

CASCADE NATURAL GAS CORPORATION
 Washington Statement of Operations
 QUARTERLY STATISTICAL INFORMATION

THERM SALES

	Monthly			12 Months Ending		
	July 2013	August 2013	September 2013	July 2013	August 2013	September 2013
Residential	2,406,049	3,302,365	3,380,779	111,633,806	111,501,846	111,933,795
Commercial	2,625,038	3,560,350	3,542,563	89,006,157	88,901,749	89,405,961
Industrial Firm	439,737	453,637	506,089	8,298,057	8,277,968	8,291,749
Core Interruptible	248,266	198,066	276,363	4,505,644	4,493,633	4,519,025
Noncore	64,705,119	76,659,226	69,071,088	652,120,878	675,492,000	693,142,626
TOTAL WASHINGTON	70,424,209	84,173,644	76,776,882	865,564,542	888,667,196	907,293,156

	AVERAGE CUSTOMERS		
	July 2013	August 2013	September 2013
Residential	173,388	173,124	173,812
Commercial	24,724	24,667	24,663
Industrial Firm	369	371	371
Core Interruptible	11	11	11
Noncore	192	193	194
TOTAL WASHINGTON	198,684	198,366	199,051

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Cascade Natural Gas Corporation
State of Washington
Statement of Operations and Rate of Return
Month and Twelve Months Ended 7/31/2013

	Month	Twelve Months
OPERATING REVENUES		
Natural Gas Sales	5,356,523	176,910,605
Transportation Revenue	1,567,485	18,723,531
Other Operating Revenue	77,949	1,285,129
	<u>7,001,957</u>	<u>196,919,264</u>
Less: Natural Gas & Production Costs	2,651,442	101,506,729
Revenue Taxes	600,374	16,359,560
OPERATING MARGIN	<u>3,750,141</u>	<u>79,052,976</u>
OPERATING EXPENSES		
Production	27,779	258,505
Distribution	1,420,208	15,578,236
Customer Accounts	113,154	4,934,429
Customer Service & Informational	184,126	1,040,831
Sales	1,454	8,213
Administrative & General	1,228,041	13,640,300
Depreciation & Amortization	1,343,522	15,562,851
Property, Payroll & Misc. Taxes	357,055	4,281,493
Federal Income Taxes	(480,891)	5,218,610
Total Operating Expenses	<u>4,194,448</u>	<u>60,523,466</u>
NET OPERATING INCOME	<u>(444,307)</u>	<u>18,529,510</u>
RATE BASE	<u>229,735,467</u>	<u>221,344,166</u>
RATE OF RETURN	<u>-0.19%</u>	<u>8.37%</u>

SCHEDULE OF RATE BASE

Utility Plant In Service	586,333,703	572,468,591
Accumulated Depreciation	(300,977,447)	(295,054,725)
Net Utility Plant	<u>285,356,257</u>	<u>277,413,866</u>
Other:		
Contributions in Aid of Construction	-	-
Customer Advances for Construction	(3,378,176)	(3,519,233)
Accumulated Deferred Income Taxes	(62,434,649)	(62,434,649)
Deferred Debits	-	-
Subtotal	<u>219,543,432</u>	<u>211,459,984</u>
Working Capital	<u>10,192,035</u>	<u>9,884,182</u>
TOTAL RATE BASE	<u>229,735,467</u>	<u>221,344,166</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 8/31/2013

	Month	Twelve Months
OPERATING REVENUES		
Natural Gas Sales	6,645,562	176,189,917
Transportation Revenue	1,681,963	18,888,540
Other Operating Revenue	119,873	1,296,304
	<u>8,447,397</u>	<u>196,374,761</u>
Less: Natural Gas & Production Costs	3,489,565	100,839,275
Revenue Taxes	607,123	16,300,781
OPERATING MARGIN	<u>4,350,709</u>	<u>79,234,705</u>
OPERATING EXPENSES		
Production	22,929	253,671
Distribution	1,422,978	15,732,758
Customer Accounts	408,105	4,867,968
Customer Service & Informational	77,809	1,049,071
Sales	476	7,447
Administrative & General	1,444,612	13,756,601
Depreciation & Amortization	1,351,263	15,662,428
Property, Payroll & Misc. Taxes	343,657	4,488,626
Federal Income Taxes	(435,369)	5,191,743
Total Operating Expenses	<u>4,636,462</u>	<u>61,010,314</u>
NET OPERATING INCOME	<u>(285,752)</u>	<u>18,224,391</u>
RATE BASE	<u>231,325,162</u>	<u>222,864,665</u>
RATE OF RETURN	<u>-0.12%</u>	<u>8.18%</u>

