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February 13, 2013

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

RECEIVED
REGULATORY AFFAIRS
2013 FEB 15 AM 8:04
M. J. PARVINEN
DIRECTOR

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 December 31, 2012.

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

Sincerely,

Michael Parvinen
Director, Regulatory Affairs

Attachments

We make warm neighbors

CASCADE NATURAL GAS CORPORATION
Washington Statement of Operations
QUARTERLY STATISTICAL INFORMATION

THERM SALES

	Monthly			12 Months Ending		
	October 2012	November 2012	December 2012	October 2012	November 2012	December 2012
Residential	7,490,184	12,393,633	19,149,194	117,650,297	114,433,038	113,938,452
Commercial	6,340,552	12,206,900	11,977,084	91,126,281	92,885,760	90,364,860
Industrial Firm	1,025,064	(1,103,885)	1,104,610	10,292,029	8,341,113	7,912,016
Core Interruptible	375,622	457,817	535,333	4,651,524	4,630,960	4,604,325
Noncore	59,776,474	52,155,241	50,682,289	624,173,882	619,618,770	607,005,112
TOTAL WASHINGTON	75,007,896	76,109,706	83,448,510	847,894,013	839,909,641	823,824,765

	AVERAGE CUSTOMERS		
	October 2012	November 2012	December 2012
Residential	172,898	173,537	174,029
Commercial	24,594	24,866	24,954
Industrial Firm	365	363	365
Core Interruptible	11	11	11
Noncore	189	189	190
TOTAL WASHINGTON	198,057	198,966	199,549

Cascade Natural Gas Corporation
State of Washington
Statement of Operations and Rate of Return
Month and Twelve Months Ended 10/31/2012

	Month	Twelve Months
OPERATING REVENUES		
Natural Gas Sales	13,314,007	200,073,668
Transportation Revenue	1,766,190	19,139,871
Other Operating Revenue	137,639	1,256,609
	<u>15,217,836</u>	<u>220,470,149</u>
Less: Natural Gas & Production Costs	8,106,796	121,344,530
Revenue Taxes	1,038,288	18,293,085
OPERATING MARGIN	<u>6,072,752</u>	<u>80,832,533</u>
OPERATING EXPENSES		
Production	20,803	120,151
Distribution	1,656,397	14,585,808
Customer Accounts	450,240	5,793,355
Customer Service & Informational	66,667	887,448
Sales	1,177	8,120
Administrative & General	1,197,581	15,358,342
Depreciation & Amortization	1,279,378	15,004,822
Property, Payroll & Misc. Taxes	364,924	4,723,935
Federal Income Taxes	156,599	4,976,340
Total Operating Expenses	<u>5,193,766</u>	<u>61,458,320</u>
NET OPERATING INCOME	<u>878,985</u>	<u>19,374,213</u>
RATE BASE	<u>217,959,475</u>	<u>210,517,096</u>
RATE OF RETURN	<u>0.40%</u>	<u>9.20%</u>

SCHEDULE OF RATE BASE

Utility Plant In Service	564,147,915	550,872,122
Accumulated Depreciation	(291,627,748)	(285,141,695)
Net Utility Plant	<u>272,520,168</u>	<u>265,730,427</u>
Other:		
Contributions in Aid of Construction	-	-
Customer Advances for Construction	(3,681,775)	(4,148,621)
Accumulated Deferred Income Taxes	(60,555,312)	(60,555,312)
Deferred Debits	-	-
Subtotal	<u>208,283,081</u>	<u>201,026,494</u>
Working Capital	<u>9,676,394</u>	<u>9,490,602</u>
TOTAL RATE BASE	<u>217,959,475</u>	<u>210,517,096</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 11/30/2012

