

**BEFORE THE PUBLIC UTILITY COMMISSION
OF OREGON**

UM 2380

In the Matter of

CASCADE NATURAL GAS
CORPORATION,

Petition to File Depreciation Study.

ORDER

DISPOSITION: STIPULATION ADOPTED

I. SUMMARY

In this order, we adopt the stipulation entered into by Cascade Natural Gas Corporation, Staff of the Public Utility Commission of Oregon, and the Alliance of Western Energy Consumers (AWEC) (collectively, stipulating parties) for revised depreciation rates. The revised depreciation rates will be applied effective December 1, 2025. There will be no customer rate impact until the new depreciation rates are embedded in base rates in Cascade's next general rate case.

II. INTRODUCTION AND PROCEDURAL HISTORY

On March 28, 2025, Cascade filed an updated depreciation study (study) of its gas plant in service as of December 31, 2023.¹ The study was performed by Concentric Energy Advisors, a third-party evaluator, using the Federal Energy Regulatory Commission classification for transmission, distribution, and general plant assets. The study presented an annual depreciation expense accrual of \$39.48 million, an increase of approximately \$8.72 million from the company's previously approved annual accrual.² The study recommended that the company's annual depreciation expense should be increased by approximately \$317,000 on a system basis. Cascade proposed to replace current depreciation rates, in effect from January 1, 2021, with the new rates recommended in the study, with an effective date retroactive to January 1, 2025.

¹ In a previous stipulation, Cascade agreed to file a new depreciation study on or before March 31, 2025 (See, *In the Matter of Cascade Natural Gas Corporation, Petition to File Depreciation Study*, Docket No. UM 2073, Order No. 20-467 at 3 (Dec. 10, 2020)).

² The previously approved annual accrual was based on a depreciation study performed on plant in service as of December 31, 2018.

Cascade, Staff, and AWEC participated as parties in the proceeding. Staff and AWEC issued data requests and reviewed responses from Cascade ahead of settlement discussions. On August 13, 2025, the parties participated in a settlement conference to discuss the depreciation parameters, including the company's proposed survivor curves and net salvage rates for distribution plant and general plant. The settlement conference culminated in an agreement resolving the depreciation parameters and proposed depreciation rates, as memorialized in the stipulation filed on September 10, 2025. The stipulation is attached as Appendix A.

III. STIPULATION

The stipulating parties agree with the study parameters for survivor curves and net salvage rates for distribution plant and general plant, except as modified by certain adjustments presented in the stipulation. The stipulating parties agree that the revised depreciation rates, as presented in the stipulation, will result in an approximate decrease of \$2.7 million in annual depreciation expense on a system basis relative to current depreciation rates. Specific adjustments to survivor curves and net salvage rates are presented in Attachment 1 to the stipulation.³ Under the stipulation, the updated depreciation rates will be effective December 1, 2025.

In the supporting testimony, witnesses for Staff and AWEC individually describe the independent process that each entity conducted to review the company's filing. The stipulating parties note that there were differences of opinion regarding interpretations of some of the relevant study data. The stipulating parties explain that these differences were discussed during settlement discussions and resulted in reasonable agreements among the parties.

The stipulating parties recommend that we adopt the updated depreciation rates outlined in the stipulation and depreciation study. The stipulating parties agree that the stipulation is in the public interest and that the rates set forth in the stipulation will result in rates that are fair, just, and reasonable. The stipulating parties agree that Cascade will file its next depreciation study no later than March 31, 2030.

IV. RESOLUTION

Under ORS 757.140, each public utility must "carry a proper and adequate depreciation account." The statute requires the Commission to determine the "proper and adequate rates of depreciation" for each of the classes of property owned by the public utility. We review the terms of any stipulation for reasonableness and accord with the public interest.

³ Stipulation at 3-5, Attachment 1; CNGC-Staff-AWEC/100 Blattner-Peng-Mullins/4-7.

We have reviewed the depreciation study, the terms of the stipulation, and the supporting joint testimony of the parties. We find that the parameters and rates set forth in the stipulation represent a reasonable and appropriate resolution of this docket. We find that the resulting depreciation rates will provide Cascade with proper and adequate revenues consistent with the standard in ORS 757.140, will result in fair, just, and reasonable rates, and contribute to an overall settlement in the public interest. We adopt the stipulation.

V. ORDER

IT IS ORDERED that:

1. The stipulation between Cascade Natural Gas Corporation, Staff of the Public Utility Commission of Oregon, and the Alliance of Western Energy Consumers, filed on September 10, 2025, attached as Appendix A, is adopted.
2. Cascade Natural Gas Corporation is directed to file its next depreciation study no later than March 31, 2030.

Made, entered, and effective Sep 24 2025.



Letha Tawney
Chair



Les Perkins
Commissioner



Karin Power
Commissioner



A party may request rehearing or reconsideration of this order under ORS 756.561. A request for rehearing or reconsideration must be filed with the Commission within 60 days of the date of service of this order. The request must comply with the requirements in OAR 860-001-0720. A copy of the request must also be served on each party to the proceedings as provided in OAR 860-001-0180(2). A party may appeal this order by filing a petition for review with the Court of Appeals in compliance with ORS 183.480 through 183.484.

**BEFORE THE PUBLIC UTILITY COMMISSION
OF OREGON**

UM 2380

In the Matter of

CASCADE NATURAL GAS
CORPORATION,

Petition for File Depreciation Study.

