

CASCADE NATURAL GAS CORPORATION
2015 Affiliated Interest Report to the
Washington Utilities and Transportation Commission

This report provides the information required per WAC 480-90-264 for the 2015 calendar year.

1. **WAC 480-90-264 (1) – The affiliated interest and subsidiary transaction report must include a corporate organizational chart of the utility and its affiliated interest and subsidiaries.**

See the attached organizational chart. Please note that CGC Resources, Inc. had no transactions with the Company in 2015.

2. **WAC 480-90-264 (1) – Provide a summary of all transactions, except transactions at tariff rates, that occurred between the utility and its affiliated interest and the utility and its subsidiaries.**

MDU Resources Group, Inc.			
Account	Description	Total Company	Total Washington
	MDU/MDUR Consulting-Cap Exp	\$ 3,502,197.73	\$2,652,214.34
426.1	Donation Expense	\$ 6,586.12	\$ 4,987.69
426.4	Political Activities	\$ 14,489.41	\$ 10,972.83
426.5	Other	\$ 213,883.08	\$ 161,973.65
813	Other Gas Supply Expenses	\$ 208,841.01	\$ 158,155.27
875	Measuring & Regulating Expenses	\$ 111,429.34	\$ 84,385.42
880	Other Expense	\$ 746,653.88	\$ 565,440.99
902	Routine Meter Reading Expense	\$ 156,601.16	\$ 118,594.05
903	Customer Collection Expense	\$ 5,609,929.57	\$ 4,248,399.50
909	Informational & Instructional Advertising Expense	\$ 19,805.30	\$ 14,998.57
913	Promotional Advertising	\$ 115.37	\$ 87.37
920	Administrative & General Salaries	\$ 3,941,952.04	\$ 2,985,240.21
921	Office Supplies & Expenses	\$ 1,743,769.36	\$ 1,320,556.57
922	Administrative Expense Capitalized	\$ (4,522.76)	\$ (3,425.09)
923	Outside Services Employed	\$ 309,592.04	\$ 234,454.05
925	Injuries and Damages	\$ 1,222.49	\$ 925.79
926	Employee Pensions & Benefits	\$ 326,605.41	\$ 247,338.23
930.1	General Advertising Expenses	\$ 18,805.33	\$ 14,241.28
930.2	Misc. General Expenses	\$ 175,232.34	\$ 132,703.44
931	Rents	\$ 1,214,385.80	\$ 919,654.28
	Grand Total	\$18,317,574.02	\$ 13,871,878.44

Affiliate/Subsidiary	Total Company	Total Washington
WBI Energy Transmission	\$ 7,551.20	\$ 7,551.20
Future Source Capital Corp.	\$13,229.80	\$10,018.93
Knife River	\$79,877.00	\$0.00
Montana Dakota Utilities	(\$782,625.63)	(\$592,682.39)
Intermountain Gas Company	(\$791,525.71)	(\$599,422.42)
Centennial Holdings Capital	\$1,270,149.02	\$ 961,883.85

3. **WAC 480-90-264(2)** – When total transactions with an affiliated interest or subsidiary equal or exceed one hundred thousand dollars, the utility must provide:

(a) A balance sheet and income statement for such affiliated interest.

Below is the Income Statement and Balance Sheet for each company where transactions with Cascade Natural Gas Corporation exceeded \$100,000 in 2015.

Centennial Holdings Capital LLC

Year ended December 31,	2015
Income statement data	
Operating revenues	\$9,190,965
Operating expenses:	
Operations	704,139
Depreciation	2,070,308.04
Taxes other Than Income	91,011
Gain on Disp. Of Property	(8,483.74)
Loss on Disp. Of Property	1,927,661.55
Total operating expenses	4,784,635
Operating income	4,406,329
Other income	807,079
Other Income Deductions	236,749
Income (loss) before taxes	4,976,659
Income taxes	2,109,452
Net Income	\$2,867,207

Year ended December 31,	2015
Balance sheet data	
Property, plant and equipment	\$49,497,274
Less accumulated depreciation, depletion and amortization	(13,753,546)
Net property, plant and equipment	35,743,728
Other assets	10,406,296
Total identifiable assets	\$46,150,035

Intermountain Gas Company

Year ended December 31,	2015
Income statement data (000's)	
Operating revenues	\$258,368
Operating expenses:	
Purchased natural gas sold	168,926
Operations	45,587
Depreciation and amortization	18,829
Taxes other Than Income	10,710
Total operating expenses	\$244,052
Operating income	14,316
Other income (expense)	3,509
Other Income	301
Income (loss) before taxes	11,108
Income taxes	4,080
Net Income	\$7,028

Year ended December 31,	2015
Balance sheet data (000's)	
Property, plant and equipment	\$602,793
Less accumulated depreciation, depletion and amortization	(228,488)
Net property, plant and equipment	374,305
Other assets	21,702
Total identifiable assets	\$396,007

Montana-Dakota Utilities Co.

