

**Exh. JH-6
Docket UG-240008
Witness: Joanna Huang**

**BEFORE THE WASHINGTON
UTILITIES AND TRANSPORTATION COMMISSION**

**WASHINGTON UTILITIES AND
TRANSPORTATION COMMISSION,**

Complainant,

v.

**CASCADE NATURAL GAS
CORPORATION,**

Respondent

DOCKET UG-240008

EXHIBIT TO RESPONSE TESTIMONY OF

JOANNA HUANG

**STAFF OF
WASHINGTON UTILITIES AND
TRANSPORTATION COMMISSION**

Summary of Adjustments

September 25, 2024

Cascade Natural Gas Corp.
Washington Jurisdiction
Twelve-Months ended December 31, 2023
Summary of Adjustments

Line No	Description	Remove Supplemental Schedules Adjustment R-1	Normalize Revenue Adjustment R-2	Restate End of Period Adjustment R-3	Annualized CRM Adjustment R-4	Promotional Advertising Adjustment R-5	Restate Wages Adjustment R-6	Restate Incentives Adjustment R-7	Director & Officers Adjustment R-8
1	Operating Revenues								
2	Natural Gas Sales	(230,012,436)	(1,659,934)	412,087	1,375,371	-	-	-	-
3	Gas Transportation Revenue	282,531	(114,550)	24,160	456,594	-	-	-	-
4	Other Operating Revenues	(1,384,433)	-	-	-	-	-	-	-
5	Total Operating Revenues	(231,114,338)	(1,774,484)	436,247	1,831,965	-	-	-	-
6									
7	Operating Expenses								
8	Nat. Gas/Production Costs	(212,859,302)	-	-	-	-	-	-	-
9	Revenue Taxes	(9,559,397)	(75,451)	18,549	77,895	-	-	-	-
10	Production	-	-	-	-	-	-	(33,689)	-
11	Distribution	-	-	-	-	-	86,314	(419,642)	-
12	Customer Accounts	(864,009)	(11,923)	2,931	12,309	-	3,064	(245,832)	-
13	Customer Service	(8,150,919)	-	-	-	-	-	(63,736)	-
14	Sales	-	-	-	-	-	-	(1,362)	-
15	Administrative and General	-	-	-	-	(36,574)	17	(1,795,330)	(237,068)
16	Depreciation & Amortization	-	-	1,212,420	-	-	-	-	-
17	Regulatory Debits								
18	Taxes Other Than Income	-	-	-	-	-	6,839	-	-
19	State & Federal Income Taxes	67,051	(354,293)	(167,507)	365,770	7,681	(20,209)	537,514	49,784
20	Total Operating Expenses	(231,366,576)	(441,667)	1,066,393	455,974	(28,893)	76,024	(2,022,077)	(187,284)
21									
22	Net Operating Income	252,238	(1,332,817)	(630,146)	1,375,991	28,893	(76,024)	2,022,077	187,284
23									
24	Rate Base								
25	Total Plant in Service			48,540,095					
26	Total Accumulated Depreciation			(12,430,504)					
27	Customer Adv. For Construction			18,870					
28	Deferred Accumulated Income Taxes			(308,102)					
29	Working Capital Allowance			-					
30	Total Rate Base	-	-	35,820,359	-	-	-	-	-
31									
32	Revenue Requirement Effect (Staff)	(\$335,824)	\$1,774,484	\$4,106,236	(\$1,831,965)	(\$38,468)	\$101,217	(\$2,692,150)	(\$249,345)

Cascade Natural Gas Corp.
Washington Jurisdiction
Twelve-Months ended December 31, 2023
Summary of Adjustments