STIPULATION

1 **I. INTRODUCTION**

2 This Stipulation resolves all issues among all parties to this docket related to
3 Cascade Natural Gas Corporation’s (“Cascade” or the “Company”) Updated Depreciation
4 Study (“Depreciation Study”) filed with the Public Utility Commission of Oregon
5 (“Commission”) on March 28, 2025 (“Initial Filing”).

6 The parties to this Stipulation are Cascade, Staff of the Public Utility Commission
7 of Oregon (“Staff”); and the Alliance of Western Energy Consumers (“AWEC”)
8 (collectively, the “Stipulating Parties”). This proceeding concerns Cascade's depreciation
9 study and proposed depreciation rates, and the Stipulating Parties are the only parties to
10 this proceeding. The Stipulating Parties support all terms in this Stipulation.

11 **II. BACKGROUND**

12 On March 28, 2025, Cascade filed with the Commission the updated Depreciation
13 Study of its gas plant in service as of December 31, 2023. ORS 757.140 requires each
14 public utility to carry a proper and adequate depreciation account, and to conform its
15 depreciation accounts to the rates so ascertained and determined by the Commission.
16 The Commission may make changes in such rates of depreciation from time to time as
17 the Commission may find necessary. The purpose of the Depreciation Study is to

1 determine the annual depreciation accrual rates and amounts for accounting and
2 ratemaking purposes. In the Initial Filing, the Company provided a depreciation study,
3 which included an analysis of depreciation parameters that show the Company's
4 depreciation expense should be increased by approximately \$317,000 on a system basis.
5 Cascade requested the new depreciation rates be retroactively effective to January 1,
6 2025.

7 On May 15, 2025, Administrative Law Judge Christopher Allwein issued a
8 procedural order adopting the procedural schedule in the docket, which included a
9 scheduled settlement conference on August 13, 2025. On August 13, 2025, the
10 Stipulating Parties participated in a settlement conference to discuss the depreciation
11 parameters, including the Company's proposed survivor curves and net salvage rates.
12 The settlement conference culminated in an agreement resolving the depreciation
13 parameters and proposed depreciation rates in this proceeding, as memorialized in this
14 Stipulation by the Stipulating Parties.

15 The Stipulating Parties agree that the depreciation rates agreed to in this
16 Stipulation will result in an approximate \$2.7 million decrease in annual depreciation
17 expense on a system basis from current depreciation rates. Table 1 in Attachment 1 to
18 this Stipulation includes a complete list of all Cascade depreciation parameters for all
19 utility plant by Federal Energy Regulatory Commission ("FERC") account. Attachment 2
20 shows the annualized difference in depreciation as a result of the stipulation compared to
21 current depreciation rates.

III. TERMS OF AGREEMENT

The Stipulating Parties agree to the following:

1. Cascade's Proposed Survivor Curve Parameters and Net Salvage Rates.

Except as specifically modified by the terms of this Stipulation, the Stipulating Parties agree to the results of Cascade's proposed survivor curve parameters and net salvage rates. The complete list of Proposed Survivor Curve Parameters and Net Salvage Rates is attached as Attachment 1 to this Stipulation.

2. Survivor Curve Parameters – Distribution Plant. The Stipulating Parties

agree to the survivor curve parameters for distribution plant as shown in Table 1, below.

Table 1. Survivor Curve Parameters – Distribution Plant

Distribution Plant	Account	Cascade Proposal	Stipulated Parameters
LAND RIGHTS	374.2	60-R3	73-R3
STRUCTURES AND IMPROVEMENTS	375.1	50-R3	55-R3.5
MAINS – STEEL AND HIGH PRESSURE	376.1	80-R3	80-R3
MAINS - PLASTIC	376.2	50-R4	53-R4
COMPRESSOR STATION EQUIP.	377.0	35-R3	35-R3
MEAS & REG STATION EQUIP-GENERAL	378.0	60-S0.5	54-L1
MEAS & REG STATION EQUIP-CITY GATE	379.0	45-R2.5	54-L1
SERVICES - STEEL	380.1	60-R4	60-R4
SERVICES - PLASTIC	380.3	45-R4	45-R4
METERS & METER INSTALLATIONS	381.0	40-S0.5	40-S0.5
HOUSE REGULATORS	383.0	42-R2	44-R2
INDUSTRIAL MEAS. & REG. STATION EQUIPMENT	385.0	40-R2	44-R2

3. Survivor Curve Parameters – General Plant. The Stipulating Parties agree

to the survivor curve parameters for general plant as shown in Table 2, below.

1

Table 2. Survivor Curve Parameters – General Plant

General Plant	Account	Cascade Proposal	Stipulated Parameters
STRUCTURES & IMPROVEMENTS	390.1	37-S1	40-S1
LEASEHOLD IMPROVEMENTS	390.2	15-L2	15-L2
COMPUTER EQUIPMENT - SERVER & WORKSTATION	391.3	5-SQ	5-SQ
OFFICE EQUIPMENT	391.4	15-SQ	15-SQ
OFFICE FURNITURE & FIXTURES	391.5	15-SQ	15-SQ
TRANSPORTATION EQUIPMENT - TRAILERS	392.1	20-S3	20-S3
TRANSPORTATION EQUIPMENT	392.2	11-L1.5	11-L1.5
STORES EQUIPMENT	393.0	30-SQ	30-SQ
TOOLS, SHOP, & GARAGE EQUIPMENT	394.1	20-SQ	20-SQ
CNG EQUIPMENT	394.2	31-R4	31-R4
LABORATORY EQUIPMENT	395.0	20-SQ	20-SQ
WORK EQUIPMENT - TRAILERS	396.1	20-L2	25-R1.5
POWER OPERATED EQUIPMENT	396.2	15-L1.5	15-L1.5
RADIO COMMUNICATION EQUIP - FIXED	397.1	15-SQ	15-SQ
SUPERVISORY & TELEMETERING EQUIP	397.2	10-SQ	10-SQ
TELEPHONE & TELEX EQUIP	397.3	5-SQ	5-SQ
RADIO COMMUNICATION EQUIP - MOBILE	397.4	15-SQ	15-SQ
MISCELLANEOUS EQUIP	398.0	25-SQ	25-SQ

