

WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION
UW-240151

WCAW RESPONSE TO UTC STAFF DATA REQUEST NO. 2

DATE PREPARED: February 5, 2025
REQUESTER: UTC Staff
WITNESS: Blaine Gilles
RESPONDER: Kent Hanson
TELEPHONE: 206-919-6684

UTC STAFF DATA REQUEST NO. 2:

Please confirm that you did not provide a revenue requirement analysis or calculation. If you cannot confirm, please provide your rate base calculation and include all workpapers showing the calculation formulas with a narrative of why this formula/calculation was chosen.

WCAW RESPONSE:

WCAW did not provide a calculation of a new revenue requirement. This is the job of Staff and Cascadia. WCAW has questioned significant components of Cascadia's proposed revenue requirement as to whether Cascadia has demonstrated that they were necessary, efficacious, and cost justified.

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WCAW RESPONSE TO UTC STAFF DATA REQUEST NO. 3

DATE PREPARED: February 5, 2025
REQUESTER: UTC Staff
WITNESS: Blaine Gilles
RESPONDER: Kent Hanson
TELEPHONE: 206-919-6684

UTC STAFF DATA REQUEST NO. 3:

Please provide your cost of capital calculations and include all workpapers showing the calculation formulas with a narrative of why this formula/calculation was chosen.

WCAW RESPONSE:

In WCAW Exhibit BCG-1T, pp. 17-21, WCAW witness, Dr. Blaine Gilles, provides an analysis of the cost of capital, including all underlying assumptions and calculations, and describes in detail how it is different from that submitted by Cascadia witness Rowell. All assumptions, inputs, and calculations are clearly delineated; there are no additional workpapers. As to the choice of model, Dr. Gilles agrees that there are multiple methods that can be used to estimate the cost of capital, but the underlying assumptions made in creating the estimates (e.g., debt:equity ratio, risk measurement metric, market risk premium) are more crucial than the specific estimation method chosen. This is further explained in Exhibit BCG-1T.

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WCAW RESPONSE TO CASCADIA WATER COMPANY DATA REQUEST

DATE PREPARED: February 5, 2025
REQUESTER: UTC Staff
WITNESS: Blaine Gilles
RESPONDER: Kent Hanson
TELEPHONE: 206-919-6684

UTC STAFF DATA REQUEST NO. 4:

Please provide your proposed rate design formula and include all workpapers showing the calculation formulas with a narrative of why this rate design was chosen.

WCAW RESPONSE:

WCAW has not created or proposed a rate design formula. In the future WCAW may investigate whether the proposed rate design is likely to result in recovery of Cascadia's revenue requirement, but this information was not provided on a basis sufficiently timely to make it part of testimony at this time.