

CASCADE NATURAL GAS CORPORATION
Washington Statement of Operations
QUARTERLY STATISTICAL INFORMATION

THERM SALES

	Monthly			12 Months Ending		
	July 2019	August 2019	September 2019	July 2019	August 2019	September 2019
Residential	3,088,926	1,817,452	4,287,507	126,100,238	126,507,010	127,057,983
Commercial	3,545,142	2,252,630	4,754,591	102,129,747	102,407,374	103,006,565
Industrial Firm	852,365	915,216	962,596	16,401,738	16,518,232	16,591,803
Core Interruptible	120,191	93,626	111,853	2,235,734	2,230,861	2,223,881
Noncore	81,398,172	92,178,850	86,225,690	732,736,860	747,976,349	762,186,210
TOTAL WASHINGTON	89,004,796	97,257,774	96,342,237	979,604,317	995,639,826	1,011,066,442

	AVERAGE CUSTOMERS		
	July 2019	August 2019	September 2019
Residential	190,627	190,658	191,291
Commercial	26,289	26,283	26,315
Industrial Firm	552	553	555
Core Interruptible	8	8	8
Noncore	202	200	197
TOTAL WASHINGTON	217,678	217,702	218,366

Cascade Natural Gas Corporation
State of Washington
Statement of Operations and Rate of Return
Month and Twelve Months Ended 7/31/2019

	Month	Twelve Months
OPERATING REVENUES		
Natural Gas Sales	7,381,310	203,143,504
Transportation Revenue	2,062,752	23,118,904
Other Operating Revenue	6,239	2,281,458
	9,450,301	228,543,866
Less: Natural Gas & Production Costs	3,762,721	109,686,718
Revenue Taxes	754,441	18,935,388
OPERATING MARGIN	4,933,139	99,921,760
OPERATING EXPENSES		
Production	18,144	246,797
Distribution	1,867,077	20,472,922
Customer Accounts	559,600	5,474,269
Customer Service & Informational	219,483	6,632,366
Sales	-	1,804
Administrative & General	1,525,476	17,806,738
Depreciation & Amortization	2,083,078	24,101,492
Property, Payroll & Misc. Taxes	373,835	3,732,357
Federal Income Taxes	(765,550)	(558,908)
Total Operating Expenses	5,881,143	77,909,837
NET OPERATING INCOME	(948,005)	22,011,923
RATE BASE	376,128,042	360,177,994
RATE OF RETURN	-0.25%	6.11%

SCHEDULE OF RATE BASE

Utility Plant In Service	835,796,521	814,955,637
Accumulated Depreciation	(389,203,015)	(384,303,871)
Net Utility Plant	446,593,507	430,651,766
Other:		
Contributions in Aid of Construction	-	-
Customer Advances for Construction	(3,790,463)	(3,882,329)
Accumulated Deferred Income Taxes	(76,044,244)	(75,307,694)
Deferred Debits	-	-
Subtotal	366,758,800	351,461,743
Working Capital	9,369,243	8,716,251
TOTAL RATE BASE	376,128,042	360,177,994

All rate base items in the "Twelve Months" column represent average of monthly average balances

Cascade Natural Gas Corporation
State of Washington
Statement of Operations and Rate of Return
Month and Twelve Months Ended 8/31/2019

	Month	Twelve Months
OPERATING REVENUES		
Natural Gas Sales	5,807,213	203,846,445
Transportation Revenue	2,149,496	23,301,879
Other Operating Revenue	(5,550)	2,032,995
	7,951,159	229,181,319
Less: Natural Gas & Production Costs	2,505,146	110,098,679
Revenue Taxes	666,721	18,985,534
OPERATING MARGIN	4,779,292	100,097,106
OPERATING EXPENSES		
Production	33,068	259,425
Distribution	1,698,776	20,137,726
Customer Accounts	489,312	5,504,137
Customer Service & Informational	161,019	6,676,480
Sales	100	1,902
Administrative & General	1,317,535	17,747,572
Depreciation & Amortization	2,087,671	24,292,332
Property, Payroll & Misc. Taxes	473,037	3,982,437
Federal Income Taxes	(706,560)	(359,303)
Total Operating Expenses	5,553,958	78,242,709
NET OPERATING INCOME	(774,666)	21,854,397
RATE BASE	377,253,032	363,544,313
RATE OF RETURN	-0.21%	6.01%