2

4. Net Salvage Rates – Distribution Plant. The Stipulating Parties agree to the

3

net salvage rates for distribution plant as shown in Table 3, below.

1

Table 3. Net Salvage Rates – Distribution Plant

Distribution Plant	Account	Cascade Proposal	Stipulated Salvage Rates
LAND RIGHTS	374.2	0	0
STRUCTURES AND IMPROVEMENTS	375.1	-5	-5
MAINS – STEEL AND HIGH PRESSURE	376.1	-75	-65
MAINS - PLASTIC	376.2	-35	-33
COMPRESSOR STATION EQUIP	377.0	-5	-5
MEAS & REG STATION EQUIP-GENERAL	378.0	-45	-40
MEAS & REG STATION EQUIP-CITY GATE	379.0	-5	-5
SERVICES - STEEL	380.1	-200	-160
SERVICES - PLASTIC	380.3	-45	-45
METERS & METER INSTALLATIONS	381.0	-5	-5
HOUSE REGULATORS	383.0	0	0
INDUSTRIAL MEAS. & REG. STATION EQUIPMENT	385.0	-5	-5

2 5. Updated Depreciation Rates. Applying the stipulated survivor curve
3 parameters and net salvage rates results in the updated depreciation rates, which are
4 shown in Attachment 1 to this Stipulation. The updated depreciation rates will be applied
5 effective December 1, 2025. There will be no customer impact until the new depreciation
6 rates are embedded in base rates in Cascade’s next general rate case.

7 6. New Depreciation Study. Cascade will file a new depreciation study on or
8 before March 31, 2030.

9 7. The Stipulating Parties agree that this Stipulation is in the public interest,
10 and will result in rates that are fair, just, and reasonable, consistent with the standard in
11 ORS 756.040.

12 8. This Stipulation will be offered into the record as evidence pursuant to
13 OAR 860-001-0350(7). The Stipulating Parties agree to support this Stipulation

1 throughout this proceeding and any appeal, provide witnesses to sponsor this Stipulation
2 at hearing, and recommend that the Commission issue an order adopting this Stipulation.
3 The Stipulating Parties also agree to cooperate in drafting and submitting joint testimony
4 or a brief in support of this Stipulation in accordance with OAR 860-001-0350(7).

5 9. If this Stipulation is challenged, the Stipulating Parties agree that they will
6 continue to support the Commission's adoption of the terms of this Stipulation. The
7 Stipulating Parties agree to cooperate in cross-examination and put on such a case as
8 they deem appropriate to respond fully to the issues presented, which may include raising
9 issues that are incorporated in the settlements embodied in this Stipulation.

10 10. The Stipulating Parties have negotiated this Stipulation as an integrated
11 document. If the Commission rejects all or any material portion of this Stipulation or
12 imposes additional material conditions in approving this Stipulation, any of the Stipulating
13 Parties are entitled to withdraw from this Stipulation or exercise any other rights provided
14 in OAR 860-001-0350(9).

15 11. By entering into this Stipulation, no Stipulating Party approves, admits, or
16 consents to the facts, principles, methods, or theories employed by any other Stipulating
17 Party in arriving at the terms of this Stipulation, other than those specifically identified in
18 the body of this Stipulation. No Stipulating Party shall be deemed to have agreed that any
19 provision of this Stipulation is appropriate for resolving issues in any other proceeding,
20 except as specifically identified in this Stipulation.


21 12. The substantive terms of this Stipulation are not enforceable by any
22 Stipulating Party unless and until adopted by the Commission in a final order. Each
23 Stipulating Party avers that it is signing this Stipulation in good faith and that it intends to

1 abide by the terms of this Stipulation unless and until this Stipulation is rejected or adopted
2 only in part by the Commission. The Stipulating Parties agree that the Commission has
3 exclusive jurisdiction to enforce or modify this Stipulation. If the Commission rejects or
4 modifies this Stipulation, the Stipulating Parties reserve the right to seek reconsideration
5 or rehearing of the Commission order under ORS 756.561 and OAR 860-001-0720 or to
6 appeal the Commission order under ORS 756.610.

7 13. This Stipulation may be executed in counterparts, and each signed
8 counterpart shall constitute an original document.

9 This Stipulation is entered into by each Stipulating Party on the date entered below
10 such Stipulating Party's signature.

