



8113 W. GRANDRIDGE BLVD., KENNEWICK, WASHINGTON 99336-7166
TELEPHONE 509-734-4500 FACSIMILE 509-737-9803
www.cngc.com

June 19, 2015

Mr. Steven V. King
Executive Director and Secretary
Washington Utilities & Transportation Commission
P.O. Box 47250
Olympia, WA 98504-7250

Subject: Replacement report in Docket UG-150668

Dear Mr. King

Cascade submits the current report as a replacement to the original report filed on April 24, 2015. During Staff's investigation and analysis of the report several items were discovered in the report that did not strictly comply with staff's interpretation of WAC 480-90-257.

In this revised report Cascade has removed the Restate Wage adjustment, the Remove Retiree Medical Credit adjustment, and modified the Investor Supplied Working Capital calculation.

The wage adjustment as original proposed was an annualization of a union wage increase. Annualizations are not to be included in the Commission Basis Report. The second adjustment to Remove Retiree Medical Credit was a carryover adjustment the company has been including from a previous year when a credit occurred. The intent was to properly reflect a truer results of operation. However, in 2014 there was no credit. The adjustment simply removed a book expense. This was not an adjustment authorized or approved by the Commission in any previous case therefore it should not have been included.

In this replacement report, Cascade has modified its original working capital calculation to mirror the working capital calculation used in the settlement in Docket UG-060256. In the original report Cascade treated pension related accounts as working capital consistent with more recent Commission treatments of these types of accounts in other cases that have occurred since Cascade's last general rate case.

Sincerely,

Michael Parvinen
Director, Regulatory Affairs

Attachments

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