

CASCADE NATURAL GAS CORPORATION
Washington Statement of Operations
QUARTERLY STATISTICAL INFORMATION

THERM SALES

	Monthly			12 Months Ending		
	April 2017	May 2017	June 2017	April 2017	May 2017	June 2017
Residential	10,014,817	5,997,311	1,727,370	127,902,997	130,166,608	128,719,890
Commercial	7,470,189	5,136,907	2,449,793	99,554,677	101,239,060	100,673,050
Industrial Firm	1,187,261	1,017,214	969,855	14,883,594	15,134,572	15,275,044
Core Interruptible	215,195	163,812	116,861	3,861,545	3,785,877	3,707,231
Noncore	52,239,986	42,469,938	43,587,666	728,955,027	720,167,863	707,666,294
TOTAL WASHINGTON	71,127,448	54,785,182	48,851,545	975,157,840	970,493,980	956,041,509

	AVERAGE CUSTOMERS		
	April 2017	May 2017	June 2017
Residential	184,449	184,099	183,698
Commercial	25,902	25,848	25,727
Industrial Firm	473	473	470
Core Interruptible	10	9	9
Noncore	207	207	207
TOTAL WASHINGTON	211,041	210,636	210,111

Cascade Natural Gas Corporation
State of Washington
Statement of Operations and Rate of Return
Month and Twelve Months Ended 4/30/2017

	Month	Twelve Months
OPERATING REVENUES		
Natural Gas Sales	14,709,972	195,418,913
Transportation Revenue	1,834,641	22,337,125
Other Operating Revenue	156,718	1,066,417
	<u>16,701,332</u>	<u>218,822,455</u>
Less: Natural Gas & Production Costs	8,249,921	109,991,174
Revenue Taxes	1,547,613	18,737,404
OPERATING MARGIN	<u>6,903,798</u>	<u>90,093,878</u>
OPERATING EXPENSES		
Production	30,808	479,858
Distribution	1,374,326	17,153,302
Customer Accounts	381,146	6,293,581
Customer Service & Informational	7,672	621,488
Sales	750	6,560
Administrative & General	1,313,302	17,221,404
Depreciation & Amortization	1,700,473	19,617,818
Property, Payroll & Misc. Taxes	300,240	3,914,315
Federal Income Taxes	355,030	5,642,744
Total Operating Expenses	<u>5,463,746</u>	<u>70,951,071</u>
NET OPERATING INCOME	<u>1,440,052</u>	<u>19,142,806</u>
RATE BASE	<u>283,556,665</u>	<u>271,951,210</u>
RATE OF RETURN	<u>0.51%</u>	<u>7.04%</u>

SCHEDULE OF RATE BASE

Utility Plant In Service	711,018,826	691,642,313
Accumulated Depreciation	(358,008,213)	(350,328,427)
Net Utility Plant	<u>353,010,614</u>	<u>341,313,887</u>
Other:		
Contributions in Aid of Construction	-	-
Customer Advances for Construction	(3,901,268)	(3,893,273)
Accumulated Deferred Income Taxes	(75,668,803)	(74,411,706)
Deferred Debits	-	-
Subtotal	<u>273,440,542</u>	<u>263,008,908</u>
Working Capital	<u>10,116,123</u>	<u>8,942,303</u>
TOTAL RATE BASE	<u>283,556,665</u>	<u>271,951,210</u>

All rate base items in the "Twelve Months" column represent average of monthly average balances

Cascade Natural Gas Corporation
State of Washington
Statement of Operations and Rate of Return
Month and Twelve Months Ended 5/31/2017