11 Respectfully submitted this 10th day of September 2025.

<p>CASCADE NATURAL GAS CORPORATION</p> <p>By: <u></u></p> <p>Date: <u>September 9, 2025</u></p>	<p>STAFF OF THE PUBLIC UTILITY COMMISSION OF OREGON</p> <p>By: _____</p> <p>Date: _____</p>
<p>ALLIANCE OF WESTERN ENERGY CONSUMERS</p> <p>By: _____</p> <p>Date: _____</p>	

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<p>ALLIANCE OF WESTERN ENERGY CONSUMERS</p> <p>By: _____</p> <p>Date: _____</p>	

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<p>ALLIANCE OF WESTERN ENERGY CONSUMERS</p> <p>By:  _____</p> <p>Date: <u>September 9, 2025</u></p>	

CASCADE NATURAL GAS CORP.

TABLE 1. SUMMARY OF SERVICE LIFE AND NET SALVAGE ESTIMATES AND CALCULATED ANNUAL AND ACCRUED DEPRECIATION RELATED TO THE RECOVERY OF AVERAGE ORIGINAL COST IN GAS PLANT AS OF DECEMBER 31, 2023
- TOTAL -

ACCOUNT	DESCRIPTION	ESTIMATED SURVIVOR CURVE	INVESTMENT PERCENTAGE	NET SALVAGE PERCENT	SURVIVING ORIGINAL COST AS OF 12/31/2023	CALCULATED ACCRUED DEPRECIATION	BOOK RESERVE	ANNUAL ACCRUAL AMOUNT	RATE	REMAINING LIFE
TRANSMISSION PLANT										
365.2	RIGHTS OF WAY	85-S5	0.08%	0	1,079,098	681,184	860,195	6,296	0.58%	31.3
366.0	STRUCTURES	45-R3	0.01%	0	124,315	4,033	311	2,849	2.29%	43.5
367.1	MAINS	70-S5	1.67%	-20	23,097,618	14,887,290	15,840,755	342,767	1.48%	32.4
369.1	MEAS & REG STATION EQUIPMENT	55-R5	0.01%	-10	171,500	175,288	150,039	10,034	5.85%	3.9
TOTAL TRANSMISSION PLANT					24,472,531	15,747,794	16,851,301	361,946	1.48%	
DISTRIBUTION PLANT										
374.2	LAND RIGHTS	73-R3	0.00	0	2,375,393	738,434	930,435	28,349	1.19%	50.3
375.1	STRUCTURES AND IMPROVEMENTS	55-R3.5	0.12%	-5	1,597,925	1,022,225	1,389,363	7,566	0.47%	21.5
376.1	MAINS - STEEL AND HIGH PRESSURE	80-R3	0.34	-65	475,679,942	163,880,707	177,389,085	9,498,331	2.00%	63.3
376.2	MAINS - PLASTIC	53-R4	20.00%	-33	277,254,543	77,275,669	87,927,543	6,618,684	2.39%	41.9
377.0	COMPRESSOR STATION EQUIPMENT	35-R3	0.00	-5	2,927,915.23	1,016,201	1,192,068	77,004	2.63%	23.4
378.0	MEAS & REG STATION EQUIP-GENERAL	54-L1	3.55%	-40	49,219,423	10,967,863	9,623,777	1,310,777	2.66%	45.4
379.0	MEAS & REG STATION EQUIP-CITY GATE	54-L1	0.00	-5	4,355,124	151,680	74,231	86,175	1.98%	52.2
380.1	SERVICES - STEEL	60-R4	5.34%	-160	74,011,009	108,638,009	117,522,013	2,776,893	3.75%	26.1
380.3	SERVICES - PLASTIC	45-R4	18.26%	-45	253,225,244	91,648,298	101,785,376	7,754,766	3.06%	33.8
381.0	METERS & METER INSTALLATIONS	40-S0.5	8.29%	-5	114,908,702	30,934,782	23,748,586	3,345,782	2.91%	29.7
