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May 14, 2012

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

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 RECORDS MANAGEMENT
 2012 MAY 16 AM 8:19
 STATE OF WASH
 UTIL. AND TRANSP
 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 March 31, 2012.

If you have any questions, please contact me at (509) 734-4593.

Sincerely,

Michael Parvinen
 Manager, Regulatory Affairs

attachments

We make warm neighbors

CASCADE NATURAL GAS CORPORATION
Washington Statement of Operations
QUARTERLY STATISTICAL INFORMATION

THERM SALES

	Monthly			12 Months Ending		
	January 2012	February 2012	March 2012	January 2012	February 2012	March 2012
Residential	18,867,763	15,211,953	14,099,292	121,621,373	120,062,345	120,618,173
Commercial	14,376,437	11,506,374	10,161,869	94,161,417	92,797,765	92,975,708
Industrial Firm	1,357,643	1,159,906	1,126,946	10,787,732	10,718,664	10,465,051
Core Interruptible	568,359	502,649	478,389	4,812,809	4,808,737	4,796,626
Noncore	62,322,435	58,196,084	55,581,324	582,463,822	592,236,165	602,079,396
TOTAL WASHINGTON	97,492,637	86,576,966	81,447,820	813,847,153	820,623,676	830,934,954

	AVERAGE CUSTOMERS		
	January 2012	February 2012	March 2012
Residential	172,504	172,664	172,689
Commercial	24,690	24,713	24,668
Industrial Firm	356	355	354
Core Interruptible	12	12	12
Noncore	179	179	179
TOTAL WASHINGTON	197,741	197,923	197,902

Cascade Natural Gas Corporation
State of Washington
Statement of Operations and Rate of Return
Month and Twelve Months Ended 1/31/2012

	Month	Twelve Months
OPERATING REVENUES		
Natural Gas Sales	30,316,681	219,822,622
Transportation Revenue	1,725,550	18,601,046
Other Operating Revenue	97,431	1,297,917
	<u>32,139,662</u>	<u>239,721,585</u>
Less: Natural Gas & Production Costs	18,656,101	137,391,963
Revenue Taxes	2,760,088	20,192,514
OPERATING MARGIN	<u>10,723,474</u>	<u>82,137,109</u>
OPERATING EXPENSES		
Production	6,574	75,972
Distribution	1,238,948	12,416,427
Customer Accounts	564,751	4,142,643
Customer Service & Informational	66,667	848,717
Sales	4,846	17,438
Administrative & General	1,495,840	16,617,045
Depreciation & Amortization	1,229,198	15,175,185
Property, Payroll & Misc. Taxes	386,569	3,935,743
Federal Income Taxes	1,662,069	6,003,749
Total Operating Expenses	<u>6,655,462</u>	<u>59,232,921</u>
NET OPERATING INCOME	<u>4,068,012</u>	<u>22,904,188</u>
RATE BASE	<u>214,105,254</u>	<u>211,429,617</u>
RATE OF RETURN	<u>1.90%</u>	<u>10.83%</u>

SCHEDULE OF RATE BASE

Utility Plant In Service	545,930,952	537,327,260
Accumulated Depreciation	(280,905,200)	(275,199,935)
Net Utility Plant	<u>265,025,752</u>	<u>262,127,326</u>
Other:		
Contributions in Aid of Construction	-	-
Customer Advances for Construction	(4,682,109)	(4,437,782)
Accumulated Deferred Income Taxes	(55,739,865)	(55,739,865)
Deferred Debits	-	-
Subtotal	<u>204,603,778</u>	<u>201,949,679</u>
Working Capital	9,501,476	9,479,938
TOTAL RATE BASE	<u>214,105,254</u>	<u>211,429,617</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 2/29/2012

