



UG-111469-SI

8113 W. GRANDRIDGE BLVD., KENNEWICK, WASHINGTON 99336-7166
TELEPHONE 509-734-4500 FACSIMILE 509-737-7166
www.cngc.com

In the Community to Serve

August 12, 2011

Mr. Dave Danner
Secretary and Executive Director
Washington Utilities & Transportation Commission
1300 S. Evergreen Park Drive SW
Olympia, WA 98504-9022

RECEIVED
RECORDS MANAGEMENT
2011 AUG 15 AM 8:24
STATE OF WASHINGTON
UTIL. AND TRAFFIC
COMMISSION

RE: WAC 480-90-275 Quarterly Statement of Operations Report

Dear Mr. Danner,

In accordance with WAC 480-90-275, enclosed is Cascade Natural Gas Corporation's monthly Statement of Operations report for the quarter ending June 30, 2011.

If you have any questions, please contact me at (509) 734-4591.

Sincerely,

Pamela J. Archer

Pamela J. Archer
Supervisor
Regulatory Analysis

attachments

We make warm neighbors

CASCADE NATURAL GAS CORPORATION

Washington Statement of Operations QUARTERLY STATISTICAL INFORMATION

THERM SALES

	Monthly			12 Months Ending		
	April 2011	May 2011	June 2011	April 2011	May 2011	June 2011
Residential	10,358,903	6,410,795	3,857,662	118,447,751	118,853,692	119,216,914
Commercial	7,681,529	5,105,667	3,864,701	93,336,915	93,420,214	93,759,401
Industrial Firm	819,625	703,075	504,661	10,261,651	10,327,234	10,379,543
Core Interruptible	448,461	367,480	282,012	4,819,800	4,823,127	4,816,325
Noncore	43,377,155	38,608,588	35,497,720	629,765,269	627,659,734	629,307,159
TOTAL WASHINGTON	62,685,673	51,195,605	44,006,756	856,631,386	855,084,001	857,479,342

AVERAGE CUSTOMERS

	April 2011	May 2011	June 2011
Residential	170,895	170,661	170,354
Commercial	24,623	24,554	24,435
Industrial Firm	358	356	351
Core Interruptible	13	13	13
Noncore	174	174	173
TOTAL WASHINGTON	196,063	195,758	195,326

Cascade Natural Gas Corporation
State of Washington
Statement of Operations and Rate of Return
Month and Twelve Months Ended 4/30/2011

	Month	Twelve Months
OPERATING REVENUES		
Natural Gas Sales	19,061,932	232,160,649
Transportation Revenue	1,451,549	18,829,061
Other Operating Revenue	127,565	1,503,406
	<u>20,641,046</u>	<u>252,493,117</u>
Less: Natural Gas & Production Costs	12,013,955	150,969,454
Revenue Taxes	1,850,684	21,270,020
OPERATING MARGIN	<u>6,776,407</u>	<u>80,253,643</u>
OPERATING EXPENSES		
Distribution	814,024	10,006,689
Customer Accounts	483,876	4,065,088
Customer Service & Informational	72,873	841,237
Sales	7,524	18,211
Administrative & General	1,394,917	19,330,450
Depreciation & Amortization	1,263,601	14,886,694
Property, Payroll & Misc. Taxes	325,131	4,271,100
Federal Income Taxes	562,213	1,339,338
Total Operating Expenses	<u>4,924,158</u>	<u>54,758,807</u>
NET OPERATING INCOME	<u>1,852,248</u>	<u>25,494,836</u>
RATE BASE	<u>214,745,016</u>	<u>212,727,684</u>
RATE OF RETURN	<u>0.86%</u>	<u>11.98%</u>

SCHEDULE OF RATE BASE

Utility Plant In Service	532,551,904	525,632,633
Accumulated Depreciation	(271,112,795)	(265,818,273)
Net Utility Plant	<u>261,439,109</u>	<u>259,814,360</u>
Other:		
Contributions in Aid of Construction	-	-
Customer Advances for Construction	(4,260,500)	(4,605,671)
Accumulated Deferred Income Taxes	(51,971,994)	(51,971,994)
Deferred Debits	-	-
Subtotal	<u>205,206,615</u>	<u>203,236,695</u>
Working Capital	9,538,401	9,490,989
TOTAL RATE BASE	<u>214,745,016</u>	<u>212,727,684</u>

All rate base items except accumulated deferred income taxes represent monthly average and average of monthly average balances. Accumulated deferred income taxes represent the end-of-period balance.