383.0	HOUSE REGULATORS	44-R2	0.01	0	13,800,385	4,502,946	4,308,553	323,151	2.34%	29.6
385.0	INDUSTRIAL MEAS. & REG. STATION EQUIPMENT	44-R2	0.97%	-5	13,482,765	4,272,264	5,672,248	258,128	1.91%	30.7
TOTAL DISTRIBUTION PLANT					1,282,838,369	495,049,077	531,563,279	32,085,606	2.50%	
GENERAL PLANT										
390.1	STRUCTURES & IMPROVEMENTS	40-S1	2.07%	0	28,640,088	8,552,256	13,711,851	462,631	1.62%	28.1
390.2	LEASEHOLD IMPROVEMENTS	15-L2	0.00%	0	7,933	3,416	5,489	286	3.61%	8.5
391.3	COMPUTER EQUIPMENT - SERVER & WORKSTATION	5-SQ	0.12%	0	1,674,210	791,078	1,244,270	106,028	6.33%	2.6
391.4	OFFICE EQUIPMENT	15-SQ	0.02%	0	302,820	240,615	130,205	86,168	28.46%	3.1
391.5	OFFICE FURNITURE & FIXTURES	15-SQ	0.13%	0	1,767,422	1,251,921	1,145,176	159,553	9.03%	4.4
392.1	TRANSPORTATION EQUIPMENT - TRAILERS	20-S3	0.02%	15	317,532	138,022	162,096	9,932	3.13%	9.8
392.2	TRANSPORTATION EQUIPMENT	11-L1.5	1.49%	20	20,682,460	6,271,992	7,413,779	1,296,942	6.27%	6.8
393.0	STORES EQUIPMENT	30-SQ	0.01%	0	121,225	49,961	65,153	1,950	1.61%	17.6
394.1	TOOLS, SHOP, & GARAGE EQUIPMENT	20-SQ	0.81%	0	11,200,509	4,203,995	4,459,211	506,321	4.52%	12.5
394.2	CNG EQUIPMENT	31-R4	0.01%	0	131,231	119,678	131,231	-	0.00%	2.8
395.0	LABORATORY EQUIPMENT	20-SQ	0.01%	0	78,999	69,204	66,828	5,116	6.48%	2.5
396.10	WORK EQUIPMENT - TRAILERS	25-R1.5	0.00	25	905,302	218,714	317,863	19,974	2.21%	16.9
396.2	POWER OPERATED EQUIPMENT	15-L1.5	0.43%	30	5,927,261	494,745	(530,817)	429,582	7.25%	13.2
397.1	RADIO COMMUNICATION EQUIPMENT - FIXED	15-SQ	0.26%	0	3,623,375	380,207	229,582	267,370	7.38%	13.4
397.2	SUPERVISORY & TELEMETERING EQUIPMENT	10-SQ	0.17%	0	2,323,867	1,483,697	660,829	675,092	29.05%	3.6
397.3	TELEPHONE & TELEX EQUIPMENT	5-SQ	0.01%	0	74,374	22,312	(55,302)	37,050	49.82%	3.5
397.4	RADIO COMMUNICATION EQUIPMENT - MOBILE	15-SQ	0.09%	0	1,261,737	829,868	869,560	75,159	5.96%	5.1
398.0	MISCELLANEOUS EQUIPMENT	25-SQ	0.01%	0	127,773	47,222	41,093	4,612	3.61%	17.0
TOTAL GENERAL PLANT					79,168,116	25,162,772	30,074,227	4,143,766	5.23%	
TOTAL GAS PLANT STUDIED					1,386,479,017	535,959,644	578,488,807	36,591,318	2.64%	
PLANT NOT STUDIED										
301.0	ORGANIZATION							152,066		
302.0	FRANCHISES							211,825		
303.0	MISCELLANEOUS INTANGIBLE PLANT							72,124,068		
365.1	LAND & LAND RIGHTS							351,346		
374.1	LAND (DISTRIBUTION)							657,387		
389.0	LAND & LAND RIGHTS GENERAL							3,972,424		
TOTAL PLANT					1,463,948,133					

