

BEFORE THE
WASHINGTON UTILITIES & TRANSPORTATION COMMISSION

UG-06 ____
GENERAL RATE APPLICATION
OF



February 14, 2006

Exhibits of

Lamar Maxwell Dickey

Exhibit ____ (LMD-2) – Cost Allocation Per Books

Exhibit ____ (LMD-2ADJ) - Cost Allocation As Adjusted

Cascade Natural Gas Corporation
Per Books Cost Allocation - 12 Months Ended September 30, 2005
State of Washington
Summary Report

| Line No. | Description | Total_Company | REOS | DO | GAC | COGS | CNG | LV | INDGS | INTGEN | INSINTINS | NCGEN | NCLV | NCSPECC |
|---------------------------|---------------------------------|---------------|-------------|-----------|---------|------------|--------|-----------|------------|-----------|-----------|------------|------------|------------|
| <u>Operating Revenues</u> | | | | | | | | | | | | | | |
| 1 | Rate Sched Rev | 232,428,111 | 121,070,427 | 1,685,574 | 184,674 | 83,003,393 | 68,378 | 7,891,198 | 10,377,514 | 2,936,636 | 389,103 | 3,952,590 | 825,658 | 42,966 |
| 2 | Gas Transportation Revenue | 18,411,461 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 7,376,310 | 5,461,224 | 5,573,927 |
| 3 | Other Oper Rev | 889,298 | 471,920 | 5,928 | 435 | 170,706 | 52 | 9,015 | 17,995 | 2,529 | 386 | 62,831 | 93,625 | 53,877 |
| 4 | Total Revenue | 251,728,871 | 121,542,347 | 1,691,502 | 185,109 | 83,174,100 | 68,430 | 7,900,213 | 10,395,509 | 2,939,165 | 389,489 | 11,391,730 | 6,380,507 | 5,670,770 |
| 5 | | | | | | | | | | | | | | |
| <u>Operating Expenses</u> | | | | | | | | | | | | | | |
| 7 | Total Cost of Gas | 163,837,631 | 83,141,308 | 1,185,292 | 137,734 | 61,226,990 | 51,300 | 6,499,505 | 8,575,672 | 2,684,482 | 335,348 | 0 | 0 | 0 |
| 8 | Manf Gas Prod Exp | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 9 | Dist O&M Exp | 7,682,852 | 3,271,260 | 35,861 | 5,711 | 1,931,480 | 449 | 80,710 | 220,854 | 28,629 | 5,877 | 603,764 | 727,336 | 770,921 |
| 10 | Cust Accts | 4,158,014 | 3,235,869 | 34,911 | 2,103 | 761,692 | 328 | 35,427 | 52,553 | 13,112 | 1,734 | 18,487 | 1,578 | 221 |
| 11 | Cust Serv & Info | 344,136 | 295,465 | 3,017 | 142 | 44,212 | 4 | 144 | 812 | 24 | 6 | 265 | 20 | 24 |
| 12 | Cust Sales | 625,297 | 284,547 | 3,303 | 257 | 103,586 | 57 | 8,035 | 10,315 | 2,669 | 368 | 79,091 | 133,069 | 0 |
| 13 | Admin & General | 18,556,164 | 9,654,697 | 105,707 | 12,948 | 4,465,200 | 1,254 | 198,166 | 473,614 | 57,695 | 10,228 | 1,060,982 | 1,411,405 | 1,104,268 |
| 14 | Depr & Amort Exp | 13,632,109 | 5,797,458 | 65,266 | 10,584 | 3,677,085 | 1,009 | 178,473 | 428,144 | 35,236 | 6,039 | 1,012,470 | 1,551,254 | 869,091 |
| 15 | Total Exp less Income Tax | 208,836,203 | 105,680,604 | 1,433,356 | 169,479 | 72,210,245 | 54,401 | 7,000,460 | 9,761,964 | 2,821,847 | 359,600 | 2,775,060 | 3,824,661 | 2,744,526 |
| 16 | | | | | | | | | | | | | | |
| <u>Operating Taxes</u> | | | | | | | | | | | | | | |
| 18 | Taxes Other Than Income | 23,837,553 | 11,887,309 | 159,900 | 18,567 | 8,019,322 | 6,010 | 723,692 | 1,005,258 | 263,935 | 34,953 | 703,203 | 623,534 | 391,870 |
| 19 | State Income Tax | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 20 | Fed Income Taxes | 3,293,908 | 2,134,173 | 34,733 | 2,103 | 1,475,170 | 1,888 | 121,060 | 85,242 | 15,785 | 4,021 | 166,889 | -390,914 | -356,242 |
| 21 | Total Taxes | 27,131,461 | 14,021,482 | 194,633 | 20,670 | 9,494,492 | 7,897 | 844,752 | 1,090,500 | 279,720 | 38,974 | 870,091 | 232,620 | 35,629 |
| 22 | | | | | | | | | | | | | | |
| 23 | Total Operating Rev. Deductions | 235,967,664 | 119,702,086 | 1,627,990 | 190,149 | 81,704,737 | 62,299 | 7,845,212 | 10,852,464 | 3,101,567 | 398,574 | 3,645,151 | 4,057,281 | 2,780,155 |
| 24 | | | | | | | | | | | | | | |
| 25 | Net Operating Income | 15,761,207 | 1,840,261 | 63,513 | -5,040 | 1,469,363 | 6,131 | 55,001 | -456,956 | -162,402 | -9,086 | 7,746,579 | 2,323,226 | 2,890,616 |
| 26 | | | | | | | | | | | | | | |
| 27 | Rate Base | 238,885,235 | 89,845,539 | 1,049,360 | 157,557 | 57,411,964 | 19,899 | 3,414,099 | 6,680,763 | 843,599 | 147,486 | 23,584,753 | 35,543,533 | 20,186,682 |
| 28 | | | | | | | | | | | | | | |
| 29 | Rate of Return | 6.60% | 2.05% | 6.05% | -3.20% | 2.56% | 30.81% | 1.61% | -6.84% | -19.25% | -6.16% | 32.85% | 6.54% | 14.32% |

Cascade Natural Gas Corporation
Per Books Cost Allocation - 12 Months Ended September 30, 2005
State of Washington
Revenue and Tax Report

| Line No. | Description | Total_Company | REOS | DO | GAC | COGS | CNG | LV | INDGS | INTGEN | INSINTINS | NCGEN | NCLV | NCSPECC |
|---------------------------|--------------------------------|--------------------|--------------------|------------------|----------------|-------------------|---------------|------------------|-------------------|------------------|----------------|-------------------|------------------|------------------|
| <u>Operating Revenues</u> | | | | | | | | | | | | | | |
| 1 | Rate Schedule Revenues | 232,428,111 | 121,070,427 | 1,685,574 | 184,674 | 83,003,393 | 68,378 | 7,891,198 | 10,377,514 | 2,936,636 | 389,103 | 3,952,590 | 825,658 | 42,966 |
| 2 | Miscellaneous Service Revenues | 629,331 | 373,770 | 4,783 | 263 | 108,015 | 31 | 5,311 | 10,700 | 1,622 | 227 | 37,441 | 55,327 | 31,842 |
| 3 | Rent From Gas Property | 3 | 1 | 0 | 0 | 1 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 4 | Other Gas Revenue | 259,964 | 98,148 | 1,145 | 172 | 62,690 | 22 | 3,703 | 7,295 | 907 | 158 | 25,390 | 38,298 | 22,036 |
| 5 | Overrun Penalty Income | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 6 | B&O Tax Revenue | 8,938,664 | 4,075,325 | 72,580 | 6,323 | 3,295,062 | 3,090 | 247,353 | 269,282 | 47,148 | 12,836 | 353,420 | 513,280 | 42,966 |
| 7 | Gas Management | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 8 | Total Revenue | 251,728,871 | 121,542,347 | 1,691,502 | 185,109 | 83,174,100 | 68,430 | 7,900,213 | 10,395,509 | 2,939,165 | 389,489 | 11,391,730 | 6,380,507 | 5,670,770 |
| 9 | | | | | | | | | | | | | | |
| <u>Operating Taxes</u> | | | | | | | | | | | | | | |
| 11 | Prop Payroll & Misc Taxes | 4,487,774 | 1,757,840 | 20,247 | 3,125 | 1,118,153 | 357 | 61,886 | 130,084 | 13,762 | 2,376 | 391,585 | 596,489 | 391,870 |
| 12 | Revenue Taxes | 19,349,779 | 10,129,469 | 139,654 | 15,442 | 6,901,170 | 5,653 | 661,806 | 875,174 | 250,173 | 32,577 | 311,617 | 27,046 | 0 |
| 13 | Miscellaneous Taxes | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 14 | TOTI Res & Prof Adj | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 15 | State Income Tax | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 16 | Fed Income Taxes | 3,293,908 | 2,134,173 | 34,733 | 2,103 | 1,475,170 | 1,888 | 121,060 | 85,242 | 15,785 | 4,021 | 166,889 | -390,914 | -356,242 |
| 17 | Total Taxes | 27,131,461 | 14,021,482 | 194,633 | 20,670 | 9,494,492 | 7,897 | 844,752 | 1,090,500 | 279,720 | 38,974 | 870,091 | 232,620 | 35,629 |