This report is derived directly from the amounts recorded on the books of the Corporation for the period covered, as adjusted for the depreciation adjustment prescribed in WUTC Order No. 991923. It reflects no ratemaking or other normalized adjustments.

Cascade Natural Gas Corporation
State of Washington
Statement of Operations and Rate of Return
Month and Twelve Months Ended 5/31/2011

	Month	Twelve Months
OPERATING REVENUES		
Natural Gas Sales	12,829,238	230,731,818
Transportation Revenue	1,415,398	18,830,160
Other Operating Revenue	72,072	1,488,159
	<u>14,316,709</u>	<u>251,050,138</u>
Less: Natural Gas & Production Costs	7,840,493	149,212,431
Revenue Taxes	1,391,123	21,243,337
OPERATING MARGIN	<u>5,085,093</u>	<u>80,594,370</u>
OPERATING EXPENSES		
Distribution	885,835	10,138,050
Customer Accounts	389,737	4,131,275
Customer Service & Informational	88,368	862,645
Sales	1,184	15,120
Administrative & General	1,445,290	19,010,081
Depreciation & Amortization	1,268,865	14,947,952
Property, Payroll & Misc. Taxes	347,640	4,273,463
Federal Income Taxes	(106,172)	1,389,364
Total Operating Expenses	<u>4,320,748</u>	<u>54,767,949</u>
NET OPERATING INCOME	<u>764,346</u>	<u>25,826,420</u>
RATE BASE	<u>214,318,550</u>	<u>212,368,705</u>
RATE OF RETURN	<u>0.36%</u>	<u>12.16%</u>

SCHEDULE OF RATE BASE

Utility Plant In Service	534,109,902	526,881,434
Accumulated Depreciation	(272,343,437)	(266,810,109)
Net Utility Plant	261,766,465	260,071,325
Other:		
Contributions in Aid of Construction	-	-
Customer Advances for Construction	(4,270,671)	(4,506,461)
Accumulated Deferred Income Taxes	(52,696,734)	(52,696,734)
Deferred Debits	-	-
Subtotal	<u>204,799,060</u>	<u>202,868,130</u>
Working Capital	9,519,490	9,500,575
TOTAL RATE BASE	<u>214,318,550</u>	<u>212,368,705</u>

All rate base items except accumulated deferred income taxes represent monthly average and average of monthly average balances. Accumulated deferred income taxes represent the end-of-period balance.

This report is derived directly from the amounts recorded on the books of the Corporation for the period covered, as adjusted for the depreciation adjustment prescribed in WUTC Order No. 991923. It reflects no ratemaking or other normalized adjustments.

Cascade Natural Gas Corporation
State of Washington
Statement of Operations and Rate of Return
Month and Twelve Months Ended 6/30/2011

	Month	Twelve Months
OPERATING REVENUES		
Natural Gas Sales	8,949,155	229,943,863
Transportation Revenue	1,290,801	18,848,170
Other Operating Revenue	129,878	1,551,604
	<u>10,369,834</u>	<u>250,343,638</u>
Less: Natural Gas & Production Costs	5,307,887	148,304,190
Revenue Taxes	976,483	21,270,379
OPERATING MARGIN	<u>4,085,465</u>	<u>80,769,068</u>
OPERATING EXPENSES		
Distribution	973,245	10,270,500
Customer Accounts	(149,579)	3,689,522
Customer Service & Informational	66,667	861,539
Sales	390	15,510
Administrative & General	1,186,641	18,607,209
Depreciation & Amortization	1,269,416	15,008,643
Property, Payroll & Misc. Taxes	180,792	4,054,491
Federal Income Taxes	297,888	2,627,003
Total Operating Expenses	<u>3,825,461</u>	<u>55,134,419</u>
NET OPERATING INCOME	<u>260,004</u>	<u>25,634,650</u>
RATE BASE	<u>212,886,456</u>	<u>212,053,501</u>
RATE OF RETURN	<u>0.12%</u>	<u>12.09%</u>