	Month	Twelve Months
OPERATING REVENUES		
Natural Gas Sales	24,694,403	214,344,840
Transportation Revenue	1,529,862	18,519,626
Other Operating Revenue	128,854	1,311,040
	<u>26,353,119</u>	<u>234,175,506</u>
Less: Natural Gas & Production Costs	15,089,129	132,964,132
Revenue Taxes	2,364,542	19,871,509
OPERATING MARGIN	<u>8,899,447</u>	<u>81,339,864</u>
OPERATING EXPENSES		
Production	7,417	83,390
Distribution	991,011	12,651,715
Customer Accounts	621,026	4,196,922
Customer Service & Informational	78,842	860,893
Sales	-	16,210
Administrative & General	1,230,897	16,720,309
Depreciation & Amortization	1,237,633	15,150,020
Property, Payroll & Misc. Taxes	343,109	3,906,872
Federal Income Taxes	1,211,659	5,620,020
Total Operating Expenses	<u>5,721,596</u>	<u>59,206,349</u>
NET OPERATING INCOME	<u>3,177,852</u>	<u>22,133,515</u>
RATE BASE	<u>214,867,083</u>	<u>211,348,512</u>
RATE OF RETURN	<u>1.48%</u>	<u>10.47%</u>

SCHEDULE OF RATE BASE

Utility Plant In Service	547,918,072	538,754,592
Accumulated Depreciation	(281,977,083)	(276,309,498)
Net Utility Plant	<u>265,940,989</u>	<u>262,445,093</u>
Other:		
Contributions in Aid of Construction	-	-
Customer Advances for Construction	(4,487,765)	(4,446,190)
Accumulated Deferred Income Taxes	(56,122,367)	(56,122,367)
Deferred Debits	-	-
Subtotal	<u>205,330,857</u>	<u>201,876,536</u>
Working Capital	9,536,226	9,471,976
TOTAL RATE BASE	<u>214,867,083</u>	<u>211,348,512</u>

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Cascade Natural Gas Corporation
State of Washington
Statement of Operations and Rate of Return
Month and Twelve Months Ended 3/31/2012

	Month	Twelve Months
OPERATING REVENUES		
Natural Gas Sales	22,681,332	212,039,608
Transportation Revenue	1,589,844	18,648,354
Other Operating Revenue	92,219	1,307,874
	<u>24,363,395</u>	<u>231,995,835</u>
Less: Natural Gas & Production Costs	13,755,592	130,923,851
Revenue Taxes	2,218,273	19,420,457
OPERATING MARGIN	<u>8,389,530</u>	<u>81,651,527</u>
OPERATING EXPENSES		
Production	8,960	92,350
Distribution	971,744	12,770,095
Customer Accounts	534,378	4,302,156
Customer Service & Informational	73,688	866,577
Sales	-	15,828
Administrative & General	1,317,418	16,121,167
Depreciation & Amortization	1,238,106	15,124,781
Property, Payroll & Misc. Taxes	378,540	3,922,847
Federal Income Taxes	1,074,713	6,138,453
Total Operating Expenses	<u>5,597,548</u>	<u>59,354,254</u>
NET OPERATING INCOME	<u>2,791,982</u>	<u>22,297,273</u>
RATE BASE	<u>213,857,229</u>	<u>210,386,415</u>
RATE OF RETURN	<u>1.31%</u>	<u>10.60%</u>

SCHEDULE OF RATE BASE

Utility Plant In Service	548,468,384	535,942,197
Accumulated Depreciation	(283,201,551)	(274,095,551)
Net Utility Plant	<u>265,266,833</u>	<u>261,846,646</u>
Other:		
Contributions in Aid of Construction	-	-
Customer Advances for Construction	(4,396,697)	(4,431,236)
Accumulated Deferred Income Taxes	(56,504,341)	(56,504,341)
Deferred Debits	-	-
Subtotal	<u>204,365,795</u>	<u>200,911,069</u>
Working Capital	<u>9,491,435</u>	<u>9,475,347</u>
TOTAL RATE BASE	<u>213,857,229</u>	<u>210,386,415</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.