	Month	Twelve Months
OPERATING REVENUES		
Natural Gas Sales	19,757,942	194,125,967
Transportation Revenue	1,619,393	19,003,853
Other Operating Revenue	93,005	1,252,809
	<u>21,470,339</u>	<u>214,382,629</u>
Less: Natural Gas & Production Costs	11,282,834	115,906,159
Revenue Taxes	1,529,422	17,912,242
OPERATING MARGIN	<u>8,658,083</u>	<u>80,564,228</u>
OPERATING EXPENSES		
Production	20,059	155,457
Distribution	1,274,322	14,685,633
Customer Accounts	637,838	5,962,060
Customer Service & Informational	66,667	881,909
Sales	-	7,891
Administrative & General	1,057,574	15,137,620
Depreciation & Amortization	1,286,517	15,004,967
Property, Payroll & Misc. Taxes	355,486	4,758,043
Federal Income Taxes	1,565,037	5,566,760
Total Operating Expenses	<u>6,263,499</u>	<u>62,160,340</u>
NET OPERATING INCOME	<u>2,394,584</u>	<u>18,403,889</u>
RATE BASE	<u>219,766,459</u>	<u>211,377,552</u>
RATE OF RETURN	<u>1.09%</u>	<u>8.71%</u>

SCHEDULE OF RATE BASE

Utility Plant In Service	566,832,744	552,968,766
Accumulated Depreciation	(292,311,953)	(286,223,744)
Net Utility Plant	<u>274,520,792</u>	<u>266,745,022</u>
Other:		
Contributions in Aid of Construction	-	-
Customer Advances for Construction	(3,695,606)	(4,076,328)
Accumulated Deferred Income Taxes	(60,809,355)	(60,809,355)
Deferred Debits	-	-
Subtotal	<u>210,015,831</u>	<u>201,859,339</u>
Working Capital	<u>9,750,628</u>	<u>9,518,213</u>
TOTAL RATE BASE	<u>219,766,459</u>	<u>211,377,552</u>

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Cascade Natural Gas Corporation
State of Washington
Statement of Operations and Rate of Return
Month and Twelve Months Ended 12/31/2012

	Month	Twelve Months
OPERATING REVENUES		
Natural Gas Sales	25,790,364	188,696,496
Transportation Revenue	1,623,641	18,904,098
Other Operating Revenue	109,257	1,255,873
	<u>27,523,262</u>	<u>208,856,467</u>
Less: Natural Gas & Production Costs	15,273,067	111,734,873
Revenue Taxes	2,122,274	17,318,441
OPERATING MARGIN	<u>10,127,921</u>	<u>79,803,153</u>
OPERATING EXPENSES		
Production	14,830	163,321
Distribution	1,465,710	14,708,819
Customer Accounts	283,401	5,853,930
Customer Service & Informational	91,838	905,640
Sales	28	7,719
Administrative & General	792,182	14,476,965
Depreciation & Amortization	1,288,396	15,031,819
Property, Payroll & Misc. Taxes	366,142	4,803,550
Federal Income Taxes	949,358	4,977,487
Total Operating Expenses	<u>5,251,885</u>	<u>60,929,251</u>
NET OPERATING INCOME	<u>4,876,036</u>	<u>18,873,902</u>
RATE BASE	<u>222,780,743</u>	<u>212,989,489</u>
RATE OF RETURN	<u>2.19%</u>	<u>8.86%</u>