SCHEDULE OF RATE BASE

Utility Plant In Service	589,233,674	575,203,764
Accumulated Depreciation	(302,122,938)	(296,129,235)
Net Utility Plant	<u>287,110,736</u>	<u>279,074,529</u>
Other:		
Contributions in Aid of Construction	-	-
Customer Advances for Construction	(3,388,444)	(3,497,068)
Accumulated Deferred Income Taxes	(62,659,657)	(62,659,657)
Deferred Debits	-	-
Subtotal	<u>221,062,635</u>	<u>212,917,804</u>
Working Capital	10,262,527	9,946,861
TOTAL RATE BASE	<u>231,325,162</u>	<u>222,864,665</u>

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Cascade Natural Gas Corporation
State of Washington
Statement of Operations and Rate of Return
Month and Twelve Months Ended 9/30/2013

	Month	Twelve Months
OPERATING REVENUES		
Natural Gas Sales	6,735,650	176,414,442
Transportation Revenue	1,699,957	19,005,531
Other Operating Revenue	94,518	1,307,320
	8,530,125	196,727,293
Less: Natural Gas & Production Costs	3,576,519	100,819,306
Revenue Taxes	609,257	16,301,499
OPERATING MARGIN	4,344,350	79,606,488
OPERATING EXPENSES		
Production	23,628	255,618
Distribution	1,337,561	15,752,597
Customer Accounts	266,379	4,691,622
Customer Service & Informational	74,076	1,045,575
Sales	700	8,154
Administrative & General	898,809	14,384,925
Depreciation & Amortization	1,342,276	15,751,814
Property, Payroll & Misc. Taxes	336,801	4,472,232
Federal Income Taxes	(168,560)	5,255,092
Total Operating Expenses	4,111,671	61,617,630
NET OPERATING INCOME	232,679	17,988,858
RATE BASE	231,369,970	222,412,817
RATE OF RETURN	0.10%	8.09%

SCHEDULE OF RATE BASE

Utility Plant In Service	592,504,183	577,965,486
Accumulated Depreciation	(303,174,520)	(297,190,396)
Net Utility Plant	289,329,663	280,775,090
Other:		
Contributions in Aid of Construction	-	-
Customer Advances for Construction	(3,369,732)	(3,473,674)
Accumulated Deferred Income Taxes	(64,899,138)	(64,899,138)
Deferred Debits	-	-
Subtotal	221,060,793	212,402,278
Working Capital	10,309,177	10,010,539
TOTAL RATE BASE	231,369,970	222,412,817

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.

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Cascade Natural Gas Corporation
Washington Statement of Operations
Quarter Ending: 9/30/2013

