

Exhibit No. __ (IDM-11T)
Docket No. UG-200568
Witness: Isaac D. Myhrum

**BEFORE THE
WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION**

WASHINGTON UTILITIES AND
TRANSPORTATION COMMISSION,
Complainant,

v.

CASCADE NATURAL GAS
CORPORATION,

Respondent.

DOCKET UG-200568

**CASCADE NATURAL GAS CORPORATION
REBUTTAL TESTIMONY OF ISAAC D. MYHRUM**

January 8, 2021

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1 **I. INTRODUCTION**

2 **Q. Are you the same Isaac D. Myhrum who filed direct testimony in Exhibit IDM-1T as**
3 **part of Cascade Natural Gas Corporation’s (“Cascade” or the “Company”) initial**
4 **filing (“Initial Filing”) and Exhibit IDM-6T as part of Cascade’s supplemental filing**
5 **(“Supplemental Filing”)?**

6 A. Yes, I am.

7 **Q. What is the purpose of your rebuttal testimony (“Rebuttal Testimony”)?**

8 A. The purpose of my Rebuttal Testimony is to update the Company’s originally proposed
9 2020 End of Period (“EOP”) customer counts to reflect actual customer counts for each of
10 its rate schedules during the 2020 calendar year. I am also updating the amounts included
11 in the Company’s Decoupling Mechanism, Authorized Revenue Per Customer Exhibit to
12 reflect actual 2020 EOP customer counts.

13 **Q. Are you providing updated exhibits with this Rebuttal Testimony?**

14 A. Yes. The exhibits accompanying my Rebuttal Testimony are intended to update the
15 exhibits included in the Company’s Supplemental Filing from July 24, 2020. For ease of
16 reference, Table 1 (below) provides a crosswalk from the Supplemental Filing to the
17 updated exhibits discussed in this Rebuttal Testimony:

18 **Table 1: Supplemental Exhibit Crosswalk**

Description	Supplemental Filing	Rebuttal Filing
Summary of Revenues by Rate Schedule	Exhibit No. __ (IDM-7)	Exhibit No. __ (IDM-12)
Revenue Adjustments	Exhibit No. __ (IDM-8)	Exhibit No. __ (IDM-13)
Revenue Distribution	Exhibit No. __ (IDM-9)	Exhibit No. __ (IDM-14)
Decoupling Mechanism, Authorized Revenue Per Customer	Exhibit No. __ (IDM-10)	Exhibit No. __ (IDM-15)

II. UPDATED 2020 CUSTOMER COUNTS

Q. Why is the Company updating its customer counts to 2020 EOP actual customer counts?

A. As explained in the Rebuttal Testimony of Company witness Michael Parvinen, the Company is including 2020 EOP customer counts to reflect offsetting revenues for the Company’s pro forma capital projects—some of which include customer growth.

Q. Please describe the updated 2020 EOP customer counts.

A. The actual customer counts for 2020 are presented in my workpaper “2020 New Customers,” and summarized below in Table 2, which provides the projected and actual EOP customer counts in 2020 by the affected rate schedules.

Table 2: 2020 Actual Customer Counts vs. 2020 Projected EOP

	(a)	(b)	(b) - (a)
Rate Schedule	2020 Projected Exhibit IDM-7	2020 Actual Customer Count	Difference
Rate Schedule 503 - Residential	198,101	198,885	784
Rate Schedule 504 - General Commercial	27,132	27,032	(100)
Rate Schedule 505 - General Industrial	491	488	(3)
Rate Schedule 511 - Large Vol. General Service	76	73	(3)
Rate Schedule 511 - LV - Commercial	-	2	2
Rate Schedule 511 - Industrial	15	16	1
Rate Schedule 570 - Interruptible Service Schedule	8	7	(1)
Total	225,823	226,503	680

Q. Please explain how Exhibit IDM-12, “Summary of Revenues by Rate Schedule” is impacted by the 2020 EOP Customer update.

A. In Exhibit No. __ (IDM-12), the Company utilizes 2020 EOP customer counts to calculate its 2020 EOP Customer Adjustment (Rebuttal Testimony of Maryalice C. Gresham, Exhibit No. __ (MCG-14), P-3 Adjustment) and Cost Recovery Mechanism (CRM) Revenue (Exhibit No. __ (MCG-14), R-1 Adjustment) for Rate Schedules 503, 504, 505 &

1 511.

2 As noted in my previous testimony¹ Schedules 570 and 6631 schedules utilize 2019
3 EOP billing determinants and are therefore not impacted by the adjustment to 2020 EOP
4 customer counts. Schedule 570 utilizes 2019 billing determinants because there were no
5 new customers in 2020. Customers under Schedule 663 (including Rate Schedules 6631,
6 6633 and 6635) use 2019 EOP billing determinants because the growth-related 2020 pro
7 forma capital projects did not include new customers on these schedules.

8 **Q. How are the remaining exhibits impacted by the 2020 EOP customer count update?**

9 A. The 2020 EOP customer counts flow through the calculation and presentation of revenues
10 in the remaining exhibits. Exhibit No. __ (IDM-13) “Revenue Adjustments” is a summary
11 table containing all revenue adjustments in the case and is updated for 2020 EOP Customer
12 related CRM Revenues (Adjustment R-1) and “2020 End of Period (EOP) Adjustment”
13 (Adjustment P-3). Exhibit No. __ (IDM-14) “Revenue Distribution” demonstrates how the
14 Company has equitably applied its updated requested revenue increase from Ms.
15 Gresham’s Exhibit No. __ (MCG-13) allocating it based on each class’ percentage of
16 overall margin revenues, excluding special contract revenues. The billing determinants in
17 Exhibit No. __ (IDM-14) have been updated using actual 2020 EOP customer counts.
18 Finally, the impacts to Exhibit No. __ (IDM-15), Decoupling Mechanism will be discussed
19 in the next section of this testimony.

20 **Q. What is the overall revenue impact to the Company’s case by updating 2020 EOP**
21 **customer counts to actual customer counts?**

22 A. Because the Company added 680 more customers than had been included in the forecast

¹ Direct Testimony of Isaac D. Myhrum, Exh. IDM-1T at 9:15-20

1 for 2020 EOP customer counts in its Initial Filing, the use of actual 2020 EOP customer
2 counts reduces revenue requirement by \$87,324. This adjustment has been factored into
3 the Company's overall revenue requirement as presented in Ms. Gresham's Exhibit No.
4 __ (MCG-13).

5 III. UPDATED BASELINE DECOUPLING REVENUES

6 **Q. Please describe how updated 2020 customer counts are reflected in Exhibit No.**
7 **__ (IDM-15).**

8 A. Exhibit No. __ (IDM-15), "Decoupling Mechanism, Authorized Revenue Per Customer"
9 presents the authorized margin revenue per customer per month revised to reflect the proposed
10 changes in revenue requirement. This exhibit has been updated to reflect actual 2020 EOP
11 customer counts.

12 The "Margin Revenue" and "EOP Weather Normalized Or Actual Annual Therms"
13 in Exhibit No. __ (IDM-15), Table 1 have been updated to reflect actual 2020 EOP
14 customer counts, except for Schedule 570 which uses 2019 EOP figures. Exhibit No.
15 __ (IDM-15), Table 3 shows Authorized Revenue Per Customer by month for each rate
16 schedule and derives its values from Table 1. Table 3 is therefore appropriately updated
17 to reflect calculations based on actual 2020 EOP customer counts.

18 **Q. Does this conclude your Rebuttal Testimony?**

19 A. Yes.