Cascade Natural Gas Corporation
 Per Books Cost Allocation - 12 Months Ended September 30, 2005
 State of Washington
 Rate Base Report

| Line No. | Description | Total_Company | REOS | DO | GAC | COGS | CNG | LV | INDGS | INTGEN | INSINTINS | NCGEN | NCLV | NCSPECC |
|----------|---------------------------|---------------|----------|--------|------|----------|-----|---------|---------|---------|-----------|------------|------------|-----------|
| 1 | Organization | 117,197 | 50,298 | 579 | 89 | 31,994 | 10 | 1,771 | 3,722 | 394 | 68 | 11,205 | 17,068 | 0 |
| 2 | Franchise & Consents | 138,158 | 59,293 | 683 | 105 | 37,716 | 12 | 2,087 | 4,388 | 464 | 80 | 13,208 | 20,120 | 0 |
| 3 | Intg Plt Orig Cost | 255,355 | 109,591 | 1,262 | 195 | 69,710 | 22 | 3,858 | 8,110 | 858 | 148 | 24,413 | 37,188 | 0 |
| 4 | | | | | | | | | | | | | | |
| 5 | Franchise & Consents | -138,158 | -59,293 | -683 | -105 | -37,716 | -12 | -2,087 | -4,388 | -464 | -80 | -13,208 | -20,120 | 0 |
| 6 | Intg Plt Depr Resv | -138,158 | -59,293 | -683 | -105 | -37,716 | -12 | -2,087 | -4,388 | -464 | -80 | -13,208 | -20,120 | 0 |
| 7 | | | | | | | | | | | | | | |
| 8 | Intg Plt Net | 117,197 | 50,298 | 579 | 89 | 31,994 | 10 | 1,771 | 3,722 | 394 | 68 | 11,205 | 17,068 | 0 |
| 9 | | | | | | | | | | | | | | |
| 10 | | | | | | | | | | | | | | |
| 11 | Land & Land Rights | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 12 | Structures & Improvements | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 13 | LP Gas Equipment | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 14 | Other Equipment | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 15 | Prod Plt Orig Cost | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 16 | | | | | | | | | | | | | | |
| 17 | Structures & Improvements | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 18 | LP Gas Equipment | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 19 | Other Equipment | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 20 | Prod Plt Depr Resv | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 21 | | | | | | | | | | | | | | |
| 22 | Prod Plt Net | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 23 | | | | | | | | | | | | | | |
| 24 | | | | | | | | | | | | | | |
| 25 | Land & Land Rights | 1,229,802 | 344,027 | 4,679 | 555 | 247,345 | 152 | 24,895 | 29,342 | 6,543 | 1,008 | 213,671 | 350,560 | 7,026 |
| 26 | Mains | 11,036,608 | 16,299 | 222 | 26 | 11,719 | 7 | 1,179 | 1,390 | 120,170 | 18,506 | 3,924,299 | 6,438,422 | 504,368 |
| 27 | M&R Station Equipment | 159,479 | 41,431 | 563 | 67 | 29,787 | 18 | 2,998 | 3,534 | 788 | 121 | 25,732 | 42,217 | 12,222 |
| 28 | Communication Equipment | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 29 | Tran Plt Orig Cost | 12,425,888 | 401,757 | 5,464 | 648 | 288,851 | 178 | 29,073 | 34,265 | 127,501 | 19,635 | 4,163,702 | 6,831,199 | 523,616 |
| 30 | | | | | | | | | | | | | | |
| 31 | Land & Land Rights | -595,853 | -165,945 | -2,257 | -268 | -119,309 | -73 | -12,008 | -14,153 | -3,156 | -486 | -103,066 | -169,096 | -6,036 |
| 32 | Mains | -6,115,574 | -5,286 | -72 | -9 | -3,800 | -2 | -382 | -451 | -63,945 | -9,847 | -2,088,197 | -3,426,012 | -517,571 |
| 33 | M&R Station Equipment | -159,479 | -40,957 | -557 | -66 | -29,447 | -18 | -2,964 | -3,493 | -779 | -120 | -25,438 | -41,735 | -13,906 |
| 34 | Communication Equipment | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 35 | Tran Plt Depr Resv | -6,870,906 | -212,187 | -2,886 | -342 | -152,556 | -94 | -15,355 | -18,097 | -67,880 | -10,453 | -2,216,701 | -3,636,842 | -537,512 |
| 36 | | | | | | | | | | | | | | |
| 37 | Tran Plt Net | 5,554,982 | 189,569 | 2,578 | 306 | 136,295 | 84 | 13,718 | 16,168 | 59,621 | 9,182 | 1,947,001 | 3,194,357 | -13,896 |
| 38 | | | | | | | | | | | | | | |
| 39 | | | | | | | | | | | | | | |
| 40 | Land & Land Rights | 2,237,182 | 402,320 | 4,632 | 715 | 255,833 | 82 | 14,128 | 29,762 | 2,848 | 497 | 79,732 | 120,266 | 1,326,368 |
| 41 | Structures & Improvements | 995,022 | 439,516 | 5,060 | 782 | 279,485 | 89 | 15,434 | 32,513 | 3,111 | 543 | 87,103 | 131,385 | 0 |

Cascade Natural Gas Corporation
 Per Books Cost Allocation - 12 Months Ended September 30, 2005
 State of Washington
 Rate Base Report

| Line No. | Description | Total_Company | REOS | DO | GAC | COGS | CNG | LV | INDGS | INTGEN | INSINTINS | NCGEN | NCLV | NCSPECC |
|----------|--|---------------|-------------|-----------|----------|-------------|---------|------------|------------|-----------|-----------|-------------|-------------|-------------|
| 42 | Mains | 218,490,314 | 60,535,457 | 823,251 | 97,686 | 43,523,159 | 26,798 | 4,380,584 | 5,163,003 | 815,011 | 125,511 | 26,615,250 | 43,666,447 | 32,718,156 |
| 43 | Compressor Stations - (Distribution) | 1,991,792 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 22,793 | 3,510 | 744,319 | 1,221,171 | 0 |
| 44 | M&R Station Equipment - Gen | 8,443,104 | 2,138,297 | 29,080 | 3,451 | 1,537,370 | 947 | 154,736 | 182,373 | 40,668 | 6,263 | 1,328,066 | 2,178,898 | 842,956 |
| 45 | Service | 117,292,855 | 68,750,504 | 702,093 | 135,083 | 41,955,716 | 3,805 | 865,157 | 4,866,508 | 0 | 0 | 0 | 0 | 13,989 |
| 46 | Meter | 31,073,972 | 16,976,350 | 173,366 | 33,356 | 10,359,996 | 940 | 213,631 | 1,201,672 | 161,442 | 40,361 | 1,775,866 | 134,535 | 2,459 |
| 47 | Meter Installation | 16,758,558 | 9,111,507 | 93,048 | 17,903 | 5,560,393 | 504 | 114,659 | 644,959 | 86,649 | 21,662 | 953,138 | 72,207 | 81,928 |
| 48 | House Regulator | 6,276,929 | 5,383,679 | 54,979 | 2,594 | 805,581 | 73 | 2,630 | 14,795 | 438 | 110 | 4,822 | 365 | 6,862 |
| 49 | House Regulator Installation | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 50 | Industrial M&R Station Equipment | 3,993,583 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 28,336 | 4,364 | 925,362 | 1,518,200 | 1,517,320 |
| 51 | Other Property | 377,990 | 324,554 | 3,314 | 156 | 48,564 | 4 | 159 | 892 | 26 | 7 | 291 | 22 | 0 |
| 52 | Completed Construction Not Classified | 3,759,210 | 1,660,498 | 19,117 | 2,953 | 1,055,900 | 336 | 58,309 | 122,835 | 11,754 | 2,053 | 329,079 | 496,377 | 0 |
| 53 | Dist Plt Orig Cost | 411,690,511 | 165,722,682 | 1,907,940 | 294,678 | 105,381,997 | 33,578 | 5,819,426 | 12,259,311 | 1,173,077 | 204,880 | 32,843,028 | 49,539,875 | 36,510,038 |
| 54 | | | | | | | | | | | | | | |
| 55 | Land Rights - Distribution | -278,438 | -57,316 | -660 | -102 | -36,447 | -12 | -2,013 | -4,240 | -406 | -71 | -11,359 | -17,134 | -148,680 |
| 56 | Structures & Improvements | -744,271 | -328,755 | -3,785 | -585 | -209,053 | -67 | -11,544 | -24,320 | -2,327 | -406 | -65,153 | -98,276 | 0 |
| 57 | Mains | -82,107,679 | -24,292,074 | -330,360 | -39,200 | -17,465,265 | -10,754 | -1,757,870 | -2,071,844 | -296,174 | -45,610 | -9,671,953 | -15,868,340 | -10,258,234 |
| 58 | Compressor Stations - (Distribution) | -319,975 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | -3,662 | -564 | -119,572 | -196,177 | 0 |
| 59 | M&R Station Equipment | -2,704,019 | -670,239 | -9,115 | -1,082 | -481,882 | -297 | -48,501 | -57,164 | -12,747 | -1,963 | -416,276 | -682,966 | -321,788 |
| 60 | Service | -71,217,513 | -41,742,220 | -426,279 | -82,016 | -25,473,627 | -2,310 | -525,285 | -2,954,726 | 0 | 0 | 0 | 0 | -11,049 |
| 61 | Meter | -8,829,096 | -4,822,069 | -49,244 | -9,475 | -2,942,718 | -267 | -60,681 | -341,330 | -45,857 | -11,464 | -504,428 | -38,214 | -3,348 |
| 62 | Meter Installation | -4,603,041 | -2,473,104 | -25,256 | -4,859 | -1,509,237 | -137 | -31,122 | -175,059 | -23,519 | -5,880 | -258,707 | -19,599 | -76,563 |
| 63 | House Regulators | -2,221,519 | -1,898,204 | -19,385 | -914 | -284,036 | -26 | -927 | -5,217 | -155 | -39 | -1,700 | -129 | -10,788 |
| 64 | House Regulator Installation | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 65 | Industrial M&R Station Equipment | -1,447,774 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | -8,388 | -1,292 | -273,926 | -449,419 | -714,749 |
| 66 | Other Property | -377,684 | -324,292 | -3,312 | -156 | -48,525 | -4 | -158 | -891 | -26 | -7 | -290 | -22 | 0 |
| 67 | Unclassified Retirement Work in Progress | 234,897 | 103,757 | 1,195 | 184 | 65,979 | 21 | 3,643 | 7,675 | 734 | 128 | 20,563 | 31,016 | 0 |
| 68 | Dist Plt Depr Resv | -174,616,112 | -76,504,516 | -866,200 | -138,205 | -48,384,812 | -13,852 | -2,434,458 | -5,627,115 | -392,526 | -67,167 | -11,302,803 | -17,339,258 | -11,545,200 |
| 69 | | | | | | | | | | | | | | |
| 70 | Dist Plt Net | 237,074,399 | 89,218,167 | 1,041,740 | 156,473 | 56,997,185 | 19,726 | 3,384,968 | 6,632,197 | 780,551 | 137,712 | 21,540,225 | 32,200,617 | 24,964,838 |
| 71 | | | | | | | | | | | | | | |
| 72 | | | | | | | | | | | | | | |
| 73 | Land & Land Rights | 1,953,929 | 838,569 | 9,659 | 1,491 | 533,409 | 170 | 29,522 | 62,056 | 6,565 | 1,133 | 186,804 | 284,552 | 0 |
| 74 | Structures & Improvements | 13,510,946 | 5,798,498 | 66,786 | 10,308 | 3,688,393 | 1,178 | 204,139 | 429,102 | 45,396 | 7,837 | 1,291,703 | 1,967,607 | 0 |
| 75 | Office Furniture & Equipment | 11,530,119 | 4,948,385 | 56,995 | 8,797 | 3,147,641 | 1,005 | 174,211 | 366,191 | 38,741 | 6,688 | 1,102,328 | 1,679,138 | 0 |
| 76 | Transmission Equipment | 2,814,356 | 1,207,838 | 13,912 | 2,147 | 768,299 | 245 | 42,523 | 89,383 | 9,456 | 1,632 | 269,064 | 409,856 | 0 |
| 77 | Stores Equipment | 21,882 | 9,391 | 108 | 17 | 5,974 | 2 | 331 | 695 | 74 | 13 | 2,092 | 3,187 | 0 |
| 78 | Tools Shop & Garage Equipment | 2,329,053 | 999,561 | 11,513 | 1,777 | 635,815 | 203 | 35,190 | 73,970 | 7,825 | 1,351 | 222,667 | 339,181 | 0 |
| 79 | Laboratory Equipment | 156,589 | 67,204 | 774 | 119 | 42,748 | 14 | 2,366 | 4,973 | 526 | 91 | 14,971 | 22,804 | 0 |
| 80 | Power Operated Equipment | 2,619,628 | 1,124,267 | 12,949 | 1,999 | 715,140 | 228 | 39,580 | 83,198 | 8,802 | 1,519 | 250,447 | 381,498 | 0 |
| 81 | Communication Equipment | 3,334,727 | 1,326,824 | 15,282 | 2,359 | 843,985 | 270 | 46,712 | 98,188 | 10,388 | 1,793 | 295,570 | 450,232 | 243,125 |
| 82 | Miscellaneous Equipment | 31,873 | 13,679 | 158 | 24 | 8,701 | 3 | 482 | 1,012 | 107 | 18 | 3,047 | 4,642 | 0 |