SCHEDULE OF RATE BASE

Utility Plant In Service	570,173,315	555,256,327
Accumulated Depreciation	(293,066,913)	(287,310,887)
Net Utility Plant	<u>277,106,402</u>	<u>267,945,440</u>
Other:		
Contributions in Aid of Construction	-	-
Customer Advances for Construction	(3,665,181)	(3,979,672)
Accumulated Deferred Income Taxes	(60,533,008)	(60,533,008)
Deferred Debits	-	-
Subtotal	<u>212,908,214</u>	<u>203,432,760</u>
Working Capital	9,872,530	9,556,729
TOTAL RATE BASE	<u>222,780,743</u>	<u>212,989,489</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		
				November 1, 2011 THROUGH	December 1, 2011 THROUGH	January 1, 2012 THROUGH
	October-12	November-12	December-12	October 31, 2012	November 30, 2012	December 31, 2012
GAS SALES						
480 Residential Sales	7,033,298.06	10,423,770.57	15,645,691.99	110,765,632.27	106,041,001.71	104,171,189.59
481 Commercial - Interruptible Sales	6,280,708.72	9,334,170.98	10,144,671.71	89,308,035.61	88,084,965.16	84,525,306.19
TOTAL GAS SALES	13,314,006.78	19,757,941.55	25,790,363.70	200,073,667.88	194,125,966.87	188,696,495.78
OTHER OPERATING REVENUE						
4880 Miscellaneous Service Revenues	128,872.58	80,173.39	98,224.75	1,156,583.12	1,144,980.11	1,148,146.12
4890 Rev. From Transp. of Gas of Others	1,766,190.18	1,619,392.58	1,623,641.06	19,139,871.46	19,003,853.18	18,904,098.14
4930 Rent From Gas Property	-	-	-	2,000.00	1,600.00	1,600.00
4950 Other Gas Revenue	8,766.23	12,831.78	11,032.03	98,026.09	106,228.68	106,126.94
495.1 Overrun Penalty Income	-	-	-	-	-	-
TOTAL OTHER OPERATING REVENUE	1,903,828.99	1,712,397.75	1,732,897.84	20,396,480.67	20,256,661.97	20,159,971.20
* TOTAL OPERATING REVENUE *	15,217,835.77	21,470,339.30	27,523,261.54	220,470,148.55	214,382,628.84	208,856,466.98
NATURAL GAS PURCHASED						
804 Natural Gas City Gate Purchases	8,977,616.71	12,674,471.28	16,530,039.75	124,827,259.29	123,846,234.03	122,543,290.72
805 Other Gas Purchases	-	-	-	-	-	-
805.1 Purchased Gas Cost Adjustments	(1,370,635.67)	(1,544,513.20)	(1,653,486.43)	(2,810,686.83)	(7,094,092.33)	(10,097,658.75)
808.1 Gas Withdrawn From Storage	500,810.81	155,590.91	401,975.37	3,130,646.71	2,954,512.32	2,263,366.14
808.2 Gas Delivered To Storage	-	-	-	(3,746,557.39)	(3,746,557.39)	(2,923,968.19)
812 Gas Used For Other Utility Oper.	(996.13)	(2,715.49)	(5,462.13)	(56,131.62)	(53,937.73)	(50,156.82)
TOTAL NATURAL GAS PURCHASED	8,106,795.72	11,282,833.50	15,273,066.56	121,344,530.16	115,906,158.90	111,734,873.10
