive Compensation

November 19, 2020
### Cascade Natural Gas Company

**Public Counsel Unit Incentive Compensation**

**Twelve Months Ended December 31, 2019; Docket No. UG-200568**

<table>
<thead>
<tr>
<th>Line No.</th>
<th>Description</th>
<th>PCU Adjustment</th>
<th>CNGC Adjustment (R-6)</th>
<th>Adjustment to CNGC Amounts</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Total Incentives (PC-43)</td>
<td>$2,890,621</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2</td>
<td>Executive Incentives Adjustment (PC-43 and Adj. R-6)</td>
<td>(1,162,983)</td>
<td>(1,230,735)</td>
<td></td>
</tr>
<tr>
<td>3</td>
<td>Non-Executive Employee Incentives</td>
<td>$1,727,638</td>
<td></td>
<td></td>
</tr>
<tr>
<td>4</td>
<td>Budgeted Amount (PC-46)</td>
<td>1,101,969</td>
<td></td>
<td></td>
</tr>
<tr>
<td>5</td>
<td>Adjustment Incentives to Target Levels (Line 6 - Line 5)</td>
<td></td>
<td>$625,669</td>
<td></td>
</tr>
<tr>
<td>6</td>
<td>Total Incentive Adjustments</td>
<td>$(1,788,652)</td>
<td>$(1,230,735)</td>
<td>$(557,917)</td>
</tr>
<tr>
<td>7</td>
<td>Employer FICA at 7.65%</td>
<td>(47,864)</td>
<td></td>
<td>(47,864)</td>
</tr>
<tr>
<td>8</td>
<td>Income Taxes</td>
<td>385,668</td>
<td>258,454</td>
<td>127,214</td>
</tr>
<tr>
<td>9</td>
<td>Net Operating Income (Sum of lines 2, 4, 24, 26, and 27)</td>
<td>$1,450,847</td>
<td>$972,281</td>
<td>$478,567</td>
</tr>
</tbody>
</table>

**Note 1**
CNGC provided a correction to the executive incentive adjustment in response to PC-43.

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**From PC 47:**

- O&M expense control $863,819 50.00%
- Customer Service Survey $576,167 33.35%
- Cyber Security $287,652 16.65%
- Total $1,727,638 100.00%
- Adjusted for wage increases $1,868,613
- Unreconciled difference $140,975