SCHEDULE OF RATE BASE

Utility Plant In Service	534,669,305	528,120,510
Accumulated Depreciation	(273,596,716)	(267,808,238)
Net Utility Plant	<u>261,072,589</u>	<u>260,312,272</u>
Other:		
Contributions in Aid of Construction	-	-
Customer Advances for Construction	(4,302,531)	(4,426,926)
Accumulated Deferred Income Taxes	(53,337,733)	(53,337,733)
Deferred Debits	-	-
Subtotal	<u>203,432,325</u>	<u>202,547,613</u>
Working Capital	9,454,131	9,505,888
TOTAL RATE BASE	<u>212,886,456</u>	<u>212,053,501</u>

All rate base items except accumulated deferred income taxes represent monthly average and average of monthly average balances. Accumulated deferred income taxes represent the end-of-period balance.

This report is derived directly from the amounts recorded on the books of the Corporation for the period covered, as adjusted for the depreciation adjustment prescribed in WUTC Order No. 991923. It reflects no ratemaking or other normalized adjustments.

Cascade Natural Gas Corporation
Washington Statement of Operations
Quarter Ending: 6/30/2011

STATE ALLOCATION OF INCOME & EXPENSES	Month Ended			12 MONTH Ended		
	APRIL 2011	MAY 2011	JUNE 2011	MAY 1, 2010 THROUGH APRIL 30, 2011	JUNE 1, 2010 THROUGH MAY 31, 2011	JULY 1, 2010 THROUGH JUNE 30, 2011
GAS SALES						
480 Residential Sales	10,664,630.62	6,954,788.00	4,472,706.64	125,857,152.54	125,325,552.15	125,038,489.01
481 Commercial - Interruptible Sales	8,397,301.04	5,874,450.32	4,476,448.54	106,303,496.75	105,406,266.27	104,905,373.95
TOTAL GAS SALES	19,061,931.66	12,829,238.32	8,949,155.18	232,160,649.29	230,731,818.42	229,943,862.96
OTHER OPERATING REVENUE						
4880 Miscellaneous Service Revenues	93,739.87	88,405.78	93,884.82	1,360,499.04	1,373,971.36	1,407,951.71
4890 Rev. From Transp. of Gas of Others	1,451,548.62	1,415,398.06	1,290,800.65	18,829,061.38	18,830,160.18	18,848,170.48
4930 Rent From Gas Property	400.00	-	-	6,913.34	6,713.34	6,513.34
4950 Other Gas Revenue	33,425.38	(16,333.61)	35,993.52	135,993.67	107,474.70	137,139.13
495.1 Overrun Penalty Income	0.00	0.00	0.00	0.00	0.00	0.00