Cascade Natural Gas Corporation
 Per Books Cost Allocation - 12 Months Ended September 30, 2005
 State of Washington
 Rate Base Report

| Line No. | Description | Total_Company | REOS | DO | GAC | COGS | CNG | LV | INDGS | INTGEN | INSINTINS | NCGEN | NCLV | NCSPECC |
|----------|--|---------------|-------------|-----------|----------|-------------|---------|------------|------------|-----------|-----------|-------------|-------------|-------------|
| 83 | Gen Plt Orig Cost | 38,303,103 | 16,334,214 | 188,136 | 29,038 | 10,390,104 | 3,319 | 575,055 | 1,208,768 | 127,880 | 22,075 | 3,638,693 | 5,542,696 | 243,125 |
| 84 | | | | | | | | | | | | | | |
| 85 | Structures & Improvements | -6,184,033 | -2,654,004 | -30,569 | -4,718 | -1,688,197 | -539 | -93,436 | -196,402 | -20,778 | -3,587 | -591,219 | -900,584 | 0 |
| 86 | Office Furniture & Equipment | -5,926,920 | -2,543,658 | -29,298 | -4,522 | -1,618,007 | -517 | -89,551 | -188,236 | -19,914 | -3,438 | -566,638 | -863,141 | 0 |
| 87 | Transmission Equipment | -1,455,702 | -624,744 | -7,196 | -1,111 | -397,396 | -127 | -21,994 | -46,232 | -4,891 | -844 | -139,171 | -211,995 | 0 |
| 88 | Stores Equipment | -11,793 | -5,061 | -58 | -9 | -3,219 | -1 | -178 | -375 | -40 | -7 | -1,127 | -1,717 | 0 |
| 89 | Tools Shop & Garage Equipment | -930,513 | -399,349 | -4,600 | -710 | -254,023 | -81 | -14,059 | -29,553 | -3,126 | -540 | -88,961 | -135,511 | 0 |
| 90 | Laboratory Equipment | -111,693 | -47,935 | -552 | -85 | -30,491 | -10 | -1,688 | -3,547 | -375 | -65 | -10,678 | -16,266 | 0 |
| 91 | Power Operated Equipment | -661,566 | -283,925 | -3,270 | -505 | -180,603 | -58 | -9,996 | -21,011 | -2,223 | -384 | -63,248 | -96,344 | 0 |
| 92 | Communication Equipment | -2,493,233 | 165,721 | 1,909 | 295 | 105,414 | 34 | 5,834 | 12,264 | 1,297 | 224 | 36,917 | 56,234 | -2,879,376 |
| 93 | Miscellaneous Equipment | -18,621 | -7,992 | -92 | -14 | -5,083 | -2 | -281 | -591 | -63 | -11 | -1,780 | -2,712 | 0 |
| 94 | Other Accumulated Depreciation | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 95 | Gen Plt Depr Resv | -17,794,074 | -6,400,946 | -73,725 | -11,379 | -4,071,607 | -1,301 | -225,349 | -473,684 | -50,113 | -8,651 | -1,425,907 | -2,172,036 | -2,879,376 |
| 96 | | | | | | | | | | | | | | |
| 97 | Gen Plt Net | 20,509,029 | 9,933,268 | 114,410 | 17,659 | 6,318,498 | 2,018 | 349,706 | 735,084 | 77,767 | 13,425 | 2,212,786 | 3,370,660 | -2,636,251 |
| 98 | | | | | | | | | | | | | | |
| 99 | | | | | | | | | | | | | | |
| 100 | Oper Plt In Serv Orig Cost | 462,674,857 | 182,568,244 | 2,102,801 | 324,559 | 116,130,663 | 37,097 | 6,427,412 | 13,510,455 | 1,429,316 | 246,738 | 40,669,835 | 61,950,957 | 37,276,780 |
| 101 | Oper Plt In Serv Depr Resv | -199,419,250 | -83,176,943 | -943,494 | -150,032 | -52,646,692 | -15,258 | -2,677,249 | -6,123,284 | -510,983 | -86,352 | -14,958,620 | -23,168,256 | -14,962,088 |
| 102 | | | | | | | | | | | | | | |
| 103 | Net Plt In Serv | 263,255,607 | 99,391,302 | 1,159,307 | 174,527 | 63,483,971 | 21,839 | 3,750,163 | 7,387,171 | 918,333 | 160,387 | 25,711,215 | 38,782,701 | 22,314,692 |
| 104 | | | | | | | | | | | | | | |
| 105 | | | | | | | | | | | | | | |
| 106 | Working Capital | 17,678,175 | 6,924,460 | 79,755 | 12,310 | 4,404,611 | 1,407 | 243,779 | 512,425 | 54,211 | 9,358 | 1,542,528 | 2,349,680 | 1,543,650 |
| 107 | Customer Advance for Construction | -4,356,248 | -1,706,322 | -19,653 | -3,033 | -1,085,382 | -347 | -60,072 | -126,272 | -13,359 | -2,306 | -380,109 | -579,007 | -380,386 |
| 108 | Contribution in Aid of Construction | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 109 | Deferred Income Taxes | -37,692,299 | -14,763,900 | -170,049 | -26,246 | -9,391,236 | -3,000 | -519,771 | -1,092,561 | -115,586 | -19,953 | -3,288,882 | -5,009,840 | -3,291,275 |
| 110 | Restated & Proforma Rate Base Adjustment | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 111 | | | | | | | | | | | | | | |
| 112 | Other Rate Base Items | -24,370,372 | -9,545,762 | -109,947 | -16,970 | -6,072,007 | -1,940 | -336,064 | -706,408 | -74,733 | -12,901 | -2,126,463 | -3,239,167 | -2,128,010 |
| 113 | | | | | | | | | | | | | | |
| 114 | Rate Base | 238,885,235 | 89,845,539 | 1,049,360 | 157,557 | 57,411,964 | 19,899 | 3,414,099 | 6,680,763 | 843,599 | 147,486 | 23,584,753 | 35,543,533 | 20,186,682 |