Line No	Description	Restate COVID-19	Restate CCA	Restate Commission Fees Adjustment	Working Capital Allowance	Restating Adjustments	Interest Coordination Adjustment	2024 Pro Forma Wage Adjustment	MAOP Deferral Amortization	Pro Forma Rate Case Expense Adjustment	Pro Forma Medical, Dental, & Life Insurance Expense
		Deferral Offsets Adjustment	Labor Expense Adjustment								Expense Adjustment
		R-9	R-10	R-11	R-12	R-Total	P-1	P-2	P-3	P-4	P-5
1	Operating Revenues										
2	Natural Gas Sales	-	-	-	-	(229,884,912)	-	-	-	-	-
3	Gas Transportation Revenue	-	-	-	-	648,735	-	-	-	-	-
4	Other Operating Revenues	-	-	-	-	(1,384,433)	-	-	-	-	-
5	Total Operating Revenues	-	-	-	-	(230,620,610)	-	-	-	-	-
6											
7	Operating Expenses										
8	Nat. Gas/Production Costs	-	-	-	-	(212,859,302)	-	-	-	-	-
9	Revenue Taxes	-	-	364,822	-	(9,173,582)	-	-	-	-	-
10	Production	-	-	-	-	(33,689)	-	16,335	-	-	-
11	Distribution	-	-	-	-	(333,328)	-	806,206	2,018,196	-	-
12	Customer Accounts	-	-	-	-	(1,103,460)	-	181,036	-	-	-
13	Customer Service	-	18,394	-	-	(8,196,261)	-	10,708	-	-	-
14	Sales	-	-	-	-	(1,362)	-	1,046	-	-	-
15	Administrative and General	-	49,660	-	-	(2,019,295)	-	403,436	-	415,513	1,063,225
16	Depreciation & Amortization	-	-	-	-	1,212,420	-	-	-	-	-
17	Regulatory Debits	-	-	-	-	-	-	-	-	-	-
18	Taxes Other Than Income	-	-	-	-	6,839	-	108,536	-	-	-
19	State & Federal Income Taxes	-	(14,291)	(76,613)	-	394,886	449,039	(320,733)	(423,821)	(87,258)	(223,277)
20	Total Operating Expenses	-	53,762	288,209	-	(232,106,135)	449,039	1,206,567	1,594,375	328,255	839,947
21											
22	Net Operating Income	-	(53,762)	(288,209)	-	1,485,524	(449,039)	(1,206,567)	(1,594,375)	(328,255)	(839,947)
23											
24	Rate Base										
25	Total Plant in Service					48,540,095					
26	Total Accumulated Depreciation					(12,430,504)					
27	Customer Adv. For Construction					18,870					
28	Deferred Accumulated Income Taxes					(308,102)					
29	Working Capital Allowance				(14,445,756)	(14,445,756)					
30	Total Rate Base	-	-	-	(14,445,756)	21,374,603	-	-	-	-	-
31											
32	Revenue Requirement Effect (Staff)	\$0	\$71,578	\$383,716	(\$1,317,637)	(\$28,159)	\$597,840	\$1,606,398	\$2,122,717	\$437,031	\$1,118,288

Cascade Natural Gas Corp.
Washington Jurisdiction
Twelve-Months ended December 31, 2023
Summary of Adjustments

Line No	Description	2024 Pro Forma				Proforma Adjustments	2024 Offsets to		
		Pro Forma Property Tax Adjustment	2024 Pro Forma Pension Expense Adjustment	2024 Pro Forma Tax Flow-Through Adjustment	Misc. O&M Expense Adjustment		2024 Provisional Plant Additions	Provisional Plant Additions	Provisional Year 1
		P-6	P-7	P-8	P-9	P-Total	PR- 1	PR - 2	PRYR1-Total
1	Operating Revenues								
2	Natural Gas Sales	-	-	-	-	-	-	1,571,477	1,571,477
3	Gas Transportation Revenue	-	-	-	-	-	-	-	-
4	Other Operating Revenues	-	-	-	-	-	-	-	-
5	Total Operating Revenues	-	-	-	-	-	-	1,571,477	1,571,477
6									
7	Operating Expenses								
8	Nat. Gas/Production Costs	-	-	-	-	-	-	-	-
9	Revenue Taxes	-	-	-	-	-	-	66,819	66,819
10	Production	-	-	-	4,039	20,373	-	-	-
11	Distribution	-	-	-	85,129	2,909,531	-	(280,000)	(280,000)
12	Customer Accounts	-	-	-	29,637	210,673	-	(1,941)	(1,941)
13	Customer Service	-	-	-	(10,149)	559	-	-	-
14	Sales	-	-	-	1	1,047	-	-	-
15	Administrative and General	-	826,039	-	108,572	2,816,784	-	-	-
16	Depreciation & Amortization	-	-	-	-	-	3,771,743	-	3,771,743
17	Regulatory Debits	-	-	-	-	-	-	-	-
18	Taxes Other Than Income	192,266	-	-	-	300,802	311,641	-	311,641
19	State & Federal Income Taxes	(40,376)	(173,468)	9,176	(45,618)	(856,337)	(912,393)	375,186	(537,207)
20	Total Operating Expenses	151,890	652,571	9,176	171,611	5,403,432	3,170,992	160,064	3,331,055
21									-
22	Net Operating Income	(151,890)	(652,571)	(9,176)	(171,611)	(5,403,432)	(3,170,992)	1,411,413	(1,759,578)
23									
24	Rate Base								
25	Total Plant in Service	-	-	-	-	-	134,847,565	-	134,847,565
26	Total Accumulated Depreciation	-	-	-	-	-	(31,674,389)	-	(31,674,389)
27	Customer Adv. For Construction	-	-	-	-	-	-	-	-
28	Deferred Accumulated Income Taxes	-	-	-	-	-	104,117	-	104,117
29	Working Capital Allowance	-	510,371	-	-	510,371	-	-	-
30	Total Rate Base	-	510,371	-	-	510,371	103,277,293	-	103,277,293
31									
32	Revenue Requirement Effect (Staff)	\$202,224	\$915,371	\$12,217	\$228,479	\$7,240,564	\$13,641,993	(\$1,879,125)	\$11,762,868