STATE ALLOCATION OF INCOME & EXPENSES	Month Ended			12 MONTH Ended		
	July-13	August-13	September-13	August 1, 2012 Through July 31, 2013	September 1, 2012 Through August 31, 2013	October 1, 2012 Through September 30, 2013
GAS SALES						
480 Residential Sales	2,662,169.09	3,316,157.78	3,365,323.76	97,687,009.06	97,356,558.76	97,484,739.12
481 Commercial - Interruptible Sales	2,694,354.13	3,329,403.78	3,370,326.63	79,223,595.51	78,833,358.17	78,929,702.82
TOTAL GAS SALES	5,356,523.22	6,645,561.56	6,735,650.39	176,910,604.57	176,189,916.93	176,414,441.94
OTHER OPERATING REVENUE						
4880 Miscellaneous Service Revenues	65,921.85	88,759.81	63,994.09	1,090,170.59	1,091,320.62	1,075,392.83
4890 Rev. From Transp. of Gas of Others	1,567,484.67	1,681,962.67	1,699,956.73	18,723,530.77	18,888,540.21	19,005,531.09
4930 Rent From Gas Property	200.00		400.00	950.90	750.90	1,150.90
4940 Interdepartmental Rents	5,685.91	5,685.91	5,685.91	39,801.37	45,487.28	51,173.19
4950 Other Gas Revenue	6,141.05	25,427.35	24,437.96	154,206.13	158,745.07	179,602.88
495.1 Overrun Penalty Income	-	-	-	-	-	-
TOTAL OTHER OPERATING REVENUE	1,645,433.48	1,801,835.74	1,794,474.69	20,008,659.76	20,184,844.08	20,312,850.89
* TOTAL OPERATING REVENUE *	7,001,956.70	8,447,397.30	8,530,125.08	196,919,264.33	196,374,761.01	196,727,292.83
NATURAL GAS PURCHASED						
804 Natural Gas City Gate Purchases	6,843,154.76	6,417,514.01	6,577,410.74	128,126,991.51	128,348,060.03	128,081,605.65
805 Other Gas Purchases	-	-	-	-	-	-
805.1 Purchased Gas Cost Adjustments	(3,269,097.60)	(2,467,085.71)	(2,947,765.93)	(25,545,260.39)	(26,391,621.76)	(27,190,422.96)
808.1 Gas Withdrawn From Storage	41,740.12	42,329.57	41,440.68	3,244,046.91	3,286,376.48	3,327,817.16
808.2 Gas Delivered To Storage	(963,999.39)	(502,928.17)	(94,377.75)	(4,277,781.74)	(4,363,382.27)	(3,360,277.22)
812 Gas Used For Other Utility Oper.	(355.84)	(264.62)	(189.06)	(41,267.55)	(40,157.87)	(39,416.79)
TOTAL NATURAL GAS PURCHASED	2,651,442.05	3,489,565.08	3,576,518.68	101,506,728.74	100,839,274.61	100,819,305.84
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	600,373.68	607,123.07	609,256.84	16,359,559.56	16,300,781.09	16,301,498.94
* OPERATING MARGIN *	3,750,140.97	4,350,709.15	4,344,349.56	79,052,976.03	79,234,705.31	79,606,488.05
PRODUCTION EXPENSES						
813 Other Gas Supply Expenses	27,779.46	22,929.21	23,628.03	258,504.80	253,671.47	255,618.12
DISTRIBUTION EXPENSES						
Operation						
870 Oper., Supervision & Engineering	135,562.60	165,580.52	90,320.98	883,742.13	995,197.71	1,030,343.63
871 Distribution Load Dispatching	24,454.26	18,742.07	34,855.33	309,130.48	296,780.39	298,331.44
872 Compressor Station	12,579.63	9,167.98	7,015.39	84,747.81	83,430.36	84,646.26
874 Mains & Services Exp.	306,392.91	384,296.16	254,994.49	3,815,574.93	3,910,336.17	3,920,619.97
875 Meas. & Reg. Stat. Exp.-Gen.	57,334.82	41,640.89	50,051.32	533,285.57	523,508.69	529,239.12
876 Meas. & Reg. Stat. Exp.-Ind.	9,353.22	8,203.81	20,299.27	122,697.68	122,390.88	131,839.95
878 Meter & House Regulator Exp.	121,361.96	114,157.16	119,313.07	1,183,025.15	1,213,158.22	1,253,748.59
879 Customer Installations Exp.	60,911.55	66,051.74	74,075.87	1,101,238.67	1,064,546.93	1,030,239.04
880 Other Exp.	264,438.30	240,005.54	298,511.70	3,272,349.67	3,256,735.47	3,275,717.12
881 Rents	22,007.64	8,398.68	5,425.74	89,642.36	94,238.77	94,313.47
882 Transportation Exp.	-	-	-	-	-	-
Subtotal Operations	1,014,396.89	1,056,244.55	954,863.16	11,395,434.45	11,560,323.59	11,649,038.59
Maintenance						
885 Supervision & Engineering	22,349.51	13,570.26	33,294.60	120,885.30	134,455.56	167,750.16
886 Structures & Improvements	276.74	233.20		32,892.48	30,958.33	21,429.14
887 Mains	177,938.46	134,372.65	113,683.40	1,396,499.57	1,393,175.19	1,349,913.33
8880 Compressor Station	4,249.08	(2,448.47)	294.98	12,521.34	9,370.56	9,064.45
889 Meas. & Reg. Equip.-Gen.	20,932.94	43,237.88	29,033.32	353,901.61	357,993.94	344,665.00
890 Meas. & Reg. Equip.-Ind.	1,459.43	1,763.91	4,660.99	65,618.12	60,784.95	57,193.64
892 Services	97,492.68	87,067.94	114,027.22	1,017,716.44	1,026,195.35	1,048,371.22
893 Meters & House Regulators	75,078.24	82,044.08	76,411.60	951,456.50	948,045.15	910,214.01
894 Other Equipment	6,034.35	6,892.34	11,291.81	231,309.84	211,455.73	194,957.95
Subtotal Maintenance	405,811.43	366,733.79	382,697.92	4,182,801.20	4,172,434.76	4,103,558.90
TOTAL DISTRIBUTION EXPENSES	1,420,208.32	1,422,978.34	1,337,561.08	15,578,235.65	15,732,758.35	15,752,597.49
CUSTOMER ACCOUNTS EXPENSES						

