

**Exh. BAE-11
Docket UG-170929
Witness: Betty A. Erdahl**

**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**

Betty A. Erdahl

**STAFF OF
WASHINGTON UTILITIES AND
TRANSPORTATION COMMISSION**

Current Average Rate Assumption Method Reversals

March 23, 2018

Protected Excess Deferred Income Taxes
Using 12-31-16 ending balance as measure

CASCADE'S RESPONSE TO STAFF DATA REQUEST 149					STAFF CALCULATION	
			Accounting Principles Board Opinion No. 11			
1	Protected EDIT only					
2		Timing				
3	Balance @ 12/31/16					
4	Federal	270,082,732	94,555,660			
5	Decrease to FIT-Best State Tax Benefit		(1,315,718)			
6	ADFIT at 35%	<u>270,082,732</u>	<u>93,239,942</u>	34.52%		
7						
8	FAS109 @ Tax Reform					
9	Federal	270,082,732	56,717,374	21.00%		
10	Decrease to FIT-Best State Tax Benefit		(1,004,266)	-0.38%		
11	ADIT at 21%	<u>270,082,732</u>	<u>55,713,108</u>			
12						
13	Excess deferred tax @ Tax Reform 12-31-17					
14	Federal		37,838,286			
15	Decrease to FIT-Best State Tax Benefit		<u>(311,452)</u>			
16	Total protected EDIT		37,526,834			
17						
18						
19	Estimated reversal in 2018 of protected EDIT related to 2016 and earlier vintages					
20			(1,448,885)		Total System	(1,448,885)
21		Jan - Jul	(845,183)	Total system	Annualized	(1,448,885)
22	Using rate base allocation					
23					Staff Adjustment	
24	WA allocated	77.03%	(651,045)		WA Allocation	(1,116,076)