TABLE 1A. SUMMARY OF SERVICE LIFE AND NET SALVAGE ESTIMATES AND CALCULATED ANNUAL AND ACCRUED DEPRECIATION RELATED TO THE RECOVERY OF AVERAGE ORIGINAL COST IN GAS PLANT AS OF DECEMBER 31, 2023

- LIFE -

ACCOUNT	DESCRIPTION	ESTIMATED SURVIVOR CURVE	NET SALVAGE PERCENT	SURVIVING ORIGINAL COST AS OF 12/31/2023	CALCULATED ACCRUED DEPRECIATION	BOOK RESERVE	ANNUAL ACCRUAL AMOUNT	RATE	REMAINING LIFE
TRANSMISSION PLANT									
365.2	RIGHTS OF WAY	85-S5	0	1,079,098	681,184	860,195	6,296	0.58%	31.3
366.0	STRUCTURES	45-R3	0	124,315	4,033	311	2,849	2.29%	43.5
367.1	MAINS	70-S5	0	23,097,618	12,406,075	13,839,395	250,099	1.08%	32.4
369.1	MEAS & REG STATION EQUIPMENT	55-R5	0	171,500	159,353	290,715	-	0.00%	3.9
TOTAL TRANSMISSION PLANT				24,472,531	13,250,644	14,990,616	259,244		
DISTRIBUTION PLANT									
374.2	LAND RIGHTS	73-R3	0	2,375,393	738,434	930,435	28,349.00	1.19%	50.3
375.1	STRUCTURES AND IMPROVEMENTS	55-R3.5	0	1,597,925	973,547	1,321,783	7,275	0.46%	21.5
376.1	MAINS - STEEL AND HIGH PRESSURE	80-R3	0	475,679,942	99,321,641	122,820,685	5,402,199.00	1.14%	63.3
376.2	MAINS - PLASTIC	53-R4	0	277,254,543	58,102,007	68,345,185	4,905,334	1.77%	41.9
377.0	COMPRESSOR STATION EQUIPMENT	35-R3	0	2,927,915	967,810	1,216,851	68,299.00	2.33%	23.4
378.0	MEAS & REG STATION EQUIP-GENERAL	54-L1	0	49,219,423	7,834,188	8,333,517	898,614	1.83%	45.4
379.0	MEAS & REG STATION EQUIP-CITY GATE	54-L1	0	4,355,124	144,457	102,695	81,454.00	1.87%	52.2
380.1	SERVICES - STEEL	60-R4	0	74,011,009	41,783,850	52,498,036	736,860	1.00%	26.1
380.3	SERVICES - PLASTIC	45-R4	0	253,225,244	63,205,723	70,807,607	5,323,727	2.10%	33.8
381.0	METERS & METER INSTALLATIONS	40-S0.5	0	114,908,702	29,461,697	24,780,498	3,087,823	2.69%	29.7
383.0	HOUSE REGULATORS	44-R2	0	13,800,385	4,502,946	4,308,553	323,151.00	2.34%	29.6
385.0	INDUSTRIAL MEAS. & REG. STATION EQUIPMENT	44-R2	0	13,482,765.09	4,068,823	5,762,615	230,162	1.71%	30.7
TOTAL DISTRIBUTION PLANT				1,282,838,369	311,105,122	361,228,459	21,093,247	1.64%	
GENERAL PLANT									
390.1	STRUCTURES & IMPROVEMENTS	40-S1	0	28,640,088	8,552,256	13,711,851	462,631	1.62%	28.1
390.2	LEASEHOLD IMPROVEMENTS	15-L2	0	7,933	3,416	5,489	286	3.61%	8.5
391.3	COMPUTER EQUIPMENT - SERVER & WORKSTATION	5-SQ	0	1,674,210	791,078	1,244,270	106,028	6.33%	2.6
391.4	OFFICE EQUIPMENT	15-SQ	0	302,820	240,615	130,205	86,168	28.46%	3.1
391.5	OFFICE FURNITURE & FIXTURES	15-SQ	0	1,767,422	1,251,921	1,145,176	159,553	9.03%	4.4
392.1	TRANSPORTATION EQUIPMENT - TRAILERS	20-S3	0	317,532	162,379	162,096	15,755	4.96%	9.8
392.2	TRANSPORTATION EQUIPMENT	11-L1.5	0	20,682,460	7,839,991	7,413,779	1,956,229	9.46%	6.8
393.0	STORES EQUIPMENT	30-SQ	0	121,225	49,961	65,153	1,950	1.61%	17.6
394.1	TOOLS, SHOP, & GARAGE EQUIPMENT	20-SQ	0	11,200,509	4,203,995	4,459,211	506,321	4.52%	12.5
394.2	CNG EQUIPMENT	31-R4	0	131,231	119,678	131,231	-	0.00%	2.8
395.0	LABORATORY EQUIPMENT	20-SQ	0	78,999	69,204	66,828	5,116	6.48%	2.5
396.1	WORK EQUIPMENT - TRAILERS	25-R1.5	0	905,302	291,618	317,863	34,039.00	3.76%	16.9
396.2	POWER OPERATED EQUIPMENT	15-L1.5	0	5,927,261	706,778	(530,817)	579,690	9.78%	13.2
397.1	RADIO COMMUNICATION EQUIPMENT - FIXED	15-SQ	0	3,623,375	380,207	229,582	267,370	7.38%	13.4
397.2	SUPERVISORY & TELEMETERING EQUIPMENT	10-SQ	0	2,323,867	1,483,697	660,829	675,092	29.05%	3.6
397.3	TELEPHONE & TELEX EQUIPMENT	5-SQ	0	74,374	22,312	(55,302)	37,050	49.82%	3.5
397.4	RADIO COMMUNICATION EQUIPMENT - MOBILE	15-SQ	0	1,261,737	829,868	869,560	75,159	5.96%	5.1
398.0	MISCELLANEOUS EQUIPMENT	25-SQ	0	127,773	41,093	47,222	4,612	3.61%	17.0
TOTAL GENERAL PLANT				79,168,116	27,040,065	30,074,227	4,973,049	6.28%	
TOTAL GAS PLANT STUDIED				1,386,479,017	351,395,831	406,293,302	26,325,540	1.90%	
PLANT NOT STUDIED									
301.0	ORGANIZATION			152,066					
302.0	FRANCHISES			211,825					
303.0	MISCELLANEOUS INTANGIBLE PLANT			72,124,068					
365.1	LAND & LAND RIGHTS			351,346					
374.1	LAND (DISTRIBUTION)			657,387					
389.0	LAND & LAND RIGHTS GENERAL			3,972,424					
TOTAL PLANT				1,463,948,133					

TABLE 1B. SUMMARY OF SERVICE LIFE AND NET SALVAGE ESTIMATES AND CALCULATED ANNUAL AND ACCRUED DEPRECIATION RELATED TO THE RECOVERY OF AVERAGE ORIGINAL COST IN GAS PLANT AS OF DECEMBER 31, 2023
- NET SALVAGE -

