

**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

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

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

From PC 47:		
O&M expense control	\$ 863,819	50.00%
Customer Service Survey	\$ 576,167	33.35%
Cyber Security	<u>\$ 287,652</u>	<u>16.65%</u>
Total	<u>\$1,727,638</u>	<u>100.00%</u>
Adjusted for wage increases	\$1,868,613	
Unreconciled difference	\$ (140,975)	