STATE ALLOCATION OF INCOME & EXPENSES	Month Ended			12 MONTH Ended		
				February 1, 2011 THROUGH	March 1, 2011 THROUGH	April 1, 2011 THROUGH
	January-12	February-12	March-12	January 31, 2012	February 29, 2012	March 31, 2012
GAS SALES						
480 Residential Sales	16,904,873.58	13,809,362.24	12,889,536.08	120,833,910.69	117,930,626.42	116,949,234.20
481 Commercial - Interruptible Sales	13,411,807.19	10,885,040.69	9,791,796.26	98,988,711.31	96,414,213.65	95,090,373.89
TOTAL GAS SALES	30,316,680.77	24,694,402.93	22,681,332.34	219,822,622.00	214,344,840.07	212,039,608.09
OTHER OPERATING REVENUE						
4880 Miscellaneous Service Revenues	103,501.30	101,387.46	91,923.86	1,113,177.11	1,101,352.03	1,102,545.58
4890 Rev. From Transp. of Gas of Others	1,725,550.15	1,529,861.98	1,589,844.17	18,601,046.09	18,519,625.92	18,648,353.51
4930 Rent From Gas Property	400.00	400.00	200.00	2,400.00	2,400.00	2,600.00
4950 Other Gas Revenue	(6,469.96)	27,066.24	94.73	182,340.05	207,287.78	202,728.19
495.1 Overrun Penalty Income	-	-	-	-	-	-
TOTAL OTHER OPERATING REVENUE	1,822,981.49	1,658,715.68	1,682,062.76	19,898,963.25	19,830,665.73	19,956,227.28
* TOTAL OPERATING REVENUE *	32,139,662.26	26,353,118.61	24,363,395.10	239,721,585.25	234,175,505.80	231,995,835.37
NATURAL GAS PURCHASED						
804 Natural Gas City Gate Purchases	17,445,091.90	14,153,996.59	12,523,011.40	139,975,643.34	135,830,719.50	134,450,418.85
805 Other Gas Purchases	-	-	-	-	-	-
805.1 Purchased Gas Cost Adjustments	1,225,213.92	1,095,437.78	920,525.05	(1,234,778.13)	451,153.12	(63,745.31)
808.1 Gas Withdrawn From Storage	369,787.84	-	320,460.90	4,147,721.44	2,332,296.29	2,185,222.97
808.2 Gas Delivered To Storage	(374,212.82)	(151,088.66)	-	(5,436,909.22)	(5,590,607.50)	(5,590,607.50)
812 Gas Used For Other Utility Oper.	(9,780.14)	(9,216.89)	(8,405.16)	(59,714.69)	(59,428.95)	(57,437.84)
TOTAL NATURAL GAS PURCHASED	18,656,100.70	15,089,128.82	13,755,592.19	137,391,962.74	132,964,132.46	130,923,851.17
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	2,760,087.62	2,364,542.42	2,218,272.79	20,192,513.80	19,871,509.03	19,420,457.45
* OPERATING MARGIN *	10,723,473.94	8,899,447.37	8,389,530.12	82,137,108.71	81,339,864.31	81,651,526.75
PRODUCTION EXPENSES						
813 Other Gas Supply Expenses	6,573.97	7,417.33	8,960.18	75,972.49	83,389.82	92,350.00
DISTRIBUTION EXPENSES						
Operation						
870 Oper., Supervision & Engineering	62,378.27	45,236.10	68,750.11	531,257.83	538,176.27	574,928.62
871 Distribution Load Dispatching	31,482.06	31,362.40	34,777.18	387,760.59	383,859.69	382,872.42
872 Compressor Station	5,638.23	7,511.29	5,795.71	55,936.83	59,070.84	60,358.81
874 Mains & Services Exp.	273,544.12	170,591.81	156,188.59	2,720,224.52	2,732,873.47	2,690,335.99
875 Meas. & Reg. Stat. Exp.-Gen.	41,119.94	36,130.43	29,621.22	437,481.49	438,416.30	440,124.81
876 Meas. & Reg. Stat. Exp.-Ind.	2,437.59	12,203.19	15,006.03	179,969.03	181,854.44	187,611.16
878 Meter & House Regulator Exp.	75,869.79	85,211.77	73,256.46	995,538.53	1,000,843.11	992,930.14
879 Customer Installations Exp.	124,442.85	87,872.26	86,414.99	1,111,096.07	1,112,020.98	1,093,813.89
880 Other Exp.	310,657.55	241,582.40	230,612.75	2,710,189.73	2,811,539.23	2,864,340.54
881 Rents	11,359.14	2,357.75	3,287.19	12,197.58	77,334.65	77,893.57
882 Transportation Exp.	-	-	-	-	-	-
Subtotal Operations	938,929.54	720,059.40	703,710.23	9,141,652.20	9,335,988.98	9,365,209.95
Maintenance						
885 Supervision & Engineering	-	-	-	945.10	945.10	945.10
886 Structures & Improvements	3,176.63	3,167.28	-	12,358.62	12,734.85	9,436.08