ACCOUNT	DESCRIPTION	ESTIMATED SURVIVOR CURVE	NET SALVAGE PERCENT	SURVIVING ORIGINAL COST AS OF 12/31/2023	CALCULATED ACCRUED DEPRECIATION	BOOK RESERVE	ANNUAL ACCRUAL AMOUNT	RATE
TRANSMISSION PLANT								
365.2	RIGHTS OF WAY	85-S5	0	1,079,098	-	-	-	0.00%
366.0	STRUCTURES	45-R3	0	124,315	-	-	-	0.00%
367.1	MAINS	70-S5	-20	23,097,618	2,481,215	2,001,361	92,668	0.40%
369.1	MEAS & REG STATION EQUIPMENT	55-R5	-10	171,500	15,935	(140,676)	10,034	5.85%
TOTAL TRANSMISSION PLANT				24,472,531	2,497,150	1,860,685	102,702	
DISTRIBUTION PLANT								
374.2	LAND RIGHTS	73-R3	0	2,375,393	-	-	-	0.00%
375.1	STRUCTURES AND IMPROVEMENTS	55-R3.5	-5	1,597,925	48,677	67,580	291	0.02%
376.1	MAINS - STEEL AND HIGH PRESSURE	80-R3	-65	475,679,942	64,559,066	54,568,401	4,096,132	0.86%
376.2	MAINS - PLASTIC	53-R4	-33	277,254,543	19,173,662	19,582,358	1,713,350	0.62%
377.0	COMPRESSOR STATION EQUIPMENT	35-R3	-5	2,927,915	48,391	(24,783)	8,705	0.30%
378.0	MEAS & REG STATION EQUIP-GENERAL	54-L1	-40	49,219,423	3,133,675	1,290,260	412,163	0.84%
379.0	MEAS & REG STATION EQUIP-CITY GATE	54-L1	-5	4,355,124	7,223	(28,464)	4,721	0.11%
380.1	SERVICES - STEEL	60-R4	-160	74,011,009	66,854,160	65,023,977	2,040,033	2.76%
380.3	SERVICES - PLASTIC	45-R4	-45	253,225,244	28,442,575	30,977,770	2,431,039	0.96%
381.0	METERS & METER INSTALLATIONS	40-S0.5	-5	114,908,702	1,473,085	(1,031,912)	257,959	0.22%
383.0	HOUSE REGULATORS	44-R2	0	13,800,385	-	-	-	0.00%
385.0	INDUSTRIAL MEAS. & REG. STATION EQUIPMENT	44-R2	-5	13,482,765	203,441	(90,367)	27,966	0.21%
TOTAL DISTRIBUTION PLANT				1,282,838,369	183,943,955	170,334,820	10,992,359	0.86%
GENERAL PLANT								
390.1	STRUCTURES & IMPROVEMENTS	40-S1	0	28,640,088	-	-	-	0.00%
390.2	LEASEHOLD IMPROVEMENTS	15-L2	0	7,933	-	-	-	0.00%
391.3	COMPUTER EQUIPMENT - SERVER & WORKSTATION	5-SQ	0	1,674,210	-	-	-	0.00%
391.4	OFFICE EQUIPMENT	15-SQ	0	302,820	-	-	-	0.00%
391.5	OFFICE FURNITURE & FIXTURES	15-SQ	0	1,767,422	-	-	-	0.00%
392.1	TRANSPORTATION EQUIPMENT - TRAILERS	20-S3	15	317,532	(24,357)	-	(5,823)	-1.83%
392.2	TRANSPORTATION EQUIPMENT	11-L1.5	20	20,682,460	(1,567,998)	-	(659,287)	-3.19%
393.0	STORES EQUIPMENT	30-SQ	0	121,225	-	-	-	0.00%
394.1	TOOLS, SHOP, & GARAGE EQUIPMENT	20-SQ	0	11,200,509	-	-	-	0.00%
394.2	CNG EQUIPMENT	31-R4	0	131,231	-	-	-	0.00%
395.0	LABORATORY EQUIPMENT	20-SQ	0	78,999	-	-	-	0.00%
396.1	WORK EQUIPMENT - TRAILERS	25-R1.5	25	905,302	(72,905)	-	(14,065)	-1.55%
396.2	POWER OPERATED EQUIPMENT	15-L1.5	30	5,927,261	(212,033)	-	(150,108)	-2.53%
397.1	RADIO COMMUNICATION EQUIPMENT - FIXED	15-SQ	0	3,623,375	-	-	-	0.00%
397.2	SUPERVISORY & TELEMETERING EQUIPMENT	10-SQ	0	2,323,867	-	-	-	0.00%
397.3	TELEPHONE & TELEX EQUIPMENT	5-SQ	0	74,374	-	-	-	0.00%
397.4	RADIO COMMUNICATION EQUIPMENT - MOBILE	15-SQ	0	1,261,737	-	-	-	0.00%
398.0	MISCELLANEOUS EQUIPMENT	25-SQ	0	127,773	-	-	-	0.00%
TOTAL GENERAL PLANT				79,168,116	(1,877,293)	0	(829,283)	-1.05%
TOTAL GAS PLANT STUDIED				1,386,479,017	184,563,812	172,195,505	10,265,778	0.74%
PLANT NOT STUDIED								
301.0	ORGANIZATION			152,066				
302.0	FRANCHISES			211,825				
303.0	MISCELLANEOUS INTANGIBLE PLANT			72,124,068				
365.1	LAND & LAND RIGHTS			351,346				
374.1	LAND (DISTRIBUTION)			657,387				
389.0	LAND & LAND RIGHTS GENERAL			3,972,424				
TOTAL PLANT				1,463,948,133				

Cascade Natural Gas Co.
Depreciation Study Comparison (Includes Base, Salvage, COR)
Based on January 2025
UPDATED FOR SETTLEMENT