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	1,038,288.38	1,529,422.49	2,122,273.74	18,293,085.04	17,912,241.56	17,318,441.20
* OPERATING MARGIN *	6,072,751.67	8,658,083.31	10,127,921.24	80,832,533.35	80,564,228.38	79,803,152.68
PRODUCTION EXPENSES						
813 Other Gas Supply Expenses	20,803.25	20,058.93	14,830.02	120,151.27	155,456.85	163,320.67
DISTRIBUTION EXPENSES						
Operation						
870 Oper., Supervision & Engineering	59,344.22	55,650.94	48,542.18	636,146.40	636,048.78	634,002.92
871 Distribution Load Dispatching	30,674.93	30,614.69	7,074.75	419,784.91	417,820.43	397,574.10
872 Compressor Station	6,456.57	7,530.52	6,286.33	76,269.88	79,775.68	77,125.11
874 Mains & Services Exp.	601,834.34	380,454.18	497,140.61	3,208,425.37	3,354,436.09	3,607,020.54
875 Meas. & Reg. Stat. Exp.-Gen.	42,263.58	30,232.91	32,819.29	494,410.49	480,552.38	457,304.51
876 Meas. & Reg. Stat. Exp.-Ind.	7,897.15	13,500.01	9,391.83	178,852.34	179,849.27	121,158.73
878 Meter & House Regulator Exp.	101,753.15	87,012.15	88,839.33	1,005,594.80	1,000,361.49	1,010,914.92
879 Customer Installations Exp.	126,235.11	111,932.66	87,774.71	1,227,089.51	1,233,905.21	1,205,931.48
880 Other Exp.	265,591.75	287,605.48	301,065.48	3,180,424.37	3,148,778.61	3,173,707.63
881 Rents	583.02	5,024.79	13,987.70	70,639.34	62,638.11	63,415.30
882 Transportation Exp.	-	-	-	-	-	-
Subtotal Operations	1,242,633.82	1,009,558.33	1,092,922.21	10,497,637.41	10,594,166.05	10,748,155.24
Maintenance						
885 Supervision & Engineering	-	-	22,250.94	854.93	854.93	22,250.94
886 Structures & Improvements	26.08	7,519.11	6,668.37	25,077.90	32,493.31	38,307.84
887 Mains	181,710.32	44,987.76	121,908.64	1,332,431.00	1,301,620.82	1,210,322.30
8880 Compressor Station	1,008.30	2,107.54	(343.91)	18,316.44	18,703.67	16,731.99
889 Meas. & Reg. Equip.-Gen.	25,709.95	25,727.33	18,391.73	488,942.12	463,973.17	392,112.38
890 Meas. & Reg. Equip.-Ind.	1,854.93	13,621.45	14,434.52	79,681.04	89,771.98	100,765.18
892 Services	99,613.14	89,978.49	63,958.72	869,578.26	915,252.38	910,639.56
893 Meters & House Regulators	80,043.67	51,915.87	82,830.48	904,247.14	905,933.00	919,560.99
894 Other Equipment	23,796.91	28,906.54	42,688.72	369,041.36	362,864.08	349,972.60
Subtotal Maintenance	413,763.30	264,764.09	372,788.21	4,088,170.19	4,091,467.34	3,960,663.78
TOTAL DISTRIBUTION EXPENSES	1,656,397.12	1,274,322.42	1,465,710.42	14,585,807.60	14,685,633.39	14,708,819.02
CUSTOMER ACCOUNTS EXPENSES						
901 Supervision	-	-	2,423.79	37,686.11	32,641.77	41,582.81