<u>Year ended December 31,</u>	<u>2015</u>
Income statement data (000's)	
Operating revenues	\$541,923
Operating expenses:	
Purchased natural gas sold	325,231
Operations	98,776
Depreciation and amortization	46,512
Taxes other Than Income	37,553
<u>Total operating expenses</u>	<u>\$508,072</u>
Operating income	33,851
Other income (expense)	23,331
Other Income	9,916
Income (loss) before taxes	20,436
Income taxes	7,019
<u>Net Income</u>	<u>\$13,417</u>

<u>Year ended December 31,</u>	<u>2015</u>
Balance sheet data (000's)	
Property, plant and equipment	\$1,483,735
Less accumulated depreciation, depletion and amortization	(533,176)
Net property, plant and equipment	950,559
Other assets	451,484
<u>Total identifiable assets</u>	<u>\$1,402,043</u>

(b) A description of the products or services provided to or from the utility and each such affiliated interest or subsidiary.

- MDU Resources Group, Inc, the parent Company to Cascade Natural Gas Corporation, provides management/consulting/legal services to Cascade Natural Gas Corporation.
- Centennial Holdings Capital LLC carries various liability insurance policies on behalf of Cascade Natural Gas Corporation.
- Montana-Dakota Utilities Co. (MDU) – Cascade provides 24/7 gas control monitoring of MDU’s distribution system and provides notification to the appropriate personnel when a problem is detected.

- Intermountain Gas Co. (IGC) - Cascade provides 24/7 gas control monitoring of IGC's distribution system and provides notification to the appropriate personnel when a problem is detected.

(e) A description of the Pricing Basis or Costing Method, and procedures for allocating costs for such products or services, and the amount and the accounts charged during the year.

See the attached Intercompany Administrative Services Agreement for costing method procedures regarding MDU Resources Group, Inc..

(d) A Description of Terms of any Loans between the utility and each such affiliated interest or subsidiary and a listing of the year-end loan amounts and maximum loan amounts outstanding during the year.

No loans were made to an affiliate or subsidiary during 2015.

(e) A Description of the terms and total amount of any obligation or liability assumed by the utility for each such affiliated interest or subsidiary.

None.

(f) A Description of the activities of each such affiliated interest or subsidiary with which the utility has transactions.

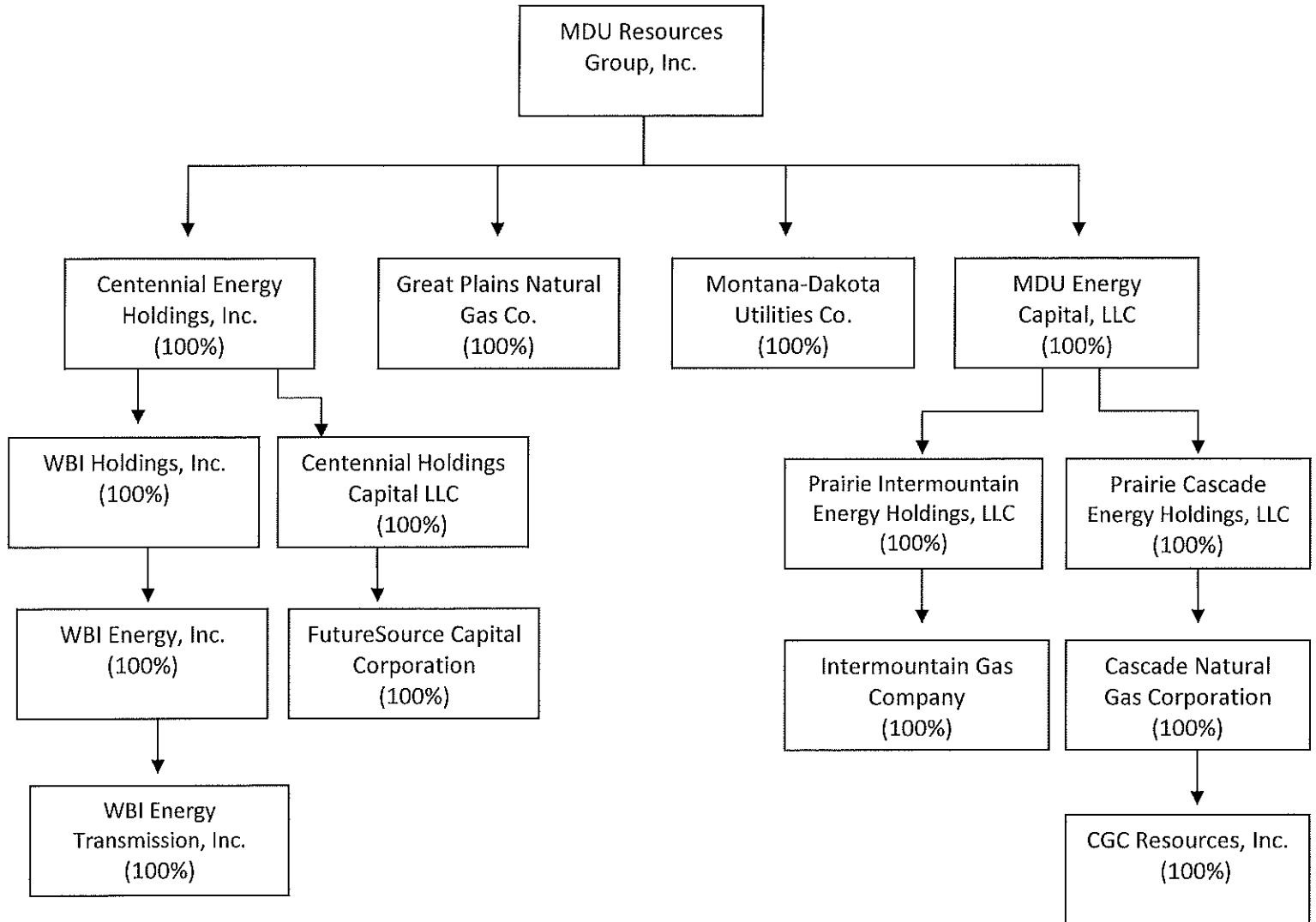
- MDU Resources Group, Inc., the parent Company to Cascade Natural Gas Corporation, provides management/consulting/legal services to Cascade Natural Gas Corporation.
- Centennial Holdings Capital LLC carries various liability insurance on behalf of Cascade Natural Gas.
- Montana-Dakota Utilities Co. (MDU) – Cascade handles 24/7 gas control monitoring of MDU's distribution system and provides notification to the appropriate personnel when a problem is detected.
- Intermountain Gas Co. (IGC) - Cascade handles 24/7 gas control monitoring of IGC's distribution system and provides notification to the appropriate personnel when a problem is detected.