Depr Summary	1/1/2025 Beginning Plant Balance	Current Rates	January Actual Depr	Proposed Rates	January Using Settlement Rates	Monthly Difference	Annualized Difference
301-G-Organization	152,066.08	0.00%	-	0.00%	-	-	-
302-G-Franchises	211,824.67	0.00%	-	0.00%	-	-	-
303-G-Misc. Intangible Plant	77,880,488.90	0.00%	382,364.51	0.00%	382,364.51	-	-
365-G-Land and Land Rights	351,346.33	0.00%	-	0.00%	-	-	-
365-G-Rights-of-Way	1,079,097.84	0.65%	584.51	0.58%	521.56	(62.95)	(755.35)
366-G-Structures	141,317.90	1.50%	176.64	2.29%	269.68	93.04	1,116.50
367-G-Mains	23,034,749.67	1.50%	28,793.45	1.48%	28,409.52	(383.93)	(4,607.10)
368-G-Compressor Station	3,301,012.32	1.72%	4,731.45	2.63%	7,234.72	2,503.27	30,039.22
369-G-Measuring/Regulating Equipmen	171,500.10	4.60%	138.62	5.85%	176.29	37.67	452.02
372-G-Aro Transmission Plant	27,868.30	0.00%	20.68	0.00%	20.68	-	-
374-G-Land	657,387.16	0.00%	-	0.00%	-	-	-
374-G-Land and Land Rights	2,375,393.07	1.64%	3,246.37	1.19%	2,355.60	(890.77)	(10,689.26)
375-G-Structures & Improvements	1,991,650.34	0.84%	1,394.15	0.47%	780.06	(614.09)	(7,369.04)
376-G-Mains-High Pressure Steel	343,945,952.68	1.52%	435,664.81	2.00%	573,243.25	137,578.44	1,650,941.33
376-G-Mains-Plastic	296,914,104.51	2.81%	695,273.86	2.39%	591,353.92	(103,919.94)	(1,247,039.22)
376-G-Mains-Steel	183,767,238.92	3.56%	545,176.14	2.00%	306,278.73	(238,897.41)	(2,866,768.90)
377-G-Compressor Station	-	1.72%	-	2.63%	-	-	-
378-G-Measure/Regulation	54,443,737.07	1.97%	89,378.47	2.66%	120,683.62	31,305.15	375,661.77
379-G-Measure/Regulation City Gate	5,086,372.35	1.97%	8,350.13	1.98%	8,392.51	42.38	508.61
380-G-Services-Plastic	266,673,035.80	3.36%	746,684.51	3.06%	680,016.24	(66,668.27)	(800,019.22)
380-G-Services-Steel	73,913,654.66	3.47%	213,733.65	3.75%	230,980.17	17,246.52	206,958.25
381-G-ERT Units	70,119.16	2.61%	152.51	2.91%	170.04	17.53	210.35
381-G-Meters	118,979,141.13	2.61%	258,779.63	2.91%	288,524.42	29,744.79	356,937.45
383-G-Service Regulators	14,564,309.75	2.16%	26,215.76	2.34%	28,400.40	2,184.64	26,215.73
385-G-Industrial Meas. & Reg Stn Eq	15,055,439.01	1.70%	21,328.53	1.91%	23,963.24	2,634.71	31,616.53
388-G-Aro Distribution Plant	26,364,479.72	0.00%	31,683.03	0.00%	31,683.03	-	-
389-G-Land & Land Rights	6,300,876.15	0.00%	-	0.00%	-	-	-
390-G-Leasehold Improvement	7,933.28	1.44%	9.52	3.61%	23.87	14.35	172.15
390-G-Structures & Improvements	28,960,228.30	1.44%	34,752.27	1.62%	39,096.31	4,344.03	52,128.41
391-G-Comp Equip-Server & Workstati	1,601,044.25	44.02%	58,731.64	6.33%	8,445.51	(50,286.13)	(79,969.95)
391-G-Office Equipment	254,474.45	26.37%	3,441.50	28.46%	3,714.27	272.77	3,273.23
391-G-Office Furniture & Fixtures	1,757,874.66	19.00%	27,833.01	9.03%	13,228.01	(14,605.00)	(129,569.15)
392-G-Trailers	320,061.88	2.69%	700.15	3.13%	814.68	114.53	1,374.41
392-G-Transportation Equipment	21,510,100.36	5.89%	105,578.75	6.27%	112,390.27	6,811.52	81,738.29
393-G-Stores Equipment	121,225.19	8.40%	495.23	1.61%	94.92	(400.32)	(4,803.80)
394-G-Tools,Shop,Garage Equip	14,040,335.78	10.66%	124,724.99	4.52%	52,885.26	(71,839.73)	(862,076.70)
394-G-Vehicle CNG Equipment	131,231.02	1.52%	-	0.00%	-	-	-
395-G-Laboratory Equipment	78,998.84	14.55%	676.31	6.48%	426.59	(249.72)	(2,996.60)
396-G-Power Operated Equipment	5,639,316.94	9.63%	44,757.42	7.25%	33,695.88	(11,061.54)	(132,738.52)
396-G-Trailers-Work Equipment	993,986.90	2.61%	2,161.92	2.21%	1,830.59	(331.33)	(3,975.93)
397-G-Radio Comm Equip-Fixed	4,062,043.68	5.35%	18,109.94	7.38%	24,981.57	6,871.63	82,459.54
397-G-Radio Comm Equip-Mobile	1,788,449.97	6.99%	16,480.76	5.96%	15,401.53	(1,079.24)	(12,950.84)
397-G-Supervisory & Telemeter Equip	2,349,150.70	5.53%	10,825.68	29.05%	56,869.02	46,043.34	552,520.12
397-G-Telephone & Telex Equip	74,374.23	21.62%	1,339.98	49.82%	3,087.77	1,747.79	20,973.48
398-G-Miscellaneous Equipment	135,202.42	4.35%	490.11	3.61%	406.73	(83.38)	(1,000.51)
Total CNG	1,601,280,196.44		3,944,980.60		3,673,214.99	(271,765.60)	(2,692,032.72)
Depreciation Expensed			3,760,078.65		3,492,779.86	(267,298.79)	(2,638,430.98)
Depreciation Reclassified to Reg Asset			31,703.71		31,703.71	-	-
Depreciation Applied to Auto & Work Clearing			153,198.24		148,731.43	(4,466.81)	(53,601.75)
			<u>3,944,980.60</u>		<u>3,673,214.99</u>	<u>(271,765.60)</u>	<u>(2,692,032.72)</u>