STATE ALLOCATION OF INCOME & EXPENSES	Month Ended			12 MONTH Ended		
	October-12	November-12	December-12	November 1, 2011 THROUGH October 31, 2012	December 1, 2011 THROUGH November 30, 2012	January 1, 2012 THROUGH December 31, 2012
	902 Meter Reading Exp.	37,707.44	53,854.98	21,834.45	476,873.68	496,433.10
903 Cust. Records & Collection Exp.	307,662.85	280,404.89	142,456.01	3,606,614.10	3,610,797.04	3,437,296.50
904 Uncollectible Accounts	104,732.53	288,693.50	116,686.28	1,563,546.34	1,715,333.14	1,787,104.39
905 Misc. Exp.	137.08	14,884.64	-	108,635.02	106,855.11	107,026.74
TOTAL CUSTOMER ACCOUNTS EXP.	450,239.90	637,838.01	283,400.53	5,793,355.25	5,962,060.16	5,853,929.73
CUSTOMER SERVICE AND INFORMATIONAL EXPENSES						
907 Supervision	-	-	-	-	-	-
908 Cust. Assistance Exp.	66,666.67	66,666.67	91,598.05	800,918.12	800,918.13	825,849.46
909 Info. & Instr. Advertising Exp.	-	-	239.50	86,529.63	80,990.62	79,790.76
910 Misc. Cust. Serv. & Info. Exp.	-	-	-	-	-	-
TOTAL CUST. SRVC. & INFO. EXPENSES	66,666.67	66,666.67	91,837.55	887,447.75	881,908.75	905,640.22
SALES EXPENSES						
911 Supervision	-	-	-	-	-	-
912 Demonstrating & Selling	-	-	-	-	-	-
913 Advertising	1,177.35	-	28.30	8,120.04	7,891.04	7,719.34
916 Misc. Sales Exp.	-	-	-	-	-	-
TOTAL SALES EXPENSES	1,177.35	-	28.30	8,120.04	7,891.04	7,719.34
ADMINISTRATIVE AND GENERAL EXPENSES						
920 Admin. & General Salaries	96,040.11	272,407.57	634,264.28	4,770,138.68	4,657,590.68	4,787,806.22
921 Office Supplies & Exp.	299,145.63	322,726.21	334,875.83	3,837,790.29	3,946,083.90	3,885,605.34
923 Outside Services Employed	82,197.12	45,540.37	61,928.61	689,605.74	630,983.57	644,198.51
924 Property Insurance	4,587.44	4,601.71	4,601.71	51,993.05	53,535.43	55,077.82
925 Injuries & Damages	68,262.14	53,077.86	56,694.88	716,892.73	714,421.62	702,397.29
926 Employee Pensions & Benefits	524,916.51	278,538.28	(375,472.88)	4,093,203.90	3,941,068.32	3,260,539.42
928 Regulatory Commission Exp.	-	-	-	-	-	-
930.1 General Advertising Exp.	1,084.69	3,439.82	1,103.31	51,205.64	52,312.75	51,804.32
930.2 Misc. General Exp.	64,676.33	27,253.67	26,033.23	529,245.58	529,596.43	482,588.32
931 Rents	81,017.90	80,971.58	80,967.81	980,317.73	976,082.47	971,839.66
932 Maintenance of General Plant	4,361.37	2,296.15	1,595.68	18,694.45	20,390.82	21,876.78
922 Capitalized Exp.	1,226,289.24 (28,708.23)	1,090,853.22 (33,279.27)	826,592.46 (34,410.73)	15,739,087.79 (380,746.28)	15,522,065.99 (384,445.88)	14,863,733.68 (386,768.58)
TOTAL ADM. & GEN. EXPENSES	1,197,581.01	1,057,573.95	792,181.73	15,358,341.51	15,137,620.11	14,476,965.10
TOTAL O&M EXPENSES (Excluding Gas Cost and	3,392,865.30	3,056,459.98	2,647,988.55	36,753,223.42	36,830,570.30	36,116,394.08
DEPRECIATION AND AMORTIZATION						
403 Depreciation Expense	1,279,378.29	1,286,516.63	1,288,396.10	15,004,821.92	15,004,966.72	15,031,819.37
Propane Air Plant	-	-	-	-	-	-
Telemetry	-	-	-	-	-	-
Meters & Regulators	-	-	-	-	-	-
Central Stores Warehouse	-	-	-	-	-	-
General Office	-	-	-	-	-	-
407.1 Amortization of Property Losses	-	-	-	-	-	-
TOTAL DEPRECIATION AND AMORTIZATION	1,279,378.29	1,286,516.63	1,288,396.10	15,004,821.92	15,004,966.72	15,031,819.37
407.3 Regulatory Debits	-	-	-	-	-	-
TAXES OTHER THAN INCOME TAXES						
408.1 Property, Payroll and Misc. Taxes	364,923.86	355,485.58	366,142.44	4,723,934.95	4,758,043.24	4,803,550.35
INCOME TAXES - OPERATING						
409.1 Federal Inc Taxes, Util Oper Inc	(329,893.00)	(81,310.00)	1,842,591.00	583,365.08	(1,473,479.92)	(934,522.92)
409.1 State Income Taxes, Util Oper Inc	-	-	-	-	-	-
410.1 Provision For Defer'd Fed Inc Tax	491,004.32	1,620,372.36	(898,486.70)	4,446,204.71	7,058,030.61	5,925,906.17
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)	25,974.87	5,253.39	(53,230.11)	(17,791.12)	(13,896.44)
TOTAL INCOME TAXES - OPERATING	156,598.85	1,565,037.23	949,357.69	4,976,339.68	5,566,759.57	4,977,486.81
* TOTAL OPERATING EXPENSES *	5,193,766.30	6,263,499.42	5,251,884.78	61,458,319.97	62,160,339.83	60,929,250.61
* TOTAL OPERATING INCOME *	878,985.37	2,394,583.89	4,876,036.46	19,374,213.38	18,403,888.55	18,873,902.07