Cascade Natural Gas Corporation
Washington Statement of Operations
Quarter Ending: 9/30/2013

STATE ALLOCATION OF INCOME & EXPENSES	Month Ended			12 MONTH Ended		
	July-13	August-13	September-13	August 1, 2012 Through July 31, 2013	September 1, 2012 Through August 31, 2013	October 1, 2012 Through September 30, 2013
901 Supervision	-	-	-	404.01	2,423.79	2,423.79
902 Meter Reading Exp.	48,386.80	33,673.03	50,366.10	496,262.20	483,126.36	494,365.66
903 Cust. Records & Collection Exp.	292,859.47	299,059.84	272,460.76	3,261,645.34	3,229,403.39	3,236,025.94
904 Uncollectible Accounts	(228,092.70)	75,372.53	(56,447.67)	1,160,798.80	1,137,695.97	943,500.82
905 Misc. Exp.	-	-	-	15,318.98	15,318.98	15,305.43
TOTAL CUSTOMER ACCOUNTS EXP.	113,153.57	408,105.40	266,379.19	4,934,429.33	4,867,968.49	4,691,621.64
CUSTOMER SERVICE AND INFORMATIONAL EXPENSES						
907 Supervision	-	-	-	-	-	-
908 Cust. Assistance Exp.	183,018.76	76,215.07	71,973.70	1,013,146.38	1,022,396.67	1,027,703.70
909 Info. & Instr. Advertising Exp.	1,106.85	1,593.73	2,102.50	27,684.29	26,674.37	17,871.46
910 Misc. Cust. Serv. & Info. Exp.	-	-	-	-	-	-
TOTAL CUST. SRVC. & INFO. EXPENSES	184,125.61	77,808.80	74,076.20	1,040,830.67	1,049,071.04	1,045,575.16
SALES EXPENSES						
911 Supervision	-	-	-	-	-	-
912 Demonstrating & Selling	-	-	-	-	-	-
913 Advertising	1,453.92	476.35	699.99	8,213.08	7,446.51	8,153.51
916 Misc. Sales Exp.	-	-	-	-	-	-
TOTAL SALES EXPENSES	1,453.92	476.35	699.99	8,213.08	7,446.51	8,153.51
ADMINISTRATIVE AND GENERAL EXPENSES						
920 Admin. & General Salaries	476,841.87	407,201.54	271,216.92	4,481,963.57	4,435,888.82	4,404,927.50
921 Office Supplies & Exp.	301,030.85	283,913.24	273,834.08	3,794,849.38	3,794,141.53	3,800,682.86
923 Outside Services Employed	48,129.18	52,623.10	47,714.43	643,188.13	638,159.53	610,951.97
924 Property Insurance	4,920.92	4,920.91	4,920.91	57,492.48	57,825.95	58,159.42
925 Injuries & Damages	72,187.38	77,286.85	70,454.17	842,297.69	859,842.82	875,374.31
926 Employee Pensions & Benefits	245,468.29	513,287.24	140,849.84	2,591,351.76	2,723,707.96	3,389,019.18
928 Regulatory Commission Exp.	-	-	-	-	-	-
930.1 General Advertising Exp.	1,449.52	1,068.27	792.11	69,292.84	62,070.47	56,756.99