Cascade Natural Gas Corporation
Per Books Cost Allocation - 12 Months Ended September 30, 2005
State of Washington
Expense Report

| Line No. | Description | Total_Company | REOS | DO | GAC | COGS | CNG | LV | INDGS | INTGEN | INSINTINS | NCGEN | NCLV | NCSPECC |
|----------|-------------------------------------|---------------|------------|-----------|---------|------------|--------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|
| 1 | Admin. & General Salaries | 7,486,575 | 3,647,985 | 40,306 | 5,322 | 1,845,441 | 523 | 85,728 | 201,779 | 22,557 | 3,971 | 485,303 | 683,259 | 464,402 |
| 2 | Office Supplies & Exp. | 3,489,197 | 1,700,182 | 18,785 | 2,480 | 860,087 | 244 | 39,954 | 94,041 | 10,513 | 1,850 | 226,180 | 318,440 | 216,440 |
| 3 | Capitalized Exp. | -2,167,688 | -818,403 | -9,546 | -1,437 | -522,737 | -180 | -30,879 | -60,827 | -7,562 | -1,321 | -211,710 | -319,343 | -183,743 |
| 4 | Outside Services Employed | 2,133,588 | 1,039,634 | 11,487 | 1,517 | 525,929 | 149 | 24,431 | 57,505 | 6,428 | 1,132 | 138,306 | 194,721 | 132,349 |
| 5 | Property Insurance | 81,456 | 30,754 | 359 | 54 | 19,643 | 7 | 1,160 | 2,286 | 284 | 50 | 7,956 | 12,000 | 6,905 |
| 6 | Injuries & Damages | 985,724 | 480,314 | 5,307 | 701 | 242,981 | 69 | 11,287 | 26,567 | 2,970 | 523 | 63,898 | 89,962 | 61,146 |
| 7 | Employee Pensions & Benefits | 5,400,576 | 3,048,274 | 33,129 | 3,510 | 1,212,785 | 359 | 52,517 | 121,026 | 18,907 | 3,392 | 266,894 | 310,946 | 328,838 |
| 8 | Employee Pensions | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 9 | Regulatory Commission Exp | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 10 | General Advertising Exp | 4,979 | 2,426 | 27 | 4 | 1,227 | 0 | 57 | 134 | 15 | 3 | 323 | 454 | 309 |
| 11 | Misc. General Exp. | 791,584 | 385,715 | 4,262 | 563 | 195,125 | 55 | 9,064 | 21,335 | 2,385 | 420 | 51,313 | 72,244 | 49,103 |
| 12 | Rents | 51,128 | 24,913 | 275 | 36 | 12,603 | 4 | 585 | 1,378 | 154 | 27 | 3,314 | 4,666 | 3,172 |
| 13 | Maintenance of General Plan | 299,045 | 112,904 | 1,317 | 198 | 72,115 | 25 | 4,260 | 8,391 | 1,043 | 182 | 29,207 | 44,055 | 25,348 |
| 14 | Restated & Proforma A&G Adjustmen | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 15 | Admin & General | 18,556,164 | 9,654,697 | 105,707 | 12,948 | 4,465,200 | 1,254 | 198,166 | 473,614 | 57,695 | 10,228 | 1,060,982 | 1,411,405 | 1,104,268 |
| 16 | | | | | | | | | | | | | | |
| 17 | Natural Gas City Gate Purchase | 163,837,631 | 83,141,308 | 1,185,292 | 137,734 | 61,226,990 | 51,300 | 6,499,505 | 8,575,672 | 2,684,482 | 335,348 | 0 | 0 | 0 |
| 18 | Other Gas Purchase | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 19 | Purchased Gas Cost Adjustment | 2,726,772 | 1,383,732 | 19,727 | 2,292 | 1,019,009 | 854 | 108,172 | 142,726 | 44,678 | 5,581 | 0 | 0 | 0 |
| 20 | Gas Withdrawn From Storage | 9,737,837 | 4,941,579 | 70,449 | 8,186 | 3,639,081 | 3,049 | 386,304 | 509,703 | 159,555 | 19,932 | 0 | 0 | 0 |
| 21 | Gas Delivered To Storage | -12,417,049 | -6,301,176 | -89,832 | -10,439 | -4,640,317 | -3,888 | -492,589 | -649,940 | -203,454 | -25,416 | 0 | 0 | 0 |
| 22 | Gas Used For Other Utility Oper | -47,560 | -24,135 | -344 | -40 | -17,773 | -15 | -1,887 | -2,489 | -779 | -97 | 0 | 0 | 0 |
| 23 | Total Cost of Gas | 163,837,631 | 83,141,308 | 1,185,292 | 137,734 | 61,226,990 | 51,300 | 6,499,505 | 8,575,672 | 2,684,482 | 335,348 | 0 | 0 | 0 |
| 24 | | | | | | | | | | | | | | |
| 25 | Supervision | 126,713 | 98,534 | 1,064 | 64 | 23,265 | 10 | 1,087 | 1,611 | 403 | 53 | 567 | 48 | 7 |
| 26 | Meter Reading Expense | 370,662 | 318,240 | 3,250 | 153 | 47,619 | 4 | 155 | 875 | 26 | 6 | 285 | 22 | 26 |
| 27 | Customer Record & Collection Expens | 2,662,940 | 2,286,326 | 23,348 | 1,101 | 342,112 | 31 | 1,117 | 6,283 | 186 | 47 | 2,048 | 155 | 186 |
| 28 | Uncollectible Accounts | 966,420 | 505,914 | 6,975 | 771 | 344,677 | 282 | 33,054 | 43,710 | 12,495 | 1,627 | 15,564 | 1,351 | 0 |
| 29 | Miscellaneous Expense | 31,279 | 26,855 | 274 | 13 | 4,018 | 0 | 13 | 74 | 2 | 1 | 24 | 2 | 2 |
| 30 | Restated & Proforma & Income C/A | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 31 | Cust Accts | 4,158,014 | 3,235,869 | 34,911 | 2,103 | 761,692 | 328 | 35,427 | 52,553 | 13,112 | 1,734 | 18,487 | 1,578 | 221 |
| 32 | | | | | | | | | | | | | | |
| 33 | Supervision | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 34 | Demonstrating & Selling | 467,243 | 212,623 | 2,468 | 192 | 77,403 | 43 | 6,004 | 7,707 | 1,995 | 275 | 59,100 | 99,433 | 0 |
| 35 | Advertising | 60,270 | 27,427 | 318 | 25 | 9,984 | 6 | 775 | 994 | 257 | 35 | 7,623 | 12,826 | 0 |
| 36 | Misc. Sales Exp. | 97,783 | 44,497 | 516 | 40 | 16,199 | 9 | 1,257 | 1,613 | 417 | 58 | 12,368 | 20,809 | 0 |
| 37 | Cust Sales | 625,297 | 284,547 | 3,303 | 257 | 103,586 | 57 | 8,035 | 10,315 | 2,669 | 368 | 79,091 | 133,069 | 0 |
| 38 | | | | | | | | | | | | | | |
| 39 | Supervision | 1,554 | 1,334 | 14 | 1 | 200 | 0 | 1 | 4 | 0 | 0 | 1 | 0 | 0 |
| 40 | Cust. Assistance Exp. | 323,242 | 277,526 | 2,834 | 134 | 41,527 | 4 | 136 | 763 | 23 | 6 | 249 | 19 | 23 |

Cascade Natural Gas Corporation
Per Books Cost Allocation - 12 Months Ended September 30, 2005
State of Washington
Expense Report

| Line No. | Description | Total_Company | REOS | DO | GAC | COGS | CNG | LV | INDGS | INTGEN | INSINTINS | NCGEN | NCLV | NCSPECC |
|----------|------------------------------------|---------------|-------------|-----------|---------|------------|--------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|
| 81 | | | | | | | | | | | | | | |
| 82 | | | | | | | | | | | | | | |
| 83 | Franch & Consent | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 84 | Struct & Imprv | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 85 | LP Gas Equip | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 86 | Other Equip | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 87 | Land & Land Rights | 13,850 | 3,874 | 53 | 6 | 2,786 | 2 | 280 | 330 | 74 | 11 | 2,406 | 3,948 | 79 |
| 88 | Mains | 211,903 | 313 | 4 | 1 | 225 | 0 | 23 | 27 | 2,307 | 355 | 75,346 | 123,618 | 9,684 |
| 89 | M&R Sta Equip | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 90 | Commun Equip | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 91 | Land Rights - Distributor | 24,344 | 9,818 | 113 | 17 | 6,243 | 2 | 345 | 726 | 70 | 12 | 1,946 | 2,935 | 2,116 |
| 92 | Struct & Imprv | 17,899 | 7,219 | 83 | 13 | 4,591 | 1 | 254 | 534 | 51 | 9 | 1,431 | 2,158 | 1,556 |
| 93 | Mains | 4,870,787 | 1,349,512 | 18,353 | 2,178 | 970,258 | 597 | 97,656 | 115,098 | 18,169 | 2,798 | 593,332 | 973,453 | 729,383 |
| 94 | Compressor Stations - (Distributor | 87,269 | 15,613 | 212 | 25 | 11,225 | 7 | 1,130 | 1,332 | 297 | 46 | 9,697 | 15,910 | 31,775 |
| 95 | M&R Sta Equip - Gen | 247,604 | 62,708 | 853 | 101 | 45,085 | 28 | 4,538 | 5,348 | 1,193 | 184 | 38,947 | 63,899 | 24,721 |
| 96 | Serv | 4,824,793 | 2,828,023 | 28,880 | 5,557 | 1,725,831 | 157 | 35,588 | 200,182 | 0 | 0 | 0 | 0 | 575 |
| 97 | Meter | 514,588 | 281,130 | 2,871 | 552 | 171,562 | 16 | 3,538 | 19,900 | 2,673 | 668 | 29,408 | 2,228 | 41 |
| 98 | Meter Inst | 443,429 | 241,089 | 2,462 | 474 | 147,127 | 13 | 3,034 | 17,066 | 2,293 | 573 | 25,220 | 1,911 | 2,168 |
| 99 | House Reg | 102,513 | 87,925 | 898 | 42 | 13,157 | 1 | 43 | 242 | 7 | 2 | 79 | 6 | 112 |
| 100 | House Reg Inst | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 101 | Ind M&R Sta Equip | 137,627 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 977 | 150 | 31,890 | 52,320 | 52,290 |
| 102 | Other Prop | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 103 | Struct & Imprv | 217,801 | 93,474 | 1,077 | 166 | 59,458 | 19 | 3,291 | 6,917 | 732 | 126 | 20,823 | 31,718 | 0 |
| 104 | Office Furn & Equip | 1,305,353 | 560,219 | 6,453 | 996 | 356,352 | 114 | 19,723 | 41,457 | 4,386 | 757 | 124,797 | 190,099 | 0 |
| 105 | Transmission Equipmen | 251,116 | 107,772 | 1,241 | 192 | 68,553 | 22 | 3,794 | 7,975 | 844 | 146 | 24,008 | 36,570 | 0 |
| 106 | Stores Equipmen | 572 | 245 | 3 | 0 | 156 | 0 | 9 | 18 | 2 | 0 | 55 | 83 | 0 |
| 107 | Tools Shop & Gar Eq | 55,232 | 23,704 | 273 | 42 | 15,078 | 5 | 835 | 1,754 | 186 | 32 | 5,280 | 8,043 | 0 |
| 108 | Laboratory Equipmen | 3,691 | 1,584 | 18 | 3 | 1,008 | 0 | 56 | 117 | 12 | 2 | 353 | 538 | 0 |
| 109 | Power Operated Equipmen | 100,592 | 43,171 | 497 | 77 | 27,461 | 9 | 1,520 | 3,195 | 338 | 58 | 9,617 | 14,649 | 0 |
| 110 | Commun Equip | 200,126 | 79,626 | 917 | 142 | 50,650 | 16 | 2,803 | 5,893 | 623 | 108 | 17,738 | 27,020 | 14,591 |
| 111 | Misc Equip | 1,019 | 437 | 5 | 1 | 278 | 0 | 15 | 32 | 3 | 1 | 97 | 148 | 0 |
| 112 | Depr & Amort Exp | 13,632,109 | 5,797,458 | 65,266 | 10,584 | 3,677,085 | 1,009 | 178,473 | 428,144 | 35,236 | 6,039 | 1,012,470 | 1,551,254 | 869,091 |
| 113 | | | | | | | | | | | | | | |
| 114 | Total Exp less Income Tax | 208,836,203 | 105,680,604 | 1,433,356 | 169,479 | 72,210,245 | 54,401 | 7,000,460 | 9,761,964 | 2,821,847 | 359,600 | 2,775,060 | 3,824,661 | 2,744,526 |