STATE ALLOCATION OF INCOME & EXPENSES		Month Ended			12 MONTH Ended		
		January-12	February-12	March-12	February 1, 2011 THROUGH January 31, 2012	March 1, 2011 THROUGH February 29, 2012	April 1, 2011 THROUGH March 31, 2012
887	Mains	92,731.66	83,506.88	75,546.97	1,056,194.91	1,081,425.01	1,110,120.16
8880	Compressor Station	8.54	3,820.79	3,720.29	28,320.66	28,514.87	28,561.24
889	Meas. & Reg. Equip.-Gen.	34,935.74	27,059.35	33,519.34	421,525.68	416,318.45	429,510.10
890	Meas. & Reg. Equip.-Ind.	2,942.91	1,870.76	624.30	54,429.25	52,002.87	46,063.85
892	Services	59,892.04	56,299.41	66,013.74	632,445.11	632,326.12	665,974.38
893	Meters & House Regulators	68,606.44	69,497.00	61,145.57	668,577.42	683,239.51	699,324.22
894	Other Equipment	37,724.24	25,730.61	27,463.58	399,978.50	408,218.92	414,950.31
	Subtotal Maintenance	300,018.20	270,952.08	268,033.79	3,274,775.25	3,315,725.70	3,404,885.44
	TOTAL DISTRIBUTION EXPENSES	1,238,947.74	991,011.48	971,744.02	12,416,427.45	12,651,714.68	12,770,095.39
CUSTOMER ACCOUNTS EXPENSES							
901	Supervision	5,064.66	4,786.24	5,623.20	47,120.14	47,144.02	47,482.67
902	Meter Reading Exp.	43,143.77	36,623.01	41,190.48	435,478.79	437,412.07	447,278.27
903	Cust. Records & Collection Exp.	302,088.49	287,616.78	294,526.68	3,249,215.76	3,258,786.96	3,292,821.22
904	Uncollectible Accounts	214,029.88	190,517.07	194,548.79	391,731.90	333,232.79	396,421.65
905	Misc. Exp.	423.73	101,483.31	(1,511.00)	19,096.04	120,346.10	118,151.87
	TOTAL CUSTOMER ACCOUNTS EXP.	564,750.53	621,026.41	534,378.15	4,142,642.63	4,196,921.94	4,302,155.68
CUSTOMER SERVICE AND INFORMATIONAL EXPENSES							
907	Supervision	-	-	-	-	-	-
908	Cust. Assistance Exp.	66,666.67	66,666.66	67,286.63	801,530.13	801,530.12	802,150.09
909	Info. & Instr. Advertising Exp.	-	12,175.36	6,401.83	46,927.27	59,102.63	64,426.65
910	Misc. Cust. Serv. & Info. Exp.	-	-	-	259.80	259.80	-
	TOTAL CUST. SRVC. & INFO. EXPENSES	66,666.67	78,842.02	73,688.46	848,717.20	860,892.55	866,576.74
SALES EXPENSES							
911	Supervision	-	-	-	-	-	-
912	Demonstrating & Selling	-	-	-	-	-	-
913	Advertising	4,846.09	-	-	17,438.08	16,210.17	15,828.06
916	Misc. Sales Exp.	-	-	-	-	-	-
	TOTAL SALES EXPENSES	4,846.09	-	-	17,438.08	16,210.17	15,828.06
ADMINISTRATIVE AND GENERAL EXPENSES							
920	Admin. & General Salaries	556,689.43	356,610.18	429,873.12	5,061,736.40	5,131,094.60	5,112,805.67
921	Office Supplies & Exp.	392,710.91	371,256.39	362,620.83	4,341,032.26	4,311,167.94	4,145,937.75
923	Outside Services Employed	31,213.05	51,996.60	62,016.86	806,095.67	783,363.77	725,703.90
924	Property Insurance	4,587.44	4,587.44	4,587.44	63,202.03	54,757.98	48,635.27
925	Injuries & Damages	52,531.18	64,118.67	53,898.09	661,609.21	593,277.59	648,095.16
926	Employee Pensions & Benefits	344,670.82	293,949.42	312,867.52	4,311,756.78	4,525,153.76	4,179,431.15
928	Regulatory Commission Exp.	-	-	-	-	-	-
930.1	General Advertising Exp.	2,329.07	13,366.85	4,951.75	73,568.58	84,686.69	77,038.09
930.2	Misc. General Exp.	59,253.12	28,964.37	41,987.92	574,838.95	527,284.14	482,744.75
931	Rents	84,037.52	83,991.43	74,932.15	1,022,309.16	1,020,678.55	1,010,056.76
932	Maintenance of General Plant	246.73	630.20	1,600.70	46,439.59	34,856.36	30,378.65
		1,528,269.27	1,269,471.55	1,349,336.38	16,962,588.63	17,066,321.38	16,460,827.15
922	Capitalized Exp.	(32,429.32)	(38,575.00)	(31,918.14)	(345,543.28)	(346,012.71)	(339,660.53)
	TOTAL ADM. & GEN. EXPENSES	1,495,839.95	1,230,896.55	1,317,418.24	16,617,045.35	16,720,308.67	16,121,166.62
	TOTAL O&M EXPENSES (Excluding Gas Cost and	3,377,624.95	2,929,193.79	2,906,189.05	34,118,243.20	34,529,437.83	34,168,172.49
DEPRECIATION AND AMORTIZATION							
403	Depreciation Expense	1,229,198.38	1,237,633.24	1,238,105.57	15,175,185.16	15,150,019.90	15,124,781.03
	Propane Air Plant	-	-	-	-	-	-
	Telemetry	-	-	-	-	-	-
	Meters & Regulators	-	-	-	-	-	-
	Central Stores Warehouse	-	-	-	-	-	-
	General Office	-	-	-	-	-	-
407.1	Amortization of Property Losses	-	-	-	-	-	-
	TOTAL DEPRECIATION AND AMORTIZATION	1,229,198.38	1,237,633.24	1,238,105.57	15,175,185.16	15,150,019.90	15,124,781.03
407.3	Regulatory Debits	-	-	-	-	-	-

