

**BEFORE THE WASHINGTON
UTILITIES & TRANSPORTATION COMMISSION**

WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

Complainant,

v.

CASCADE NATURAL GAS CO.,

Respondent.

DOCKET UG-240008

**MICHAEL P. GORMAN
ON BEHALF OF THE
WASHINGTON STATE OFFICE OF THE ATTORNEY GENERAL
PUBLIC COUNSEL UNIT**

EXHIBIT MPG-5

Revenue Impact

September 25, 2024

Cascade Natural Gas Corporation

Revenue Impact

1. Proposed Capital Structure¹

<u>Line</u>	<u>Description</u>	<u>Amount</u>	<u>Weight</u>	<u>Cost</u>	<u>Weighted Cost</u>	<u>Pre-Tax Weighted Cost</u>
		(1)	(2)	(3)	(4)	(5)
1	Long-Term Debt	\$ 475,000,000	44.214%	4.916%	2.174%	2.174%
2	Short-Term Debt	\$ 59,102,250	5.501%	8.014%	0.441%	0.441%
3	Common Equity	\$ 540,218,000	50.285%	10.500%	5.280%	7.030%
4	Total	\$ 1,074,320,250	100.000%		7.894%	9.644%
5	Conversion factor ²					1.3314

2. Change in Capital Structure³

<u>Line</u>	<u>Description</u>	<u>Amount</u>	<u>Weight</u>	<u>Cost</u>	<u>Weighted Cost</u>	<u>Pre-Tax Weighted Cost</u>
		(1)	(2)	(3)	(4)	(5)
6	Long-Term Debt	\$ 510,287,483	47.499%	4.916%	2.335%	2.335%
7	Short-Term Debt	\$ 59,102,250	5.501%	8.014%	0.441%	0.441%
8	Common Equity	\$ 504,930,518	47.000%	10.500%	4.935%	6.570%
9	Total	\$ 1,074,320,250	100.000%		7.711%	9.346%

3. Change in Return on Equity³

<u>Line</u>	<u>Description</u>	<u>Amount</u>	<u>Weight</u>	<u>Cost</u>	<u>Weighted Cost</u>	<u>Pre-Tax Weighted Cost</u>
		(1)	(2)	(3)	(4)	(5)
10	Long-Term Debt	\$ 510,287,483	47.50%	4.916%	2.335%	2.335%
11	Short-Term Debt	\$ 59,102,250	5.50%	7.460%	0.410%	0.410%
12	Common Equity	\$ 504,930,518	47.00%	9.400%	4.418%	5.882%
13	Total	\$ 1,074,320,250	100.00%		7.163%	8.627%
14	Rate Base ²					\$ 724,414,764
15	<u>Change in Rate of Return</u> Capital Structure				0.30%	\$ 2,158,756
16	Return on Equity and Short-term debt				0.72%	\$ 5,208,542
17	Revenue Requirement Decrease				1.02%	\$ 7,367,298

Sources:

¹Exhibit TJN-2, Page 1.

²Exhibit JAD-6.

³Exhibit MPG-3.