Cascade Natural Gas Corporation
Per Books Cost Allocation - 12 Months Ended September 30, 2005 - Adjusted
State of Washington
Summary Report

| Line No. | Description | Total_Company | REOS | DO | GAC | COGS | CNG | LV | INDGS | INTGEN | INSINTINS | NCGEN | NCLV | NCSPECC |
|---------------------------|---|---------------|-------------|-----------|---------|------------|--------|-----------|------------|-----------|-----------|------------|-------------|-------------|
| <u>Operating Revenues</u> | | | | | | | | | | | | | | |
| 1 | Rate Sched Rev | 258,373,954 | 125,257,243 | 1,720,996 | 190,676 | 87,202,523 | 70,786 | 8,288,334 | 10,956,333 | 3,148,788 | 412,448 | 8,907,753 | 6,351,718 | 5,866,355 |
| 2 | Gas Transportation Revenue | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 3 | Other Oper Rev | 889,298 | 473,173 | 5,943 | 437 | 171,511 | 53 | 9,061 | 18,094 | 2,546 | 388 | 70,052 | 84,161 | 53,880 |
| 4 | Total Revenue | 259,263,252 | 125,730,416 | 1,726,938 | 191,114 | 87,374,034 | 70,838 | 8,297,394 | 10,974,427 | 3,151,335 | 412,836 | 8,977,805 | 6,435,879 | 5,920,235 |
| 5 | | | | | | | | | | | | | | |
| <u>Operating Expenses</u> | | | | | | | | | | | | | | |
| 7 | Total Cost of Gas | 171,142,479 | 87,180,424 | 1,156,037 | 134,605 | 64,183,041 | 50,073 | 6,340,265 | 8,373,304 | 2,616,932 | 326,910 | 285,170 | 495,718 | 0 |
| 8 | Manf Gas Prod Exp | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 9 | Dist O&M Exp | 7,682,852 | 3,271,526 | 35,867 | 5,711 | 1,931,728 | 449 | 80,745 | 220,922 | 28,687 | 5,883 | 666,965 | 663,499 | 770,870 |
| 10 | Cust Accts | 4,181,215 | 3,254,547 | 35,029 | 2,114 | 772,546 | 331 | 36,188 | 53,784 | 13,634 | 1,788 | 7,766 | 2,160 | 1,327 |
| 11 | Cust Serv & Info | 1,339,336 | 1,149,916 | 11,743 | 554 | 172,066 | 16 | 562 | 3,160 | 94 | 23 | 1,030 | 78 | 94 |
| 12 | Cust Sales | 441,710 | 200,972 | 2,333 | 182 | 73,153 | 41 | 5,675 | 7,286 | 1,887 | 260 | 55,886 | 94,038 | 0 |
| 13 | Admin & General | 16,915,982 | 9,015,693 | 98,222 | 11,681 | 4,023,290 | 1,112 | 174,888 | 420,658 | 51,454 | 9,101 | 1,015,563 | 1,116,640 | 977,680 |
| 14 | Wage Adjustment | 1,369,561 | 686,565 | 7,544 | 962 | 332,818 | 93 | 15,156 | 35,834 | 4,001 | 704 | 94,385 | 109,047 | 82,454 |
| 15 | Depr & Amort Exp | 13,659,910 | 5,811,131 | 65,428 | 10,609 | 3,685,914 | 1,013 | 178,991 | 429,268 | 35,469 | 6,071 | 1,150,117 | 1,414,305 | 871,593 |
| 16 | Total Exp less Income Tax | 216,733,045 | 110,570,774 | 1,412,203 | 166,417 | 75,174,557 | 53,126 | 6,832,470 | 9,544,216 | 2,752,158 | 350,740 | 3,276,882 | 3,895,484 | 2,704,018 |
| 17 | | | | | | | | | | | | | | |
| <u>Operating Taxes</u> | | | | | | | | | | | | | | |
| 19 | Taxes Other Than Income | 23,727,650 | 11,846,915 | 157,701 | 18,476 | 8,109,847 | 6,002 | 730,903 | 1,018,642 | 271,209 | 35,634 | 542,490 | 576,751 | 413,079 |
| 20 | State Income Tax | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 21 | Fed Income Taxes | 3,681,260 | 1,312,163 | 27,242 | 2,138 | 1,055,942 | 1,533 | 126,799 | 123,794 | 34,551 | 5,375 | 493,451 | 219,887 | 278,384 |
| 22 | Total Taxes | 27,408,910 | 13,159,078 | 184,943 | 20,614 | 9,165,789 | 7,536 | 857,702 | 1,142,436 | 305,761 | 41,009 | 1,035,941 | 796,638 | 691,463 |
| 23 | | | | | | | | | | | | | | |
| 24 | Total Operating Rev. Deductions | 244,141,955 | 123,729,852 | 1,597,146 | 187,031 | 84,340,347 | 60,662 | 7,690,172 | 10,686,652 | 3,057,918 | 391,749 | 4,312,823 | 4,692,123 | 3,395,481 |
| 25 | | | | | | | | | | | | | | |
| 26 | Net Operating Income | 15,121,297 | 2,000,564 | 129,792 | 4,082 | 3,033,687 | 10,176 | 607,223 | 287,775 | 93,416 | 21,088 | 4,664,982 | 1,743,757 | 2,524,754 |
| 27 | | | | | | | | | | | | | | |
| 28 | Rate Base | 239,332,551 | 90,516,531 | 1,057,190 | 158,751 | 57,841,600 | 20,060 | 3,438,498 | 6,732,868 | 851,630 | 148,695 | 26,372,180 | 31,967,651 | 20,226,898 |
| 29 | | | | | | | | | | | | | | |
| 30 | Rate of Return | 6.32% | 2.21% | 12.28% | 2.57% | 5.24% | 50.73% | 17.66% | 4.27% | 10.97% | 14.18% | 17.69% | 5.45% | 12.48% |
| 31 | | | | | | | | | | | | | | |
| 32 | Return at 9.37% ROR | 22,413,493 | 8,476,873 | 99,006 | 14,867 | 5,416,866 | 1,879 | 322,015 | 630,533 | 79,755 | 13,925 | 2,469,755 | 2,993,770 | 1,894,249 |
| 33 | | | | | | | | | | | | | | |
| 34 | New Rate Schedule Revenue at Requested Return | | | | | | | | | | | | | |
| 35 | New Rate Schedule Revenue at Requested Return | 36,001,580 | 23,767,155 | 238,418 | 31,654 | 9,808,456 | 1,365 | 230,147 | 996,949 | 75,076 | 15,139 | 720,912 | 78,265 | 38,044 |
| 36 | Commodity Revenue Requirement | 208,900,815 | 107,035,287 | 1,369,166 | 168,360 | 77,770,644 | 54,173 | 7,270,270 | 10,102,165 | 2,975,108 | 373,931 | 544,623 | 1,237,089 | 0 |
| 37 | Capacity Revenue Requirement | 25,199,071 | 4,870,180 | 63,901 | 8,006 | 3,456,116 | 1,902 | 329,239 | 408,453 | 76,634 | 11,860 | 4,111,793 | 7,046,671 | 4,814,315 |
| 38 | Revenue Revenue Requirements | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 39 | Total Revenue Requirement at 9.37% ROR | 270,101,466 | 135,672,622 | 1,671,485 | 208,021 | 91,035,217 | 57,441 | 7,829,656 | 11,507,566 | 3,126,818 | 400,929 | 5,377,328 | 8,362,025 | 4,852,359 |
| 40 | | | | | | | | | | | | | | |
| 41 | Units for Unit Cost Report - Bills | 171,649 | 147,373 | 1,505 | 71 | 22,052 | 2 | 72 | 405 | 12 | 3 | 132 | 10 | 12 |
| 42 | Units for Unit Cost Report - Therms | 700,566,944 | 99,536,929 | 1,437,349 | 162,388 | 73,487,657 | 61,548 | 7,861,569 | 10,240,163 | 3,277,558 | 409,432 | 90,413,328 | 155,960,514 | 257,718,509 |
| 43 | | | | | | | | | | | | | | |
| 44 | Customer Cost per Month | 17.48 | 13.44 | 13.20 | 37.15 | 37.07 | 56.88 | 266.37 | 205.13 | 521.36 | 420.52 | 455.12 | 652.21 | 264.20 |
| 45 | Commodity plus Capacity Cost per Therm | 0.3342 | 1.1243 | 0.9970 | 1.0861 | 1.1053 | 0.9111 | 0.9667 | 1.0264 | 0.9311 | 0.9423 | 0.0515 | 0.0531 | 0.0187 |

