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June 19, 2020

CNG/O20-03-01

Public Utility Commission of Oregon
P.O. Box 1088
201 High St SE, Suite 100
Salem, OR 97308-1088

Attn: Filing Center

Re: UG 390, Replacement Page for Exhibit 301, Do Not Re-Docket

Cascade Natural Gas Corporation (Cascade or the Company) files a replacement page for Company Witness Peter's Exhibit 301 and will provide revised work papers on Huddle. Cascade noticed an error on Exhibit 301 because multiple data requests were being based off the net operating income (NOI) reflect on Exhibit 301, which did not tie to the actual NOI on Exhibit 302.

The reason for this error was due to an incorrect formula within Exhibit 301 that was underproducing taxes shown on the summary page. Once we corrected this standalone formula, the NOI shown on Exhibit 301 ties to the NOI on Exhibit 302; in addition, expected taxes and conversion factor all tie out to other Exhibits calculations. The original formula within Exhibit 301 was working backwards to produce the income tax rate; however, this correction does not change any revenue requirement, taxes, or conversion factor results since this was a standalone calculation on a summary Exhibit that did not link to any other Exhibit or calculation within the rate case.

If you have any questions regarding this filing, please contact me at (509) 734-4549.

Sincerely,

/s/ Christopher Mickelson

Christopher Mickelson
Manager, Regulatory Affairs
Email: christopher.mickelson@cngc.com

Attachments

CNGC/301r
Peters

BEFORE THE
PUBLIC UTILITY COMMISSION OF OREGON
DOCKET NO. UG 390
MARYALICE C. PETERS
Exhibit No. 301r

Results of Operation Summary Sheet

Cascade Natural Gas Corporation
RESULTS OF OPERATION OF SUMMARY SHEET
UG 390
Twelve Months Ended December 31, 2019

SUMMARY SHEET	2019 Results Per Company Filing	Summary of Adjustments	Test Year Adjusted Total	Requested Revenue Increase	Adjusted Results After Proposed Revenues
	(1)	(2)	(3)	(4)	(5)
Operating Revenues					
1 Natural Gas Sales	62,668,726	268,828	62,937,554	4,507,842	67,445,396
2 Gas Transportation Revenue	4,432,276	238,781	4,671,057		4,671,057
3 Other Operating Revenues	(30,415)	0	(30,415)		(30,415)
4 SUBTOTAL	67,070,587	507,609	67,578,196	4,507,842	72,086,038
5 LESS: Nat. Gas/Production Costs	31,489,133	(907,676)	30,581,457		30,581,457
6 placeholder	0	0	0		0
7 OPERATING MARGIN	<u>35,581,455</u>	<u>1,415,285</u>	<u>36,996,740</u>	<u>4,507,842</u>	<u>41,504,581</u>
Operating Expenses					
8 Production	110,977	1,998	112,974		112,974
9 Distribution	6,651,691	59,116	6,710,807		6,710,807
10 Customer Accounts	1,907,206	34,510	1,941,716	15,357	1,957,073
11 Customer Service	307,924	0	307,924		307,924
12 Sales	2,074	(7,718)	(5,644)		(5,644)
13 Administrative and General	6,254,289	(245,178)	6,009,112		6,009,112
14 Depreciation & Amortization	7,772,990	1,664,373	9,437,362		9,437,362
15 Regulatory Debits	0	0	0		0
16 Taxes Other Than Income	5,734,175	267,549	6,001,723	122,271	6,123,994
17 State & Federal Income Taxes	191,406	88,759	280,165	1,188,396	1,468,561
18 Total Operating Expenses	<u>28,932,731</u>	<u>1,863,409</u>	<u>30,796,140</u>	<u>1,326,023</u>	<u>32,122,163</u>
19 Net Operating Revenues	<u>6,648,724</u>	<u>(448,124)</u>	<u>6,200,600</u>	<u>3,181,819</u>	<u>9,382,418</u>
Rate Base					
20 Total Plant in Service	254,933,050	22,119,221	277,052,271		277,052,271
21 Total Accumulated Depreciation	(109,428,349)	(9,437,362)	(118,865,711)		(118,865,711)
22 Contributions in Aid of Construction	0	0	0		0
23 Customer Adv. For Construction	(440,037)	0	(440,037)		(440,037)
24 Deferred Accumulated Income Taxes	(27,470,311)	(20,545)	(27,490,856)		(27,490,856)
25 Deferred Debits	0	0	0		0
26 Working Capital Allowance	2,358,018	0	2,358,018		2,358,018
27 TOTAL RATE BASE	<u>119,952,371</u>	<u>12,661,313</u>	<u>132,613,684</u>	<u>0</u>	<u>132,613,684</u>
28 Rate of Return	5.54%		4.68%		7.08%