	Month	Twelve Months
OPERATING REVENUES		
Natural Gas Sales	10,103,983	197,678,138
Transportation Revenue	1,737,774	22,502,086
Other Operating Revenue	72,184	1,052,241
	<u>11,913,941</u>	<u>221,232,465</u>
Less: Natural Gas & Production Costs	5,371,675	111,118,420
Revenue Taxes	1,137,713	19,041,712
OPERATING MARGIN	<u>5,404,554</u>	<u>91,072,333</u>
OPERATING EXPENSES		
Production	24,105	476,584
Distribution	1,510,909	17,283,233
Customer Accounts	432,994	6,227,940
Customer Service & Informational	23,639	543,613
Sales	-	5,497
Administrative & General	1,274,096	17,174,157
Depreciation & Amortization	1,704,811	19,727,497
Property, Payroll & Misc. Taxes	339,381	3,896,234
Federal Income Taxes	(211,671)	5,947,558
Total Operating Expenses	<u>5,098,264</u>	<u>71,282,313</u>
NET OPERATING INCOME	<u>306,289</u>	<u>19,790,020</u>
RATE BASE	<u>283,788,275</u>	<u>272,557,830</u>
RATE OF RETURN	<u>0.11%</u>	<u>7.26%</u>

SCHEDULE OF RATE BASE

Utility Plant In Service	714,173,964	695,352,569
Accumulated Depreciation	(359,441,792)	(351,702,223)
Net Utility Plant	<u>354,732,172</u>	<u>343,650,346</u>
Other:		
Contributions in Aid of Construction	-	-
Customer Advances for Construction	(3,874,537)	(3,922,011)
Accumulated Deferred Income Taxes	(75,609,642)	(74,620,047)
Deferred Debits	-	-
Subtotal	<u>275,247,994</u>	<u>265,108,288</u>
Working Capital	<u>8,540,281</u>	<u>7,449,543</u>
TOTAL RATE BASE	<u>283,788,275</u>	<u>272,557,830</u>

All rate base items in the "Twelve Months" column represent average of monthly average balances.

Cascade Natural Gas Corporation
State of Washington
Statement of Operations and Rate of Return
Month and Twelve Months Ended 6/30/2017

	Month	Twelve Months
OPERATING REVENUES		
Natural Gas Sales	5,866,734	196,507,875
Transportation Revenue	1,736,501	22,633,100
Other Operating Revenue	68,421	1,025,148
	<u>7,671,656</u>	<u>220,166,123</u>
Less: Natural Gas & Production Costs	2,283,442	109,665,370
Revenue Taxes	725,291	19,010,159
OPERATING MARGIN	<u>4,662,922</u>	<u>91,490,594</u>
OPERATING EXPENSES		
Production	3,521	450,551
Distribution	1,637,371	17,517,334
Customer Accounts	399,651	6,170,767
Customer Service & Informational	16,789	407,909
Sales	538	5,056
Administrative & General	1,509,772	17,261,070
Depreciation & Amortization	1,715,832	19,842,656
Property, Payroll & Misc. Taxes	352,234	3,898,523
Federal Income Taxes	(561,680)	6,016,085
Total Operating Expenses	<u>5,074,028</u>	<u>71,569,951</u>
NET OPERATING INCOME	<u>(411,106)</u>	<u>19,920,644</u>
RATE BASE	<u>284,905,819</u>	<u>273,406,173</u>
RATE OF RETURN	<u>-0.14%</u>	<u>7.29%</u>

SCHEDULE OF RATE BASE

Utility Plant In Service	718,236,189	699,238,296
Accumulated Depreciation	(360,951,034)	(353,097,810)
Net Utility Plant	357,285,154	346,140,486
Other:		
Contributions in Aid of Construction	-	-
Customer Advances for Construction	(3,851,489)	(3,952,944)
Accumulated Deferred Income Taxes	(75,568,875)	(74,823,790)
Deferred Debits	-	-
Subtotal	<u>277,864,790</u>	<u>267,363,752</u>
Working Capital	7,041,029	6,042,421
TOTAL RATE BASE	<u>284,905,819</u>	<u>273,406,173</u>

All rate base items in the "Twelve Months" column represent average of monthly average balances.