Cascade Natural Gas Corporation
Per Books Cost Allocation - 12 Months Ended September 30, 2005 - Adjusted
State of Washington
Revenue and Tax Report

| Line No. | Description | Total_Company | REOS | DO | GAC | COGS | CNG | LV | INDGS | INTGEN | INSINTINS | NCGEN | NCLV | NCSPECC |
|---------------------------|--------------------------------|---------------|-------------|-----------|---------|------------|--------|-----------|------------|-----------|-----------|-----------|-----------|-----------|
| <u>Operating Revenues</u> | | | | | | | | | | | | | | |
| 1 | Rate Sched Rev | 258,373,954 | 125,257,243 | 1,720,996 | 190,676 | 87,202,523 | 70,786 | 8,288,334 | 10,956,333 | 3,148,788 | 412,448 | 8,907,753 | 6,351,718 | 5,866,355 |
| 2 | B&O Tax Revenue | 7,534,382 | 3,435,083 | 61,177 | 5,330 | 2,777,401 | 2,604 | 208,493 | 226,977 | 39,741 | 10,820 | 297,897 | 432,642 | 36,216 |
| 3 | Miscellaneous Service Revenues | 629,331 | 374,508 | 4,792 | 264 | 108,489 | 31 | 5,338 | 10,758 | 1,632 | 229 | 41,691 | 49,756 | 31,843 |
| 4 | Rent From Gas Property | 3 | 1 | 0 | 0 | 1 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 5 | Other Gas Revenue | 259,964 | 98,664 | 1,151 | 173 | 63,021 | 22 | 3,722 | 7,336 | 914 | 159 | 28,361 | 34,404 | 22,037 |
| 6 | Overrun Penalty Income | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 7 | Billing & Technical Adjustment | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 8 | Total Revenue | 259,263,252 | 125,730,416 | 1,726,938 | 191,114 | 87,374,034 | 70,838 | 8,297,394 | 10,974,427 | 3,151,335 | 412,836 | 8,977,805 | 6,435,879 | 5,920,235 |
| 9 | | | | | | | | | | | | | | |
| <u>Operating Taxes</u> | | | | | | | | | | | | | | |
| 11 | Prop Payroll & Misc Taxes | 4,487,774 | 1,762,750 | 20,305 | 3,134 | 1,121,325 | 359 | 62,072 | 130,490 | 13,850 | 2,388 | 440,380 | 538,851 | 391,870 |
| 12 | Revenue Taxes | 19,349,778 | 10,141,767 | 138,181 | 15,430 | 7,028,442 | 5,676 | 672,651 | 893,225 | 258,830 | 33,436 | 102,693 | 38,116 | 21,330 |
| 13 | Miscellaneous Taxes | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 14 | TOTI Res & Prof Adj | -109,902 | -57,603 | -785 | -88 | -39,920 | -32 | -3,820 | -5,073 | -1,470 | -190 | -583 | -216 | -121 |
| 15 | State Income Tax | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 16 | Fed Income Taxes | 3,681,260 | 1,312,163 | 27,242 | 2,138 | 1,055,942 | 1,533 | 126,799 | 123,794 | 34,551 | 5,375 | 493,451 | 219,887 | 278,384 |
| 17 | Total Taxes | 27,408,910 | 13,159,078 | 184,943 | 20,614 | 9,165,789 | 7,536 | 857,702 | 1,142,436 | 305,761 | 41,009 | 1,035,941 | 796,638 | 691,463 |

Cascade Natural Gas Corporation
Per Books Cost Allocation - 12 Months Ended September 30, 2005 - Adjusted
State of Washington
Rate Base Report

| Line No. | Description | Total_Company | REOS | DO | GAC | COGS | CNG | LV | INDGS | INTGEN | INSINTINS | NCGEN | NCLV | NCSPECC |
|----------|--------------------------------------|---------------|------------|---------|--------|------------|--------|-----------|-----------|---------|-----------|------------|------------|------------|
| 1 | Origanization | 117,197 | 50,438 | 581 | 90 | 32,085 | 10 | 1,776 | 3,734 | 396 | 68 | 12,601 | 15,418 | 0 |
| 2 | Franchise & Consents | 138,158 | 59,459 | 685 | 106 | 37,823 | 12 | 2,094 | 4,402 | 467 | 81 | 14,854 | 18,176 | 0 |
| 3 | Intg Plt Orig Cost | 255,355 | 109,897 | 1,266 | 195 | 69,908 | 22 | 3,870 | 8,135 | 863 | 149 | 27,455 | 33,594 | 0 |
| 4 | | | | | | | | | | | | | | |
| 5 | Franchise & Consents | -138,158 | -59,459 | -685 | -106 | -37,823 | -12 | -2,094 | -4,402 | -467 | -81 | -14,854 | -18,176 | 0 |
| 6 | Intg Plt Depr Resv | -138,158 | -59,459 | -685 | -106 | -37,823 | -12 | -2,094 | -4,402 | -467 | -81 | -14,854 | -18,176 | 0 |
| 7 | | | | | | | | | | | | | | |
| 8 | Intg Plt Net | 117,197 | 50,438 | 581 | 90 | 32,085 | 10 | 1,776 | 3,734 | 396 | 68 | 12,601 | 15,418 | 0 |
| 9 | | | | | | | | | | | | | | |
| 10 | | | | | | | | | | | | | | |
| 11 | Land & Land Rights | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 12 | Structures & Improvements | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 13 | LP Gas Equipment | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 14 | Other Equipment | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 15 | Prod Plt Orig Cost | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 16 | | | | | | | | | | | | | | |
| 17 | Structures & Improvements | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 18 | LP Gas Equipment | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 19 | Other Equipment | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 20 | Prod Plt Depr Resv | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 21 | | | | | | | | | | | | | | |
| 22 | Prod Plt Net | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 23 | | | | | | | | | | | | | | |
| 24 | | | | | | | | | | | | | | |
| 25 | Land & Land Rights | 1,229,802 | 344,342 | 4,684 | 556 | 247,598 | 153 | 24,926 | 29,390 | 6,567 | 1,010 | 244,516 | 319,035 | 7,026 |
| 26 | Mains | 11,036,608 | 16,298 | 222 | 26 | 11,719 | 7 | 1,180 | 1,391 | 120,744 | 18,572 | 4,495,947 | 5,866,135 | 504,368 |
| 27 | M&R Station Equipment | 159,479 | 41,468 | 564 | 67 | 29,818 | 18 | 3,002 | 3,539 | 791 | 122 | 29,447 | 38,421 | 12,222 |
| 28 | Communication Equipment | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 29 | Tran Plt Orig Cost | 12,425,888 | 402,108 | 5,470 | 649 | 289,135 | 178 | 29,107 | 34,321 | 128,101 | 19,703 | 4,769,909 | 6,223,590 | 523,616 |
| 30 | | | | | | | | | | | | | | |
| 31 | Land & Land Rights | -595,853 | -166,097 | -2,259 | -268 | -119,431 | -74 | -12,023 | -14,177 | -3,168 | -487 | -117,945 | -153,889 | -6,036 |
| 32 | Mains | -6,115,574 | -5,285 | -72 | -9 | -3,800 | -2 | -383 | -451 | -64,250 | -9,882 | -2,392,382 | -3,121,486 | -517,571 |
| 33 | M&R Station Equipment | -159,479 | -40,994 | -558 | -66 | -29,477 | -18 | -2,967 | -3,499 | -782 | -120 | -29,110 | -37,982 | -13,906 |
| 34 | Communication Equipment | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 35 | Tran Plt Depr Resv | -6,870,906 | -212,376 | -2,889 | -343 | -152,709 | -94 | -15,373 | -18,127 | -68,200 | -10,490 | -2,539,437 | -3,313,357 | -537,512 |
| 36 | | | | | | | | | | | | | | |
| 37 | Tran Plt Net | 5,554,982 | 189,732 | 2,581 | 306 | 136,426 | 84 | 13,734 | 16,194 | 59,902 | 9,214 | 2,230,472 | 2,910,233 | -13,896 |
| 38 | | | | | | | | | | | | | | |
| 39 | | | | | | | | | | | | | | |
| 40 | Land & Land Rights | 2,237,182 | 402,312 | 4,632 | 715 | 255,839 | 82 | 14,131 | 29,771 | 2,858 | 499 | 90,361 | 109,616 | 1,326,368 |
| 41 | Structures & Improvements | 995,022 | 439,506 | 5,060 | 782 | 279,492 | 89 | 15,437 | 32,523 | 3,123 | 545 | 98,715 | 119,751 | 0 |
| 42 | Mains | 218,490,314 | 60,530,090 | 823,344 | 97,679 | 43,524,043 | 26,835 | 4,381,567 | 5,166,382 | 818,905 | 125,956 | 30,492,258 | 39,785,100 | 32,718,156 |
| 43 | Compressor Stations - (Distribution) | 1,991,792 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 22,901 | 3,522 | 852,743 | 1,112,625 | 0 |
| 44 | M&R Station Equipment - Gen | 8,443,104 | 2,140,253 | 29,112 | 3,454 | 1,538,945 | 949 | 154,926 | 182,676 | 40,816 | 6,278 | 1,519,785 | 1,982,956 | 842,956 |

