BEFORE THE WASHINGTON
UTILITIES AND TRANSPORTATION COMMISSION

WASHINGTON UTILITIES AND
TRANSPORTATION COMMISSION,

Complainant,

v.

CASCADE NATURAL GAS CORP.,

Respondent.

DOCKET UG-200568

CROSS-ANSWERING TESTIMONY OF

David J. Panco

STAFF OF
WASHINGTON UTILITIES AND
TRANSPORTATION COMMISSION

Proposed Pro Forma Plant Additions

January 8, 2021
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I. INTRODUCTION

Q. Please state your name.
A. My name is David J. Panco.

Q. Are you the same David J. Panco who filed response testimony with the Washington Utilities and Transportation Commission (Commission) on behalf of Commission Staff (Staff) on November 19, 2020.
A. Yes.

II. SCOPE AND SUMMARY OF TESTIMONY

Q. What is the purpose and scope of your cross-answering testimony in this proceeding?
A. I respond to the testimony of Public Counsel witness Mark E. Garrett.¹ My testimony addresses the $3.4 million discrepancy between the post-test year transfers to plant identified by Staff in Exh. DJP-1T and the amount identified by Witness Garrett. Staff testified that approximately $6.9 million in post-test year plant was confirmed by Cascade to have been placed in service, Public Counsel states post-test year plant transfers at approximately $10.3 million.

¹ Garett Exh. MEG-1T.
Q. Please summarize your response.

A. Staff notes that Witness Garrett states a value for post-test year transfers to plant that is approximately $3.4 million greater than the approximately $6.9 million proposed by Staff, explains the likely sources of that difference, and declines to revise Staff’s stated position.

III. DISCUSSION

Q. Did you review Witness Garrett’s testimony on pro forma plant?

A. Yes.

Q. Did Garrett’s testimony cite an amount for post-test year plant additions that differs from the approximately $6.9 million in your testimony?

A. Yes, Witness Garrett’s testimony states approximately $10.3 million of post-test year transfers to plant on September 30, 2020, although the supporting figures referenced in that testimony from Exh. MEG-22 reflect balances as of October 31, 2020. Staff’s

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2 Garrett, Exh. MEG-1T at 6:1-2.
testimony states that the Company verifies approximately $6.9 million of projects in
service as of October 27, 2020.3

Q. How was Witness Garrett’s figure derived?

A. Witness Garrett’s post-test year transfer total appears to result from summing
balances for eight specific projects listed in Exh. MEG-22 and is based on response
to Staff DR-92. The additional approximately $3.4 million Witness Garrett includes
appears to relate to four projects that are not included in Staff’s total (FP-317322,
FP-318987, FP-318808, and FP-318829); and a different amount listed for FP-
300233 than the amount stated by Staff to be confirmed by the Company as in
service.

Q. Are you revising your position based on Witness Garrett’s testimony?

A. No. The approximately $6.9 million included in Staff’s Adjustment P-3 was the
amount Cascade confirmed to be in service as of October 27, 2020, per Cascade’s
responses to Staff DR No. 89. Witness Garrett’s figure of approximately $10.3
million, derived from Exh. MEG-22, shows only project balances and estimates for
in-service dates, rather than providing invested amounts for projects that the
Company has confirmed to be in place serving Washington customers. As stated in
my previous testimony, those projects should not be included in rates because they
do not meet the Commission’s standards for pro forma plant additions.

3 Panco, Exh. DJP-1T at 3:11-12.
Q. Does this conclude your testimony?
A. Yes.