TOTAL OTHER OPERATING REVENUE	1,579,113.87	1,487,470.23	1,420,678.99	20,332,467.43	20,318,319.58	20,399,774.66
* TOTAL OPERATING REVENUE *	20,641,045.53	14,316,708.55	10,369,834.17	252,493,116.72	251,050,138.00	250,343,637.62
NATURAL GAS PURCHASED						
804 Natural Gas City Gate Purchases	12,728,823.70	10,197,173.73	6,661,675.23	145,462,920.67	146,394,900.82	146,092,906.52
805 Other Gas Purchases	0.00	0.00	0.00	0.00	0.00	0.00
805.1 Purchased Gas Cost Adjustments	(246,254.12)	(1,316,882.26)	(1,351,190.22)	6,960,038.33	4,530,981.46	2,988,199.96
808.1 Gas Withdrawn From Storage	70,127.38	0.00	-	6,042,953.51	5,779,414.04	5,779,414.04
808.2 Gas Delivered To Storage	(532,657.50)	(1,035,413.55)	-	(7,437,225.33)	(7,433,220.08)	(6,496,249.67)
812 Gas Used For Other Utility Oper.	(6,084.32)	(4,385.40)	(2,598.31)	(59,233.33)	(59,645.02)	(60,080.72)
TOTAL NATURAL GAS PURCHASED	12,013,955.14	7,840,492.52	5,307,886.70	150,969,453.85	149,212,431.22	148,304,190.13
MANUFACTURED GAS PRODUCTION						
712 Other Power Expenses	0.00	0.00	0.00	0.00	0.00	0.00
717 Liquefied Petroleum Gas Expenses	0.00	0.00	0.00	0.00	0.00	0.00
718 Other Process Production Expenses	0.00	0.00	0.00	0.00	0.00	0.00
723 Fuel for Liq. Petrol. Gas Process	0.00	0.00	0.00	0.00	0.00	0.00
724 Other Gas Fuels	0.00	0.00	0.00	0.00	0.00	0.00
728 Liquefied Petroleum Gas	0.00	0.00	0.00	0.00	0.00	0.00
733 Gas Mixing Expenses	0.00	0.00	0.00	0.00	0.00	0.00
735 Miscellaneous Production Expenses	0.00	0.00	0.00	0.00	0.00	0.00
740 Maint. Supervision & Engineering	0.00	0.00	0.00	0.00	0.00	0.00
741 Maint. of Structures & Improvement	0.00	0.00	0.00	0.00	0.00	0.00
742 Maint. of Production Equipment	0.00	0.00	0.00	0.00	0.00	0.00
TOTAL MANUFACTURED GAS PRODUCTION EXPENSE	0.00	0.00	0.00	0.00	0.00	0.00
408.5 Revenue Taxes	1,850,683.80	1,391,122.89	976,482.68	21,270,019.92	21,243,337.10	21,270,379.23
* OPERATING MARGIN *	6,776,406.59	5,085,093.14	4,085,464.79	80,253,642.95	80,594,369.68	80,769,068.26

Cascade Natural Gas Corporation
Washington Statement of Operations
Quarter Ending: 6/30/2011