SCHEDULE OF RATE BASE

Utility Plant In Service	837,764,593	819,637,297
Accumulated Depreciation	(389,574,711)	(385,126,737)
Net Utility Plant	448,189,882	434,510,560
Other:		
Contributions in Aid of Construction	-	-
Customer Advances for Construction	(3,790,463)	(3,866,680)
Accumulated Deferred Income Taxes	(75,987,037)	(75,342,558)
Deferred Debits	-	-
Subtotal	368,412,382	355,301,322
Working Capital	8,840,650	8,242,991
TOTAL RATE BASE	377,253,032	363,544,313

All rate base items in the "Twelve Months" column represent average of monthly average balances.

Cascade Natural Gas Corporation
State of Washington
Statement of Operations and Rate of Return
Month and Twelve Months Ended 9/30/2019

	Month	Twelve Months
OPERATING REVENUES		
Natural Gas Sales	9,126,448	204,649,300
Transportation Revenue	2,113,869	23,354,683
Other Operating Revenue	137,395	2,316,173
	<u>11,377,712</u>	<u>230,320,157</u>
Less: Natural Gas & Production Costs	5,010,776	110,740,968
Revenue Taxes	794,644	19,026,501
OPERATING MARGIN	<u>5,572,292</u>	<u>100,552,688</u>
OPERATING EXPENSES		
Production	15,578	257,584
Distribution	1,707,821	19,732,420
Customer Accounts	480,758	5,599,656
Customer Service & Informational	301,099	6,875,314
Sales	1,589	3,491
Administrative & General	1,544,492	18,013,118
Depreciation & Amortization	2,098,939	24,469,998
Property, Payroll & Misc. Taxes	373,005	4,025,575
Federal Income Taxes	(568,626)	137,742
Total Operating Expenses	<u>5,954,654</u>	<u>79,114,898</u>
NET OPERATING INCOME	<u>(382,362)</u>	<u>21,437,790</u>
RATE BASE	<u>379,756,595</u>	<u>366,491,236</u>
RATE OF RETURN	<u>-0.10%</u>	<u>5.85%</u>

SCHEDULE OF RATE BASE

Utility Plant In Service	842,525,226	824,003,466
Accumulated Depreciation	(391,371,417)	(385,995,888)
Net Utility Plant	451,153,809	438,007,578
Other:		
Contributions in Aid of Construction	-	-
Customer Advances for Construction	(3,755,866)	(3,847,488)
Accumulated Deferred Income Taxes	(75,940,902)	(75,382,571)
Deferred Debits	-	-
Subtotal	<u>371,457,041</u>	<u>358,777,519</u>
Working Capital	8,299,554	7,713,717
TOTAL RATE BASE	<u>379,756,595</u>	<u>366,491,236</u>

All rate base items in the "Twelve Months" column represent average of monthly average balances.