Cascade Natural Gas Corp.
Washington Jurisdiction
Twelve-Months ended December 31, 2023
Summary of Adjustments

Line No	Description	2025 Provisional Plant Additions PR - 3	2025 Offsets to Provisional Plant Additions PR - 4	2025 Pro Forma Wage Adjustment PR - 5	2025 Pro Forma	2025 Pro Forma	2025 Pro Forma	2025 Pro Forma	2025 Pro Forma	Provisional Year 2 PRYR2-Total
					Pension Expense Adjustment PR - 6	2025 Pro Forma 401K Expense Adjustment PR - 7	2025 Pro Forma Tax Flow-Through Adjustment PR - 8	2025 Pro Forma Decarbonization Testing & Demonstration Expense Adjustment PR - 9	2025 Pro Forma Misc. O&M Expense Adjustment PR - 10	
1	Operating Revenues									
2	Natural Gas Sales	-	2,047,078	-	-	-	-	-	-	2,047,078
3	Gas Transportation Revenue	-	-	-	-	-	-	-	-	-
4	Other Operating Revenues	-	-	-	-	-	-	-	-	-
5	Total Operating Revenues	-	2,047,078	-	-	-	-	-	-	2,047,078
6										
7	Operating Expenses									
8	Nat. Gas/Production Costs	-	-	-	-	-	-	-	-	-
9	Revenue Taxes	-	87,042	-	-	-	-	-	-	87,042
10	Production	-	-	11,243	-	-	-	-	4,100	15,343
11	Distribution	-	(280,000)	522,706	-	-	-	-	86,424	329,130
12	Customer Accounts	-	(161,246)	123,501	-	-	-	-	30,088	(7,657)
13	Customer Service	-	-	7,370	-	-	-	-	(10,304)	(2,933)
14	Sales	-	-	720	-	-	-	-	1	721
15	Administrative and General	-	-	277,681	968,209	120,946	-	350,000	110,223	1,827,059
16	Depreciation & Amortization	3,556,591	-	-	-	-	-	-	-	3,556,591
17	Regulatory Debits	-	-	-	-	-	-	-	-	-
18	Taxes Other Than Income	227,616	-	72,156	-	-	-	-	-	299,773
19	State & Federal Income Taxes	(653,015)	504,269	(213,230)	(203,324)	(25,399)	(1,732)	(73,500)	(46,312)	(712,242)
20	Total Operating Expenses	3,131,192	150,065	802,149	764,885	95,548	(1,732)	276,500	174,221	5,392,827
21										
22	Net Operating Income	(3,131,192)	1,897,013	(802,149)	(764,885)	(95,548)	1,732	(276,500)	(174,221)	(3,345,750)
23										
24	Rate Base									
25	Total Plant in Service	98,489,777	-	-	-	-	-	-	-	98,489,777
26	Total Accumulated Depreciation	(34,303,573)	-	-	-	-	-	-	-	(34,303,573)
27	Customer Adv. For Construction	-	-	-	-	-	-	-	-	-
28	Deferred Accumulated Income Taxes	(1,681,093)	-	-	-	-	-	-	-	(1,681,093)
29	Working Capital Allowance	-	-	-	(619,403)	-	-	-	-	(619,403)
30	Total Rate Base	62,505,112	-	-	(619,403)	-	-	-	-	61,885,708
31										
32	Revenue Requirement Effect (Staff)	\$9,870,063	(\$2,525,642)	\$1,067,964	\$961,854	\$127,210	(\$2,306)	\$368,126	\$231,954	\$10,099,224