Cascade Natural Gas Corporation
Per Books Cost Allocation - 12 Months Ended September 30, 2005 - Adjusted
State of Washington
Rate Base Report

| Line No. | Description | Total_Company | REOS | DO | GAC | COGS | CNG | LV | INDGS | INTGEN | INSINTINS | NCGEN | NCLV | NCSPECC |
|----------|--|---------------|-------------|-----------|----------|-------------|---------|------------|------------|-----------|-----------|-------------|-------------|-------------|
| 45 | Service | 117,292,855 | 68,750,504 | 702,093 | 135,083 | 41,955,716 | 3,805 | 865,157 | 4,866,508 | 0 | 0 | 0 | 0 | 13,989 |
| 46 | Meter | 31,073,972 | 16,976,350 | 173,366 | 33,356 | 10,359,996 | 940 | 213,631 | 1,201,672 | 161,442 | 40,361 | 1,775,866 | 134,535 | 2,459 |
| 47 | Meter Installation | 16,758,558 | 9,111,507 | 93,048 | 17,903 | 5,560,393 | 504 | 114,659 | 644,959 | 86,649 | 21,662 | 953,138 | 72,207 | 81,928 |
| 48 | House Regulator | 6,276,929 | 5,383,679 | 54,979 | 2,594 | 805,581 | 73 | 2,630 | 14,795 | 438 | 110 | 4,822 | 365 | 6,862 |
| 49 | House Regulator Installation | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 50 | Industrial M&R Station Equipment | 3,993,583 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 28,472 | 4,379 | 1,060,159 | 1,383,253 | 1,517,320 |
| 51 | Other Property | 377,990 | 324,554 | 3,314 | 156 | 48,564 | 4 | 159 | 892 | 26 | 7 | 291 | 22 | 0 |
| 52 | Completed Construction Not Classified | 3,759,210 | 2,127,594 | 24,497 | 3,783 | 1,352,984 | 432 | 74,728 | 157,440 | 15,116 | 2,637 | 0 | 0 | 0 |
| 53 | Dist Plt Orig Cost | 411,690,511 | 166,186,350 | 1,913,446 | 295,504 | 105,681,551 | 33,712 | 5,837,024 | 12,297,617 | 1,180,747 | 205,955 | 36,848,136 | 44,700,431 | 36,510,038 |
| 54 | | | | | | | | | | | | | | |
| 55 | Land Rights - Distribution | -278,438 | -57,315 | -660 | -102 | -36,448 | -12 | -2,013 | -4,241 | -407 | -71 | -12,873 | -15,616 | -148,680 |
| 56 | Structures & Improvements | -744,271 | -328,748 | -3,785 | -585 | -209,058 | -67 | -11,547 | -24,327 | -2,336 | -407 | -73,838 | -89,573 | 0 |
| 57 | Mains | -82,107,679 | -24,289,920 | -330,397 | -39,197 | -17,465,620 | -10,768 | -1,758,264 | -2,073,200 | -297,589 | -45,772 | -11,080,854 | -14,457,863 | -10,258,234 |
| 58 | Compressor Stations - (Distribution) | -319,975 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | -3,679 | -566 | -136,990 | -178,740 | 0 |
| 59 | M&R Station Equipment | -2,704,019 | -670,852 | -9,125 | -1,083 | -482,375 | -297 | -48,561 | -57,259 | -12,793 | -1,968 | -476,370 | -621,548 | -321,788 |
| 60 | Service | -71,217,513 | -41,742,220 | -426,279 | -82,016 | -25,473,627 | -2,310 | -525,285 | -2,954,726 | 0 | 0 | 0 | 0 | -11,049 |
| 61 | Meter | -8,829,096 | -4,822,069 | -49,244 | -9,475 | -2,942,718 | -267 | -60,681 | -341,330 | -45,857 | -11,464 | -504,428 | -38,214 | -3,348 |
| 62 | Meter Installation | -4,603,041 | -2,473,104 | -25,256 | -4,859 | -1,509,237 | -137 | -31,122 | -175,059 | -23,519 | -5,880 | -258,707 | -19,599 | -76,563 |
| 63 | House Regulators | -2,221,519 | -1,898,204 | -19,385 | -914 | -284,036 | -26 | -927 | -5,217 | -155 | -39 | -1,700 | -129 | -10,788 |
| 64 | House Regulator Installation | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 65 | Industrial M&R Station Equipment | -1,447,774 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | -8,428 | -1,296 | -313,829 | -409,471 | -714,749 |
| 66 | Other Property | -377,684 | -324,292 | -3,312 | -156 | -48,525 | -4 | -158 | -891 | -26 | -7 | -290 | -22 | 0 |
| 67 | Unclassified Retirement Work in Progress | 234,897 | 132,944 | 1,531 | 236 | 84,542 | 27 | 4,669 | 9,838 | 945 | 165 | 0 | 0 | 0 |
| 68 | Dist Plt Depr Resv | -174,616,112 | -76,473,780 | -865,912 | -138,151 | -48,367,102 | -13,861 | -2,433,888 | -5,626,412 | -393,845 | -67,305 | -12,859,879 | -15,830,775 | -11,545,200 |
| 69 | | | | | | | | | | | | | | |
| 70 | Dist Plt Net | 237,074,399 | 89,712,570 | 1,047,534 | 157,353 | 57,314,449 | 19,851 | 3,403,135 | 6,671,204 | 786,902 | 138,649 | 23,988,257 | 28,869,656 | 24,964,838 |
| 71 | | | | | | | | | | | | | | |
| 72 | Land & Land Rights | 1,953,929 | 840,911 | 9,686 | 1,495 | 534,922 | 171 | 29,611 | 62,250 | 6,607 | 1,139 | 210,081 | 257,056 | 0 |
| 73 | Structures & Improvements | 13,510,946 | 5,814,694 | 66,979 | 10,337 | 3,698,858 | 1,183 | 204,755 | 430,441 | 45,685 | 7,876 | 1,452,659 | 1,777,480 | 0 |
| 74 | Office Furniture & Equipment | 11,530,119 | 4,962,207 | 57,159 | 8,822 | 3,156,572 | 1,010 | 174,736 | 367,334 | 38,987 | 6,722 | 1,239,686 | 1,516,885 | 0 |
| 75 | Transmission Equipment | 2,814,356 | 1,211,212 | 13,952 | 2,153 | 770,479 | 246 | 42,651 | 89,662 | 9,516 | 1,641 | 302,592 | 370,252 | 0 |
| 76 | Stores Equipment | 21,882 | 9,418 | 108 | 17 | 5,991 | 2 | 332 | 697 | 74 | 13 | 2,353 | 2,879 | 0 |
| 77 | Tools Shop & Garage Equipment | 2,329,053 | 1,002,353 | 11,546 | 1,782 | 637,619 | 204 | 35,296 | 74,201 | 7,875 | 1,358 | 250,413 | 306,407 | 0 |
| 78 | Laboratory Equipment | 156,589 | 67,391 | 776 | 120 | 42,869 | 14 | 2,373 | 4,989 | 529 | 91 | 16,836 | 20,601 | 0 |
| 79 | Power Operated Equipment | 2,619,628 | 1,127,407 | 12,986 | 2,004 | 717,169 | 229 | 39,700 | 83,458 | 8,858 | 1,527 | 281,655 | 344,634 | 0 |
| 80 | Communication Equipment | 3,334,727 | 1,330,530 | 15,326 | 2,365 | 846,380 | 271 | 46,852 | 98,494 | 10,454 | 1,802 | 332,400 | 406,726 | 243,125 |
| 81 | Miscellaneous Equipment | 31,873 | 12,519 | 144 | 22 | 7,964 | 3 | 441 | 927 | 98 | 17 | 3,128 | 3,827 | 2,783 |
| 82 | Gen Plt Orig Cost | 38,303,103 | 16,378,641 | 188,664 | 29,117 | 10,418,824 | 3,332 | 576,746 | 1,212,451 | 128,683 | 22,186 | 4,091,802 | 5,006,747 | 245,909 |
| 83 | | | | | | | | | | | | | | |
| 84 | Structures & Improvements | -6,184,033 | -2,661,417 | -30,657 | -4,731 | -1,692,987 | -541 | -93,717 | -197,015 | -20,910 | -3,605 | -664,890 | -813,562 | 0 |
| 85 | Office Furniture & Equipment | -5,926,920 | -2,550,763 | -29,382 | -4,535 | -1,622,598 | -519 | -89,821 | -188,824 | -20,041 | -3,455 | -637,246 | -779,737 | 0 |
| 86 | Transmission Equipment | -1,455,702 | -626,489 | -7,216 | -1,114 | -398,524 | -127 | -22,061 | -46,377 | -4,922 | -849 | -156,513 | -191,510 | 0 |
| 87 | Stores Equipment | -11,793 | -5,075 | -58 | -9 | -3,229 | -1 | -179 | -376 | -40 | -7 | -1,268 | -1,551 | 0 |
| 88 | Tools Shop & Garage Equipment | -930,513 | -400,464 | -4,613 | -712 | -254,744 | -81 | -14,102 | -29,645 | -3,146 | -542 | -100,046 | -122,417 | 0 |