STATE ALLOCATION OF INCOME & EXPENSES	Month Ended			12 MONTH Ended		
	July-19	August-19	September-19	August 1, 2018 THROUGH July 31, 2019	September 1, 2018 THROUGH August 31, 2019	October 1, 2018 THROUGH September 30, 2019
GAS SALES						
480 Residential Sales	3,619,300.15	2,777,963.49	4,437,051.19	112,233,400.06	112,634,751.99	113,010,683.72
481 Commercial - Interruptible Sales	3,762,010.33	3,029,249.83	4,689,397.10	90,910,103.81	91,211,693.09	91,638,616.71
TOTAL GAS SALES	7,381,310.48	5,807,213.32	9,126,448.29	203,143,503.87	203,846,445.08	204,649,300.43
OTHER OPERATING REVENUE						
4880 Miscellaneous Service Revenues	33,854.82	33,959.66	29,505.35	657,928.73	595,685.09	581,746.03
4890 Rev. From Transp. of Gas of Others	2,062,751.65	2,149,495.98	2,113,869.06	23,118,903.78	23,301,879.17	23,354,683.00
4930 Rent From Gas Property	-	-	-	-	-	-
4940 Interdepartmental Rents	10,662.11	10,662.11	10,662.11	110,285.83	113,817.73	117,349.63
4950 Other Gas Revenue	6,555.58	11,095.07	1,654.42	75,655.97	56,941.36	47,533.36
495.1 Overrun Penalty Income	-	-	-	-	-	-
4962 Provision for Rate Refund	(44,833.55)	(61,267.14)	95,572.82	1,437,587.84	1,266,550.66	1,569,544.11
TOTAL OTHER OPERATING REVENUE	2,068,990.61	2,143,945.68	2,251,263.76	25,400,362.15	25,334,874.01	25,670,856.13
* TOTAL OPERATING REVENUE *	9,450,301.09	7,951,159.00	11,377,712.05	228,543,866.02	229,181,319.09	230,320,156.56
NATURAL GAS PURCHASED						
804 Natural Gas City Gate Purchases	6,436,688.58	5,952,841.26	6,566,492.00	210,052,206.42	209,945,489.81	210,685,782.28
805 Other Gas Purchases	-	-	-	-	-	-
805.1 Purchased Gas Cost Adjustments	(1,812,808.85)	(2,702,458.83)	(776,158.78)	(96,994,632.77)	(96,411,357.89)	(95,976,701.97)
808.1 Gas Withdrawn From Storage	-	-	-	4,815,897.87	4,815,897.87	4,815,897.87
808.2 Gas Delivered To Storage	(858,312.74)	(742,561.85)	(774,648.20)	(8,131,626.82)	(8,194,964.13)	(8,724,284.94)
812 Gas Used For Other Utility Oper.	(2,845.50)	(2,675.02)	(4,909.05)	(55,126.73)	(56,386.75)	(59,725.63)
TOTAL NATURAL GAS PURCHASED	3,762,721.49	2,505,145.56	5,010,775.97	109,686,717.97	110,098,678.91	110,740,967.61
MANUFACTURED GAS PRODUCTION						
712 Other Power Expenses	-	-	-	-	-	-
717 Liquefied Petroleum Gas Expenses	-	-	-	-	-	-
718 Other Process Production Expenses	-	-	-	-	-	-
723 Fuel for Liq. Petrol. Gas Process	-	-	-	-	-	-
724 Other Gas Fuels	-	-	-	-	-	-
728 Liquefied Petroleum Gas	-	-	-	-	-	-
733 Gas Mixing Expenses	-	-	-	-	-	-
735 Miscellaneous Production Expenses	-	-	-	-	-	-
740 Maint. Supervision & Engineering	-	-	-	-	-	-
741 Maint. of Structures & Improvement	-	-	-	-	-	-