		Month Ended			12 MONTH Ended		
DISTRIBUTION EXPENSES							
Operation							
870	Oper., Supervision & Engineering	28,469.33	22,909.65	42,692.66	341,712.90	341,005.07	358,084.47
871	Distribution Load Dispatching	34,137.38	35,171.47	32,177.12	616,223.19	582,726.24	537,778.96
872	Compressor Station	3,629.24	4,252.51	4,279.14	38,887.07	43,139.58	47,418.72
874	Mains & Services Exp.	197,792.97	196,674.74	221,356.36	1,985,202.85	2,021,654.19	2,100,490.30
875	Meas. & Reg. Stat. Exp.-Gen.	27,760.22	40,141.33	28,616.92	330,029.27	346,651.55	353,285.87
876	Meas. & Reg. Stat. Exp.-Ind.	9,472.46	9,280.74	8,976.02	124,325.26	119,921.67	121,504.35
878	Meter & House Regulator Exp.	73,720.50	78,987.61	74,251.16	955,573.15	960,483.66	954,020.42
879	Customer Installations Exp.	83,158.89	77,246.19	82,994.76	1,195,554.38	1,193,440.27	1,187,421.08
880	Other Exp.	161,447.78	160,123.90	213,690.66	2,026,164.99	2,055,481.62	2,104,166.58
881	Rents	4,099.04	3,754.73	9,166.76	91,492.04	92,663.24	85,905.53
882	Transportation Exp.	0.00	0.00	0.00	0.00	0.00	0.00
	Subtotal Operations	623,687.81	628,542.87	718,201.56	7,705,165.10	7,757,167.09	7,850,076.28
Maintenance							
885	Supervision & Engineering	0.00	0.00	0.00	4,486.97	4,486.97	4,486.97
886	Structures & Improvements	315.76	35.59	819.18	15,941.40	15,218.48	14,464.94
887	Mains	38,739.23	73,760.30	89,034.14	602,873.80	626,068.13	644,748.10
8880	Compressor Station	3,058.51	4,665.83	4,032.69	12,776.89	17,326.54	21,386.04
889	Meas. & Reg. Equip.-Gen.	25,298.63	33,675.17	23,132.63	260,527.56	267,128.50	260,742.06
890	Meas. & Reg. Equip.-Ind.	3,514.19	3,875.04	3,071.46	73,053.22	69,622.47	66,718.90
892	Services	50,402.78	72,971.59	65,322.69	446,441.66	485,637.31	502,752.42
893	Meters & House Regulators	48,911.97	51,688.19	46,341.73	594,115.71	604,118.35	611,624.44
894	Other Equipment	20,095.15	16,620.62	23,289.29	291,306.52	291,276.51	293,500.01
	Subtotal Maintenance	190,336.22	257,292.33	255,043.81	2,301,523.73	2,380,883.26	2,420,423.88
	TOTAL DISTRIBUTION EXPENSES	814,024.03	885,835.20	973,245.37	10,006,688.83	10,138,050.35	10,270,500.16
CUSTOMER ACCOUNTS EXPENSES							
901	Supervision	4,135.73	5,054.79	5,238.60	44,137.13	48,696.84	57,049.10
902	Meter Reading Exp.	30,195.69	35,470.95	40,109.62	358,408.46	369,632.87	382,907.22
903	Cust. Records & Collection Exp.	259,405.61	243,263.37	244,743.66	2,432,872.38	2,461,653.46	2,474,383.26
904	Uncollectible Accounts	188,475.01	105,947.50	(439,892.15)	1,308,299.89	1,335,052.82	733,443.03
905	Misc. Exp.	1,663.53	0.01	221.48	(78,630.08)	(83,761.38)	41,739.18
	TOTAL CUSTOMER ACCOUNTS EXP.	483,875.57	389,736.62	(149,578.79)	4,065,087.78	4,131,274.61	3,689,521.79
CUSTOMER SERVICE AND INFORMATIONAL EXPENSES							
907	Supervision	0.00	-	-	1,369.10	1,124.14	50.81
908	Cust. Assistance Exp.	66,666.66	66,666.66	66,666.66	799,999.98	799,999.97	799,999.96
909	Info. & Instr. Advertising Exp.	6,206.58	21,700.99	-	39,608.36	61,260.90	61,228.89
910	Misc. Cust. Serv. & Info. Exp.	0.00	-	0.00	259.80	259.80	259.80
	TOTAL CUST. SRVC. & INFO. EXPENSES	72,873.24	88,367.65	66,666.66	841,237.24	862,644.81	861,539.46

Cascade Natural Gas Corporation
Washington Statement of Operations
Quarter Ending: 6/30/2011