STATE ALLOCATION OF INCOME & EXPENSES	Month Ended			12 MONTH Ended		
	January-12	February-12	March-12	February 1, 2011 THROUGH January 31, 2012	March 1, 2011 THROUGH February 29, 2012	April 1, 2011 THROUGH March 31, 2012
TAXES OTHER THAN INCOME TAXES						
408.1 Property, Payroll and Misc. Taxes	386,569.27	343,109.27	378,540.12	3,935,743.08	3,906,871.62	3,922,847.23
INCOME TAXES - OPERATING						
409.1 Federal Inc Taxes, Util Oper Inc	1,183,742.00	727,651.00	675,840.08	1,319,327.00	1,094,958.00	2,440,868.08
409.1 State Income Taxes, Util Oper Inc	-	-	-	-	-	-
410.1 Provision For Defer'd Fed Inc Tax	482,839.50	488,520.75	403,385.79	4,742,491.00	4,582,593.24	3,754,578.37
410.1 Provis'n For Defer'd State Inc Tax	-	-	-	-	-	-
411.1 Prov For Deferred Inc Tax - Credit	-	-	-	-	-	-
411.4 Investment Tax Credit Adjustments	(4,512.47)	(4,512.47)	(4,512.47)	(58,068.77)	(57,531.14)	(56,993.51)
TOTAL INCOME TAXES - OPERATING	1,662,069.03	1,211,659.28	1,074,713.40	6,003,749.23	5,620,020.10	6,138,452.94
* TOTAL OPERATING EXPENSES *	6,655,461.63	5,721,595.58	5,597,548.14	59,232,920.67	59,206,349.45	59,354,253.69
* TOTAL OPERATING INCOME *	4,068,012.31	3,177,851.79	2,791,981.98	22,904,188.04	22,133,514.86	22,297,273.06