930.2 Misc. General Exp.	26,013.21	27,293.83	46,786.80	537,677.65	533,549.11	545,599.83
931 Rents	77,557.94	77,557.94	77,557.89	947,870.30	944,456.66	941,042.97
932 Maintenance of General Plant	1,044.62	27,124.89	1,098.82	62,318.47	84,402.52	83,624.03
	1,254,643.78	1,472,277.81	935,225.97	14,028,302.27	14,134,045.37	14,766,139.06
922 Capitalized Exp.	(26,602.88)	(27,665.71)	(36,416.50)	(388,002.73)	(377,443.89)	(381,214.26)
TOTAL ADM. & GEN. EXPENSES	1,228,040.90	1,444,612.10	898,809.47	13,640,299.54	13,756,601.48	14,384,924.80
TOTAL O&M EXPENSES (Excluding Gas Cost and	2,974,761.78	3,376,910.20	2,601,153.96	35,460,513.07	35,667,517.34	36,138,490.72
DEPRECIATION AND AMORTIZATION						
403 Depreciation Expense	1,343,522.37	1,351,263.09	1,342,276.39	15,562,850.88	15,662,427.74	15,751,814.10
Propane Air Plant	-	-	-	-	-	-
Telemetry	-	-	-	-	-	-
Meters & Regulators	-	-	-	-	-	-
Central Stores Warehouse	-	-	-	-	-	-
General Office	-	-	-	-	-	-
407.1 Amortization of Property Losses	-	-	-	-	-	-
TOTAL DEPRECIATION AND AMORTIZATION	1,343,522.37	1,351,263.09	1,342,276.39	15,562,850.88	15,662,427.74	15,751,814.10
407.3 Regulatory Debts	-	-	-	-	-	-
TAXES OTHER THAN INCOME TAXES						
408.1 Property, Payroll and Misc. Taxes	357,055.37	343,657.02	336,800.64	4,281,492.56	4,488,626.16	4,472,232.44
INCOME TAXES - OPERATING						
409.1 Federal Inc Taxes, Util Oper Inc	(728,742.57)	(683,552.96)	(2,141,408.46)	73,041.43	270,631.47	91,086.01
409.1 State Income Taxes, Util Oper Inc	-	-	-	-	-	-
410.1 Provision For Defer'd Fed Inc Tax	251,446.47	251,779.44	1,976,437.76	5,153,044.51	4,927,670.07	5,169,642.20
410.1 Provis'n For Defer'd State Inc Tax	-	-	-	-	-	-
411.1 Prov For Deferred Inc Tax - Credit	-	-	-	-	-	-
411.4 Investment Tax Credit Adjustments	(3,595.26)	(3,595.26)	(3,589.53)	(7,475.97)	(6,558.76)	(5,635.82)
TOTAL INCOME TAXES - OPERATING	(480,891.36)	(435,368.78)	(168,560.23)	5,218,609.97	5,191,742.78	5,255,092.39
* TOTAL OPERATING EXPENSES *	4,194,448.16	4,636,461.53	4,111,670.76	60,523,466.48	61,010,314.02	61,617,629.65
* TOTAL OPERATING INCOME *	(444,307.19)	(285,752.38)	232,678.80	18,529,509.55	18,224,391.29	17,988,858.40