	Month Ended			12 MONTH Ended		
SALES EXPENSES						
911	Supervision	0.00	0.00	0.00	0.00	0.00
912	Demonstrating & Selling	0.00	0.00	0.00	0.00	0.00
913	Advertising	7,523.78	1,184.19	390.00	18,211.17	15,119.96
916	Misc. Sales Exp.	0.00	0.00	0.00	0.00	0.00
TOTAL SALES EXPENSES		7,523.78	1,184.19	390.00	18,211.17	15,119.96
ADMINISTRATIVE AND GENERAL EXPENSES						
920	Admin. & General Salaries	424,366.93	417,041.75	470,786.97	8,944,224.57	8,435,108.06
921	Office Supplies & Exp.	394,151.90	337,935.50	337,331.15	4,392,254.92	4,462,890.73
923	Outside Services Employed	86,808.13	74,553.74	81,966.24	995,728.55	1,020,002.30
924	Property Insurance	8,426.61	2,759.09	2,759.09	87,271.32	83,811.25
925	Injuries & Damages	26,024.65	58,449.30	52,400.05	877,691.99	865,378.84
926	Employee Pensions & Benefits	339,780.45	470,949.70	129,850.00	2,710,339.65	2,821,645.61
928	Regulatory Commission Exp.	-	-	0.00	-	-
930.1	General Advertising Exp.	4,169.67	3,419.57	2,981.29	41,152.68	42,790.64
930.2	Misc. General Exp.	46,223.80	35,657.22	31,415.23	1,188,987.49	1,114,269.09
931	Rents	85,253.80	67,468.47	103,035.68	364,420.79	430,748.54
932	Maintenance of General Plant	4,543.66	1,460.41	3,238.87	101,405.94	95,210.91
		1,419,749.60	1,469,694.75	1,215,764.57	19,703,477.90	19,371,855.97
922	Capitalized Exp.	(24,833.09)	(24,404.76)	(29,123.79)	(373,027.79)	(361,775.38)
TOTAL ADM. & GEN. EXPENSES		1,394,916.51	1,445,289.99	1,186,640.78	19,330,450.11	19,010,080.59
TOTAL O&M EXPENSES (Excluding Gas Cost and		2,773,213.13	2,810,413.65	2,077,364.02	34,261,675.13	34,157,170.32
DEPRECIATION AND AMORTIZATION						
403	Depreciation Expense	1,263,600.86	1,268,864.91	1,269,416.05	14,886,694.09	14,947,951.74
	Propane Air Plant	-	-	0.00	-	-
	Telemetry	-	-	0.00	-	-
	Meters & Regulators	-	-	-	-	-
	Central Stores Warehouse	-	-	0.00	-	-
	General Office	-	-	0.00	-	-
407.1	Amortization of Property Losses	-	-	0.00	-	-
TOTAL DEPRECIATION AND AMORTIZATION		1,263,600.86	1,268,864.91	1,269,416.05	14,886,694.09	14,947,951.74
407.3	Regulatory Debits	0.00	0.00	0.00	0.00	0.00

Cascade Natural Gas Corporation
 Washington Statement of Operations
 Quarter Ending: 6/30/2011

		<u>Month Ended</u>			<u>12 MONTH Ended</u>		
TAXES OTHER THAN INCOME TAXES							
408.1	Property, Payroll and Misc. Taxes	325,131.13	347,640.49	180,792.24	4,271,099.55	4,273,463.09	4,054,491.37
INCOME TAXES - OPERATING							
409.1	Federal Inc Taxes, Util Oper Inc	(262,272.00)	(884,947.00)	613,195.79	(3,120,302.00)	(3,737,305.24)	(1,762,799.21)
409.1	State Income Taxes, Util Oper Inc	0.00	0.00	0.00	0.00	0.00	0.00
410.1	Provision For Defer'd Fed Inc Tax	829,535.32	783,825.55	(310,257.47)	4,516,917.33	5,183,225.68	4,445,630.69
410.1	Provis'n For Defer'd State Inc Tax	0.00	0.00	0.00	0.00	0.00	0.00
411.1	Prov For Deferred Inc Tax - Credit	0.00	0.00	0.00	0.00	0.00	0.00
411.4	Investment Tax Credit Adjustments	(5,050.10)	(5,050.09)	(5,050.11)	(57,277.42)	(56,556.23)	(55,828.14)
TOTAL INCOME TAXES - OPERATING		562,213.22	(106,171.54)	297,888.21	1,339,337.91	1,389,364.21	2,627,003.34
* TOTAL OPERATING EXPENSES *		4,924,158.34	4,320,747.51	3,825,460.52	54,758,806.68	54,767,949.36	55,134,418.67
* TOTAL OPERATING INCOME *		1,852,248.25	764,345.63	260,004.27	25,494,836.27	25,826,420.32	25,634,649.59