742 Maint. of Production Equipment	-	-	-	-	-	-
TOTAL MANUFACTURED GAS PRODUCTION EXPENSE	-	-	-	-	-	-
408.5 Revenue Taxes	754,441.00	666,721.44	794,643.67	18,935,387.67	18,985,534.25	19,026,501.31
* OPERATING MARGIN *	4,933,138.60	4,779,292.00	5,572,292.41	99,921,760.38	100,097,105.93	100,552,687.64
PRODUCTION EXPENSES						
813 Other Gas Supply Expenses	18,143.77	33,067.95	15,578.13	246,797.27	259,425.36	257,583.83
DISTRIBUTION EXPENSES						
Operation						
870 Oper., Supervision & Engineering	179,043.26	173,399.54	164,005.85	2,340,826.09	2,282,814.40	2,026,585.13
871 Distribution Load Dispatching	27,687.20	21,356.32	23,426.77	302,234.47	298,622.48	297,703.04
872 Compressor Station	2,338.83	2,622.45	5,026.37	43,040.01	41,760.90	43,191.25
874 Mains & Services Exp.	386,801.67	348,246.56	405,295.34	4,354,060.41	4,124,384.10	3,909,231.04
875 Meas. & Reg. Stat. Exp.-Gen.	44,408.21	25,328.10	25,712.45	427,380.90	420,452.36	413,038.80
876 Meas. & Reg. Stat. Exp.-Ind.	11,603.74	20,852.83	11,732.28	154,035.39	158,576.14	159,369.01
878 Meter & House Regulator Exp.	85,173.41	94,011.99	93,901.49	1,094,988.16	1,079,402.54	1,085,609.69
879 Customer Installations Exp.	52,350.86	49,783.11	53,049.53	707,785.04	701,832.74	699,172.16
880 Other Exp.	377,564.13	367,443.78	405,633.69	4,240,236.47	4,220,617.06	4,300,603.93
881 Rents	10,279.63	8,422.11	4,141.59	112,457.03	113,766.90	114,162.40
882 Transportation Exp.	-	-	-	-	-	-
Subtotal Operations	1,177,250.94	1,111,466.79	1,191,925.36	13,777,043.97	13,442,229.62	13,048,666.45
Maintenance						
885 Supervision & Engineering	92,360.11	86,518.88	84,552.70	1,022,441.11	1,018,129.17	1,026,921.16
886 Structures & Improvements	-	-	-	2,419.57	2,419.57	2,419.57
887 Mains	242,751.69	136,581.22	140,273.76	1,797,394.71	1,773,009.52	1,739,016.49
8880 Compressor Station	4,624.19	7,701.46	6,861.13	61,537.53	67,008.07	67,697.27
889 Meas. & Reg. Equip.-Gen.	30,937.32	33,704.20	32,431.83	492,313.69	490,768.17	483,909.76
890 Meas. & Reg. Equip.-Ind.	15,143.97	3,686.53	2,130.59	48,056.14	47,826.54	49,065.14
892 Services	116,540.33	160,415.75	99,900.59	1,331,567.53	1,356,806.40	1,371,229.98
893 Meters & House Regulators	96,296.92	82,646.56	79,377.71	974,071.64	973,055.60	973,326.22
894 Other Equipment	91,171.34	76,054.73	70,367.36	966,075.83	966,473.44	970,167.66
Subtotal Maintenance	689,825.87	587,309.33	515,895.67	6,695,877.75	6,695,496.48	6,683,753.25
TOTAL DISTRIBUTION EXPENSES	1,867,076.81	1,698,776.12	1,707,821.03	20,472,921.72	20,137,726.10	19,732,419.70
CUSTOMER ACCOUNTS EXPENSES						
901 Supervision	9,413.61	8,984.71	8,653.52	107,733.41	107,335.78	108,162.22

