

**BEFORE THE WASHINGTON
UTILITIES & TRANSPORTATION COMMISSION**

WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION,

Complainant,

v.

CASCADE NATURAL GAS COMPANY.

Respondent.

DOCKET UG-240008

**DAVID E. DISMUKES, PH.D.
ON BEHALF OF THE
WASHINGTON STATE OFFICE OF THE ATTORNEY GENERAL
PUBLIC COUNSEL UNIT**

EXHIBIT DED-7

Analysis of Basic Service Charges to Customer-Related Costs

September 25, 2024

Analysis of Basic Service Charges to Customer-Related Costs

| Description | Residential Service (Sch. 503) | General Commercial (Sch. 504) | General Industrial (Sch. 505) | Large Volume General (Sch. 511) | Interruptible (Sch. 570) | Distribution System Transportation (Sch. 663) | Special Contracts (Sch. 900) |
|--|-----------------------------------|----------------------------------|----------------------------------|------------------------------------|-----------------------------|--|---------------------------------|
| Current Monthly Basic Service Charge | \$ 5.00 | \$ 13.00 | \$ 60.00 | \$ 125.00 | \$ 163.00 | \$ 625.00 | N/A |
| Rate Base | | | | | | | |
| Services (Account 380) | \$ 215,300,430 | \$ 29,114,342 | \$ 805,403 | \$ 161,081 | \$ 7,870 | \$ 298,204 | \$ 22,242 |
| Acc. Depr. Account 380 | (152,882,329) | (20,673,755) | (571,907) | (114,381) | (5,588) | (211,751) | (15,794) |
| Meters (Account 381) | 57,020,907 | 20,200,166 | 2,071,727 | 1,372,815 | 141,865 | 3,707,163 | 230,525 |
| Acc. Depr. Account 381 | (11,774,594) | (4,171,255) | (427,804) | (283,481) | (29,295) | (765,515) | (47,602) |
| House Regulators (Account 383) | 4,695,035 | 4,017,478 | 472,415 | 247,224 | 23,188 | 658,732 | 63,711 |
| Acc. Depr. Account 383 | (1,460,208) | (1,249,480) | (146,926) | (76,889) | (7,212) | (204,873) | (19,815) |
| Industrial Measuring and Regulating Station Equipment (Account 385) | - | 4,083,899 | 793,667 | 240,381 | 15,720 | 3,065,788 | 2,405,417 |
| Acc. Depr. Account 385 | - | (1,801,017) | (350,011) | (106,009) | (6,932) | (1,352,026) | (1,060,799) |
| Total Rate Base | \$ 110,899,241 | \$ 29,520,377 | \$ 2,646,565 | \$ 1,440,740 | \$ 139,616 | \$ 5,195,722 | \$ 1,577,884 |
| Proposed Return on Rate Base | 7.89% | 7.89% | 7.89% | 7.89% | 7.89% | 7.89% | 7.89% |
| Required Return on Rate Base | \$ 8,754,386 | \$ 2,330,339 | \$ 208,920 | \$ 113,732 | \$ 11,021 | \$ 410,150 | \$ 124,558 |
| Revenue Conversion Factor | 0.7511 | 0.7511 | 0.7511 | 0.7511 | 0.7511 | 0.7511 | 0.7511 |
| Revenue Requirement for Return on Rate Base | \$ 11,655,400 | \$ 3,102,562 | \$ 278,151 | \$ 151,420 | \$ 14,673 | \$ 546,065 | \$ 165,834 |
| Operating Expenses | | | | | | | |
| Meter and House Regulator Expenses (Account 878) | \$ (122,439) | \$ (48,046) | \$ (5,047) | \$ (3,214) | \$ (327) | \$ (8,662) | \$ (584) |
| Customer Installations Expenses (Account 879) | 279,156 | 98,894 | 10,143 | 6,721 | 695 | 18,149 | 1,129 |
| Maintenance of Meters and House Regulators (Account 893) | 963,217 | 377,971 | 39,707 | 25,284 | 2,576 | 68,140 | 4,592 |
| Customer Account Expenses-Supervision (Account 901) | 103,888 | 14,048 | 251 | 50 | 4 | 98 | 4 |
| Meter Reading Expenses (Account 902) | 377,607 | 51,108 | 66,572 | 13,447 | 948 | 26,229 | 948 |
| Records and Collection Expenses (Account 903) | 4,128,294 | 558,255 | 9,992 | 1,998 | 141 | 3,896 | 141 |
| Miscellaneous Customer Accounts Expenses (Account 905) | 376 | 51 | 1 | 0 | 0 | 0 | 0 |
| Customer Assistance Expenses (Account 908) | (119,254) | (16,126) | (289) | (58) | (4) | (113) | (4) |
| Miscellaneous Customer Service and Informational Expenses (Account 910) | 154,101 | 20,839 | 373 | 75 | 5 | 145 | 5 |
| Total Operating Expenses | \$ 5,729,723 | \$ 1,052,231 | \$ 121,617 | \$ 44,287 | \$ 4,036 | \$ 107,850 | \$ 6,230 |
| Total Customer Costs (Return plus Operating Expenses) | \$ 17,385,123 | \$ 4,154,793 | \$ 399,769 | \$ 195,708 | \$ 18,709 | \$ 653,916 | \$ 172,064 |
| Total Customer Bills | 2,497,104 | 337,224 | 6,024 | 1,188 | 84 | 2,316 | N/A |
| Average Monthly Customer Costs per Customer | \$ 6.96 | \$ 12.32 | \$ 66.36 | \$ 164.74 | \$ 222.73 | \$ 282.35 | N/A |
| Percent Current Monthly Basic Service Charge to Average Monthly Customer Costs per Customer | 71.82% | 105.51% | 90.41% | 75.88% | 73.18% | 221.36% | N/A |