

**Exh. DJP-8T
Docket UG-200568
Witness: David J. Panco**

**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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1 **I. INTRODUCTION**

2

3 **Q. Please state your name.**

4 A. My name is David J. Panco.

5

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

9 A. Yes.

10

11 **II. SCOPE AND SUMMARY OF TESTIMONY**

12

13 **Q. What is the purpose and scope of your cross-answering testimony in this**
14 **proceeding?**

15 A. I respond to the testimony of Public Counsel witness Mark E. Garrett.¹ My testimony
16 addresses the \$3.4 million discrepancy between the post-test year transfers to plant
17 identified by Staff in Exh. DJP-1T and the amount identified by Witness Garrett.
18 Staff testified that approximately \$6.9 million in post-test year plant was confirmed
19 by Cascade to have been placed in service, Public Counsel states post-test year plant
20 transfers at approximately \$10.3 million.

21

¹ Garrett Exh. MEG-1T.

1 **Q. Please summarize your response.**

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

6

7

III. DISCUSSION

8

9 **Q. Did you review Witness Garrett's testimony on pro forma plant?**

10 A. Yes.

11

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

14 A. Yes, Witness Garrett's testimony states approximately \$10.3 million of post-test year
15 transfers to plant on September 30, 2020,² although the supporting figures referenced
16 in that testimony from Exh. MEG-22 reflect balances as of October 31, 2020. Staff's

² Garrett, Exh. MEG-1T at 6:1-2.

1 testimony states that the Company verifies approximately \$6.9 million of projects in
2 service as of October 27, 2020.³

3

4 **Q. How was Witness Garrett's figure derived?**

5 A. Witness Garrett's post-test year transfer total appears to result from summing
6 balances for eight specific projects listed in Exh. MEG-22 and is based on response
7 to Staff DR-92. The additional approximately \$3.4 million Witness Garrett includes
8 appears to relate to four projects that are not included in Staff's total (FP-317322,
9 FP-318987, FP-318808, and FP-318829); and a different amount listed for FP-
10 300233 than the amount stated by Staff to be confirmed by the Company as in
11 service.

12

13 **Q. Are you revising your position based on Witness Garrett's testimony?**

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

³ Panco, Exh. DJP-1T at 3:11-12.

1 **Q. Does this conclude your testimony?**

2 **A. Yes.**