Cascade Natural Gas Corporation
Per Books Cost Allocation - 12 Months Ended September 30, 2005 - Adjusted
State of Washington
Rate Base Report

| Line No. | Description | Total_Company | REOS | DO | GAC | COGS | CNG | LV | INDGS | INTGEN | INSINTINS | NCGEN | NCLV | NCSPECC |
|----------|--|---------------|-------------|-----------|----------|-------------|---------|------------|------------|-----------|-----------|-------------|-------------|-------------|
| 89 | Laboratory Equipment | -111,693 | -48,069 | -554 | -85 | -30,578 | -10 | -1,693 | -3,558 | -378 | -65 | -12,009 | -14,694 | 0 |
| 90 | Power Operated Equipment | -661,566 | -284,718 | -3,280 | -506 | -181,115 | -58 | -10,026 | -21,077 | -2,237 | -386 | -71,130 | -87,035 | 0 |
| 91 | Communication Equipment | -2,493,233 | 166,184 | 1,914 | 295 | 105,714 | 34 | 5,852 | 12,302 | 1,306 | 225 | 41,517 | 50,800 | -2,879,376 |
| 92 | Miscellaneous Equipment | -18,621 | -7,314 | -84 | -13 | -4,653 | -1 | -258 | -541 | -57 | -10 | -1,827 | -2,236 | -1,626 |
| 93 | Other Accumulated Depreciation | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 94 | Gen Plt Depr Resv | -17,794,074 | -6,418,125 | -73,930 | -11,410 | -4,082,715 | -1,306 | -226,003 | -475,110 | -50,426 | -8,694 | -1,603,411 | -1,961,941 | -2,881,002 |
| 95 | | | | | | | | | | | | | | |
| 96 | Gen Plt Net | 20,509,029 | 9,960,516 | 114,734 | 17,707 | 6,336,109 | 2,026 | 350,743 | 737,341 | 78,258 | 13,492 | 2,488,391 | 3,044,806 | -2,635,094 |
| 97 | | | | | | | | | | | | | | |
| 98 | | | | | | | | | | | | | | |
| 99 | Oper Plt In Serv Orig Cost | 462,674,857 | 183,076,996 | 2,108,845 | 325,466 | 116,459,418 | 37,245 | 6,446,747 | 13,552,524 | 1,438,395 | 247,993 | 45,737,303 | 55,964,362 | 37,279,563 |
| 100 | Oper Plt In Serv Depr Resv | -199,419,250 | -83,163,741 | -943,415 | -150,009 | -52,640,349 | -15,273 | -2,677,359 | -6,124,051 | -512,938 | -86,569 | -17,017,582 | -21,124,250 | -14,963,714 |
| 101 | | | | | | | | | | | | | | |
| 102 | Net Plt In Serv | 263,255,607 | 99,913,255 | 1,165,430 | 175,456 | 63,819,069 | 21,972 | 3,769,388 | 7,428,473 | 925,458 | 161,424 | 28,719,721 | 34,840,112 | 22,315,849 |
| 103 | | | | | | | | | | | | | | |
| 104 | | | | | | | | | | | | | | |
| 105 | Working Capital | 17,678,175 | 6,943,801 | 79,985 | 12,344 | 4,417,109 | 1,413 | 244,514 | 514,024 | 54,556 | 9,406 | 1,734,739 | 2,122,634 | 1,543,650 |
| 106 | Customer Advance for Construction | -4,356,248 | -1,711,088 | -19,710 | -3,042 | -1,088,462 | -348 | -60,253 | -126,666 | -13,444 | -2,318 | -427,474 | -523,058 | -380,386 |
| 107 | Contribution in Aid of Construction | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 108 | Deferred Income Taxes | -37,692,299 | -14,805,138 | -170,539 | -26,320 | -9,417,883 | -3,012 | -521,338 | -1,095,971 | -116,321 | -20,055 | -3,698,701 | -4,525,747 | -3,291,275 |
| 109 | Restated & Proforma Rate Base Adjustment | 447,316 | 175,701 | 2,024 | 312 | 111,767 | 36 | 6,187 | 13,007 | 1,380 | 238 | 43,895 | 53,710 | 39,059 |
| 110 | | | | | | | | | | | | | | |
| 111 | Other Rate Base Items | -23,923,056 | -9,396,725 | -108,240 | -16,705 | -5,977,469 | -1,912 | -330,890 | -695,605 | -73,828 | -12,729 | -2,347,541 | -2,872,462 | -2,088,951 |
| 112 | | | | | | | | | | | | | | |
| 113 | Rate Base | 239,332,551 | 90,516,531 | 1,057,190 | 158,751 | 57,841,600 | 20,060 | 3,438,498 | 6,732,868 | 851,630 | 148,695 | 26,372,180 | 31,967,651 | 20,226,898 |

Cascade Natural Gas Corporation
Per Books Cost Allocation - 12 Months Ended September 30, 2005 - Adjusted
State of Washington
Expense Report

| Line No. | Description | Total_Company | REOS | DO | GAC | COGS | CNG | LV | INDGS | INTGEN | INSINTINS | NCGEN | NCLV | NCSPECC |
|----------|--|---------------|-------------|-----------|---------|------------|--------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|
| 85 | | | | | | | | | | | | | | |
| 86 | Wage Adjustment | 1,369,561 | 686,565 | 7,544 | 962 | 332,818 | 93 | 15,156 | 35,834 | 4,001 | 704 | 94,385 | 109,047 | 82,454 |
| 87 | | | | | | | | | | | | | | |
| 88 | Franch & Consents | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 89 | Struct & Imprv | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 90 | LP Gas Equip | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 91 | Other Equip | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 92 | Land & Land Rights | 13,850 | 3,878 | 53 | 6 | 2,788 | 2 | 281 | 331 | 74 | 11 | 2,754 | 3,593 | 79 |
| 93 | Mains | 211,903 | 313 | 4 | 1 | 225 | 0 | 23 | 27 | 2,318 | 357 | 86,322 | 112,630 | 9,684 |
| 94 | M&R Sta Equip | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 95 | Commun Equip | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 96 | Land Rights - Distribution | 24,344 | 9,818 | 113 | 17 | 6,244 | 2 | 345 | 727 | 70 | 12 | 2,205 | 2,675 | 2,116 |
| 97 | Struct & Imprv | 17,899 | 7,219 | 83 | 13 | 4,591 | 1 | 254 | 534 | 51 | 9 | 1,621 | 1,967 | 1,556 |
| 98 | Mains | 4,870,787 | 1,349,392 | 18,355 | 2,178 | 970,278 | 598 | 97,678 | 115,174 | 18,256 | 2,808 | 679,761 | 886,926 | 729,383 |
| 99 | Compressor Stations - (Distribution) | 87,269 | 15,629 | 213 | 25 | 11,238 | 7 | 1,131 | 1,334 | 298 | 46 | 11,098 | 14,480 | 31,772 |
| 100 | M&R Sta Equip - Gen | 247,604 | 62,765 | 854 | 101 | 45,131 | 28 | 4,543 | 5,357 | 1,197 | 184 | 44,569 | 58,152 | 24,721 |
| 101 | Serv | 4,824,793 | 2,828,023 | 28,880 | 5,557 | 1,725,831 | 157 | 35,588 | 200,182 | 0 | 0 | 0 | 0 | 575 |
| 102 | Meter | 514,588 | 281,130 | 2,871 | 552 | 171,562 | 16 | 3,538 | 19,900 | 2,673 | 668 | 29,408 | 2,228 | 41 |
| 103 | Meter Inst | 443,429 | 241,089 | 2,462 | 474 | 147,127 | 13 | 3,034 | 17,066 | 2,293 | 573 | 25,220 | 1,911 | 2,168 |
| 104 | House Reg | 102,513 | 87,925 | 898 | 42 | 13,157 | 1 | 43 | 242 | 7 | 2 | 79 | 6 | 112 |
| 105 | House Reg Inst | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 106 | Ind M&R Sta Equip | 137,627 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 981 | 151 | 36,535 | 47,670 | 52,290 |
| 107 | Other Prop | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 108 | Struct & Imprv | 217,801 | 93,735 | 1,080 | 167 | 59,627 | 19 | 3,301 | 6,939 | 736 | 127 | 23,417 | 28,654 | 0 |
| 109 | Office Furn & Equip | 1,305,353 | 561,784 | 6,471 | 999 | 357,363 | 114 | 19,782 | 41,587 | 4,414 | 761 | 140,348 | 171,730 | 0 |
| 110 | Transmission Equipment | 251,116 | 108,073 | 1,245 | 192 | 68,747 | 22 | 3,806 | 8,000 | 849 | 146 | 26,999 | 33,036 | 0 |
| 111 | Stores Equipment | 572 | 246 | 3 | 0 | 157 | 0 | 9 | 18 | 2 | 0 | 61 | 75 | 0 |
| 112 | Tools Shop & Gar Eq | 55,232 | 23,770 | 274 | 42 | 15,121 | 5 | 837 | 1,760 | 187 | 32 | 5,938 | 7,266 | 0 |
| 113 | Laboratory Equipment | 3,691 | 1,588 | 18 | 3 | 1,010 | 0 | 56 | 118 | 12 | 2 | 397 | 486 | 0 |
| 114 | Power Operated Equipment | 100,592 | 43,292 | 499 | 77 | 27,539 | 9 | 1,524 | 3,205 | 340 | 59 | 10,815 | 13,234 | 0 |
| 115 | Commun Equip | 200,126 | 79,849 | 920 | 142 | 50,793 | 16 | 2,812 | 5,911 | 627 | 108 | 19,948 | 24,409 | 14,591 |
| 116 | Misc Equip | 1,019 | 400 | 5 | 1 | 255 | 0 | 14 | 30 | 3 | 1 | 100 | 122 | 89 |
| 117 | Restated & Proforma Depreciation & Amortizatio | 27,801 | 11,212 | 129 | 20 | 7,130 | 2 | 394 | 830 | 80 | 14 | 2,518 | 3,055 | 2,417 |
| 118 | Depr & Amort Exp | 13,659,910 | 5,811,131 | 65,428 | 10,609 | 3,685,914 | 1,013 | 178,991 | 429,268 | 35,469 | 6,071 | 1,150,117 | 1,414,305 | 871,593 |
| 119 | | | | | | | | | | | | | | |
| 120 | Total Exp less Income Tax | 216,733,045 | 110,570,774 | 1,412,203 | 166,417 | 75,174,557 | 53,126 | 6,832,470 | 9,544,216 | 2,752,158 | 350,740 | 3,276,882 | 3,895,484 | 2,704,018 |