

**Exh. AIW-2
Docket UG-170929
Witness: Amy I. White**

**BEFORE THE WASHINGTON
UTILITIES AND TRANSPORTATION COMMISSION**

**WASHINGTON UTILITIES AND
TRANSPORTATION COMMISSION,**

Complainant,

v.

**CASCADE NATURAL GAS
CORPORATION,**

Respondent.

DOCKET UG-170929

**EXHIBIT TO
TESTIMONY OF**

Amy I. White

**ON BEHALF OF STAFF OF
WASHINGTON UTILITIES AND
TRANSPORTATION COMMISSION**

UTC Proposed Adj. 5, Remove 2014 Arbitration Claim

February 15, 2018

Cascade Natural Gas Company
UG-170929
Review of Account 925, Injuries and Damages

Accounting Data Source: WUTC-71 data request response, tab 925, line 16987

Line No.	CO	BU	OBI	SUB	SLT	SLN	Per	Post	GL Date	Type	Doc Num	Line #	Batch #	Batch Date	Bt Type	Cur	Ex. Rate	Amount	WA State Alloc	WA Total	Units	Explanation 1	Explanation 2
1	00047	4761700	5984	29250			7 P	7/31/2016	JE		38520	1	1402702	7/28/2016	G		0	280,000.00	75.27%	210,756.00	0	LITIGATION CLAIM 2014	To accrue 2014 Litigation

Staff Question:

a. In Account 925, Injuries and Damages, please provide a narrative description of what the "Litigation Claim 2014" amount of \$280,000 (Washington share, \$210,756) is for.

A. The "Litigation Claim 2014" in the amount of \$280,000 is in regards to an ongoing Cascade Natural Gas employee arbitration.

B. This is an accrual only, not a payment. The arbitration is currently still ongoing.

C. There was originally an accrual in December 2014 for \$110,000, another in June 2015 for \$10,000, and this one in July 2016 for \$280,000 related to this employee arbitration.

	2014	2015	2016
WA allocated	\$ 110,000	\$ 10,000	\$ 210,756
			\$ 400,000

Final analysis: The company has provided legal docs (note 1) re: arbitration award related to an employee firing in June, 2013. In July, 2016, the company was ordered by an arbitrator to reinstate the employee and to pay back wages and benefits dating to the day of the firing. The company rehired the employee but did not pay the back wages or benefits. In September, 2016, the company filed in federal district court to overturn the decision. The court remanded the case to the arbitrator in June, 2017.

Staff believes the amount related to the resolution of this case is:

- 1.) not known and measurable as the result is in doubt due to the remand; it may never be paid
- 2.) not pertinent to the test year
- 3.) expensed but not paid as it is just an accrual so there is no cash expense at this point

Conclusion: disallow the entire amount allocated to Washington

Staff proposed adj UTC-5 (210,756)

Note 1: Documents are:

- Exh. AIW-6(b) Cascade Response to Public Counsel Data Request PC-97, Decision Order
- Exh. AIW-6(c) Cascade Response to Public Counsel Data Request PC-97, Order Remanding to Arbitrator
- Exh. AIW-6(d) Cascade Response to Public Counsel Data Request PC-97, Order of Appeal-FILED

Staff notes and work are shown in italics, company statements are shown in plain text