



STATE OF WASHINGTON

UTILITIES AND TRANSPORTATION COMMISSION

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March 11, 2021

NOTICE OF BENCH REQUEST

(Due by Monday, March 22, 2021, at 5 p.m.)

RE: *Washington Utilities and Transportation Commission v. Cascade Natural Gas Corporation*, Docket UG-200568

TO CASCADE NATURAL GAS CORPORATION (Cascade):

Cascade's response to Bench Request No. 3 fails to comply with the requirements set out in WAC 480-90-257 as described below.

WAC 480-90-257(2)(a)

The rate of return calculations offered in the "Summary" tabs of Cascade's Commission Basis Reports ("CBRs") for the years 2015-2020 submitted in response to Bench Request No. 3 do not include **all** the necessary adjustments as accepted by the Commission in the applicable previous general rate cases.

For example, the CBRs for the years 2015, 2016, and 2017 do not include those adjustments accepted by the Commission in Docket No. UG-060256, which was the most recent general rate case in which the Commission accepted adjustments relevant to those three CBR years.¹ Additionally, the CBRs for the years 2018 and 2019 do not include those adjustments accepted by the Commission in Docket No. UG-170929, which was the most recent general rate case relevant to those two years.²

WAC 480-90-257(2)(b)

The rate of return calculations offered in the "Summary" tabs of Cascade's CBRs do not include the necessary adjustments to correct all material distortions related to earnings and rate base that occurred during the reporting period.

In Exhibit MPP-2T at 25:1-8, Michael Parvinen testifies that asset retirement levels in 2018 and 2019 were approximately three times higher than average retirement expense levels between 2015-2017. No adjustment was made to the CBRs to normalize this amount. This raises concerns that there are likely other distortions to earnings and rate base that have not been accounted for in the CBRs presented in response to Bench Request #3. The Commission issues the following bench request to remedy the previous insufficient response.

¹ *WUTC v. Cascade Natural Gas Corporation*, Docket UG-060256, Settlement Agreement, Attachment A.

² *WUTC v. Cascade Natural Gas Corporation*, Docket UG-170929, Settlement Agreement ¶ 36

BENCH REQUEST NO. 8:

Referring to Parvinen, Exh. MPP-3 and MPP-2T at 6, Table 1, provide in Excel format an updated exhibit MPP-3 consistent with the provisions of WAC 480-90-257, including actual calendar year 2020.

Additionally, for each calendar year in MPP-3 and for the actual calendar year 2020 provide the following details:

- a. All required and separately stated restating adjustments, including all necessary adjustments as accepted by the Commission in Cascade's general rate cases or subsequent orders,
- b. Valuation of rate base exclusively on an average of monthly averages basis,
- c. The calculated rate of return for the restated results of operations, and
- d. A comparison of the calculated restated results of operations rate of return to the authorized rate of return, and include the docket number in which the Commission authorized the referenced rate of return.

Please respond to these Bench Requests no later than Monday, **March 22, 2021**, by 5 p.m., by electronic filing with the Commission's Records Center. Please provide courtesy email copies to all parties and the presiding administrative law judge. If you have any questions concerning these requests, please contact Administrative Law Judge Michael Howard at 360 664-1139 or via email at michael.howard@utc.wa.gov.

/s/ Michael Howard
MICHAEL HOWARD
Administrative Law Judge

cc: All Parties