STATE ALLOCATION OF INCOME & EXPENSES		Month Ended			12 MONTH Ended		
		July-19	August-19	September-19	August 1, 2018 THROUGH July 31, 2019	September 1, 2018 THROUGH August 31, 2019	October 1, 2018 THROUGH September 30, 2019
902	Meter Reading Exp.	59,897.77	43,199.53	49,852.08	549,740.13	541,123.13	553,822.42
903	Cust. Records & Collection Exp.	357,584.67	356,457.71	311,866.97	4,038,912.24	4,050,685.96	4,061,372.17
904	Uncollectible Accounts	132,704.14	80,669.96	110,385.04	777,878.41	804,987.07	876,294.26
905	Misc. Exp.	-	-	-	5.27	5.27	5.27
TOTAL CUSTOMER ACCOUNTS EXP.		559,600.19	489,311.91	480,757.61	5,474,269.46	5,504,137.21	5,599,656.34
CUSTOMER SERVICE AND INFORMATIONAL EXPENSES							
907	Supervision	-	-	-	-	-	-
908	Cust. Assistance Exp.	192,974.54	125,485.54	284,054.82	6,229,234.52	6,265,875.45	6,468,701.99
909	Info. & Instr. Advertising Exp.	11,057.38	23,015.88	4,962.33	95,410.61	116,467.44	120,898.33
910	Misc. Cust. Serv. & Info. Exp.	15,451.26	12,517.76	12,081.38	307,720.51	294,136.86	285,713.25
TOTAL CUST. SRVC. & INFO. EXPENSES		219,483.18	161,019.18	301,098.53	6,632,365.64	6,676,479.75	6,875,313.57
SALES EXPENSES							
911	Supervision	-	-	-	-	-	-
912	Demonstrating & Selling	-	-	763.59	-	-	763.59
913	Advertising	-	100.00	825.00	1,804.10	1,902.23	2,727.23
916	Misc. Sales Exp.	-	-	-	-	-	-
TOTAL SALES EXPENSES		-	100.00	1,588.59	1,804.10	1,902.23	3,490.82
ADMINISTRATIVE AND GENERAL EXPENSES							
920	Admin. & General Salaries	556,147.55	534,102.36	571,566.26	5,827,069.20	5,860,831.01	5,995,332.88
921	Office Supplies & Exp.	217,527.64	112,480.19	211,215.28	3,166,266.78	3,075,153.22	3,036,518.59
923	Outside Services Employed	61,499.45	18,716.91	40,048.97	694,740.96	654,310.00	620,042.34
924	Property Insurance	6,914.78	6,914.78	6,914.78	73,983.38	75,785.82	77,588.26
925	Injuries & Damages	108,896.59	109,316.52	73,042.48	1,527,467.71	1,543,337.96	1,529,393.37
926	Employee Pensions & Benefits	415,777.35	403,596.07	462,648.78	4,644,403.43	4,672,624.08	4,816,602.58
928	Regulatory Commission Exp.	13,398.75	7,084.00	4,286.30	80,404.25	87,488.25	91,774.55
930.1	General Advertising Exp.	2,509.44	3,597.98	1,392.92	23,182.97	25,073.99	23,771.44
930.2	Misc. General Exp.	73,714.30	58,004.57	100,763.95	895,661.57	901,575.97	973,057.65
931	Rents	88,961.64	89,860.62	89,709.69	1,113,846.56	1,099,224.77	1,093,615.88
932	Maintenance of General Plant	2,415.64	1,334.08	1,091.64	42,243.16	41,294.44	41,743.24
		1,547,763.13	1,345,008.08	1,562,681.05	18,089,269.97	18,036,699.51	18,299,440.78
922	Capitalized Exp.	(22,286.85)	(27,473.32)	(18,188.60)	(282,531.71)	(289,127.56)	(286,322.33)
TOTAL ADM. & GEN. EXPENSES		1,525,476.28	1,317,534.76	1,544,492.45	17,806,738.26	17,747,571.95	18,013,118.45
TOTAL O&M EXPENSES (Excluding Gas Cost and		4,189,780.23	3,699,809.92	4,051,336.34	50,634,896.45	50,327,242.60	50,481,582.71
DEPRECIATION AND AMORTIZATION							
403	Depreciation Expense	2,083,078.22	2,087,670.59	2,098,938.56	24,101,491.77	24,292,332.27	24,469,997.63
	Propane Air Plant	-	-	-	-	-	-
	Telemetry	-	-	-	-	-	-
	Meters & Regulators	-	-	-	-	-	-
	Central Stores Warehouse	-	-	-	-	-	-
	General Office	-	-	-	-	-	-
407.1	Amortization of Property Losses	-	-	-	-	-	-
TOTAL DEPRECIATION AND AMORTIZATION		2,083,078.22	2,087,670.59	2,098,938.56	24,101,491.77	24,292,332.27	24,469,997.63
407.3	Regulatory Debits	-	-	-	-	-	-
TAXES OTHER THAN INCOME TAXES							
408.1	Property, Payroll and Misc. Taxes	373,834.53	473,037.48	373,005.14	3,732,356.97	3,982,437.27	4,025,574.84
INCOME TAXES - OPERATING							
409.1	Federal Inc Taxes, Util Oper Inc	(1,282,264.54)	(1,156,113.53)	642,843.67	(20,058,374.91)	(20,303,707.85)	(18,361,453.70)
409.1	State Income Taxes, Util Oper Inc	-	-	-	-	-	-
410.1	Provision For Defer'd Fed Inc Tax	705,644.26	767,184.84	260,311.56	45,063,819.18	45,823,640.83	45,847,465.99
410.1	Provis'n For Defer'd State Inc Tax	-	-	-	-	-	-
411.1	Prov For Deferred Inc Tax - Credit	(186,284.24)	(314,986.32)	(1,469,136.03)	(25,532,575.19)	(25,847,561.51)	(27,316,697.54)
411.4	Investment Tax Credit Adjustments	(2,645.09)	(2,645.09)	(2,645.09)	(31,777.26)	(31,674.81)	(31,572.37)
TOTAL INCOME TAXES - OPERATING		(765,549.61)	(706,560.10)	(568,625.89)	(558,908.18)	(359,303.34)	137,742.38
* TOTAL OPERATING EXPENSES *		5,881,143.37	5,553,957.89	5,954,654.15	77,909,837.01	78,242,708.80	79,114,897.56
* TOTAL OPERATING INCOME *		(948,004.77)	(774,665.89)	(382,361.74)	22,011,923.37	21,854,397.13	21,437,790.08