(g) A List of all common officers and Directors between the gas utility and each such affiliated interest or subsidiary, along with their titles in each organization.

Please see the attached lists. (Common directors and officers among Cascade Natural Gas Corporation, CGC Resources, Inc., IGC, MDU, and Centennial Holdings Capital LLC are placed in bold.)

Attachments

Subsidiaries of MDU Resources Group, Inc.
Effective Date: 2/11/2016
Created Date: 2/11/2016



*The percentages under each company's name refer to MDURs interest in each.

Cascade Natural Gas Corporation

Directors

David L. Goodin

Nicole A. Kivisto

Daniel S. Kuntz

Doran N. Schwartz

Officers

David L. Goodin

Chairman of the Board

Michel J. Gardner

Executive Vice President – Utility Operations Support

Mark A. Chiles

Vice President, Controller, Assistant Treasurer
and Assistant Secretary

Julie A. Krenz

Assistant Secretary

Daniel S. Kuntz

General Counsel and Secretary

Scott W. Madison

Executive Vice President and General Manager

Jason L. Vollmer

Treasurer

Eric P. Martuscelli

Vice President - Operations

Nicole A. Kivisto

President and Chief Executive Officer

Margaret A. Link

Chief Information Officer

Anne M. Jones

Vice President, Human Resources

Karl A. Liepitz

Assistant Secretary

CGC Resources, Inc.

Directors

David L. Goodin

Nicole A. Kivisto

Daniel S. Kuntz

Officers

Jason L. Vollmer

Treasurer

Scott W. Madison

Vice President

Nicole A. Kivisto

Chairman of the Board, President and Chief Executive Officer

Daniel S. Kuntz

General Counsel and Secretary

Karl A. Liepitz

Assistant Secretary

Centennial Holdings Capital LLC

Managers

Doran N. Schwartz

David L. Goodin

Daniel S. Kuntz

Officers

Alvin J. Feist

Vice President and Treasurer

David L. Goodin

Chairman of the Board

Daniel S. Kuntz

General Counsel and Secretary

Doran N. Schwartz

President and Chief Executive Officer

Jason L. Vollmer

Assistant Secretary

Intermountain Gas Company

Directors

David L. Goodin

Nicole A. Kivisto

Daniel S. Kuntz

Doran N. Schwartz

Officers

David L. Goodin

Chairman of the Board

Michel J. Gardner

Executive Vice President – Utility Operations Support

Mark A. Chiles

Vice President, Controller, Assistant Treasurer
and Assistant Secretary

Julie A. Krenz

Assistant Secretary

Daniel S. Kuntz

General Counsel and Secretary

Scott W. Madison

Executive Vice President and General Manager

Jason L. Vollmer

Treasurer

Hart Gilchrist

Vice President - Operations

Nicole A. Kivisto

President and Chief Executive Officer

Margaret A. Link

Chief Information Officer

Anne M. Jones

Vice President, Human Resources

Karl A. Liepitz

Assistant Secretary

Montana-Dakota Utilities Co.

Members

Doran N. Schwartz

David L. Goodin

Daniel S. Kuntz

Nicole A. Kivisto

Officers

Patrick C. Darras

Vice President - Operations

Michael J. Gardner

Executive Vice President – Utility Operations Support

Daniel S. Kuntz

General Counsel and Secretary

Anne M. Jones

Vice President – Human Resources

Nicole A. Kivisto

President and Chief Executive

Margaret A. Link

Chief Information Officer

Garret Senger

Executive Vice President – Regulatory Affairs and
Chief Accounting Officer