STATE ALLOCATION OF INCOME & EXPENSES	Month Ended			12 MONTH Ended		
	April-17	May-17	June-17	MAY 1, 2016 THROUGH APRIL 30, 2017	JUNE 1, 2016 THROUGH MAY 31, 2017	JULY 1, 2016 THROUGH JUNE 30, 2017
GAS SALES						
480 Residential Sales	8,331,412.45	5,475,185.99	2,832,219.26	108,690,380.25	110,148,789.18	109,450,749.25
481 Commercial - Interruptible Sales	6,378,560.04	4,628,797.23	3,034,514.24	86,728,532.95	87,529,349.10	87,057,125.83
TOTAL GAS SALES	14,709,972.49	10,103,983.22	5,866,733.50	195,418,913.20	197,678,138.28	196,507,875.08
OTHER OPERATING REVENUE						
4880 Miscellaneous Service Revenues	79,348.49	55,362.12	61,561.17	831,112.35	813,692.83	804,457.83
4890 Rev. From Transp. of Gas of Others	1,834,641.45	1,737,774.18	1,736,501.17	22,337,125.00	22,502,085.68	22,633,100.42
4930 Rent From Gas Property	-	-	-	200.00	100.00	100.00
4940 Interdepartmental Rents	6,403.16	6,403.16	6,403.16	86,593.36	85,373.93	84,154.50
4950 Other Gas Revenue	70,966.81	10,418.36	456.83	148,511.41	153,074.16	136,435.59
495.1 Overrun Penalty Income	-	-	-	-	-	-
TOTAL OTHER OPERATING REVENUE	1,991,359.91	1,809,957.82	1,804,922.33	23,403,542.12	23,554,326.60	23,658,248.34
* TOTAL OPERATING REVENUE *	16,701,332.40	11,913,941.04	7,671,655.83	218,822,455.32	221,232,464.88	220,166,123.42
NATURAL GAS PURCHASED						
804 Natural Gas City Gate Purchases	9,283,675.35	7,877,199.75	6,717,016.82	128,313,699.28	129,926,493.66	130,961,511.10
805 Other Gas Purchases	-	-	-	-	-	-
805.1 Purchased Gas Cost Adjustments	(1,025,223.25)	(1,849,615.95)	(3,781,595.52)	(18,426,138.17)	(19,207,381.70)	(21,175,496.27)
808.1 Gas Withdrawn From Storage	(2.19)	-	-	3,597,365.65	3,597,365.65	3,597,365.65
808.2 Gas Delivered To Storage	-	(660,236.83)	(649,639.13)	(3,450,114.46)	(3,159,387.38)	(3,677,528.08)
812 Gas Used For Other Utility Oper.	(8,528.63)	4,327.71	(2,339.69)	(43,638.19)	(38,670.17)	(40,481.94)
TOTAL NATURAL GAS PURCHASED	8,249,921.28	5,371,674.68	2,283,442.48	109,991,174.11	111,118,420.06	109,665,370.46
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	1,547,612.78	1,137,712.62	725,290.94	18,737,403.63	19,041,711.67	19,010,158.86
* OPERATING MARGIN *	6,903,798.34	5,404,553.74	4,662,922.41	90,093,877.58	91,072,333.15	91,490,594.10
PRODUCTION EXPENSES						
813 Other Gas Supply Expenses	30,807.50	24,105.40	3,520.76	479,858.31	476,583.92	450,550.79
DISTRIBUTION EXPENSES						
Operation						
870 Oper., Supervision & Engineering	122,249.31	168,833.97	157,090.40	1,483,117.37	1,531,758.92	1,572,074.34
871 Distribution Load Dispatching	35,039.80	17,899.57	22,218.77	477,398.95	455,206.58	439,274.38
872 Compressor Station	22,964.59	4,147.24	3,155.16	130,132.77	132,762.85	127,378.49
874 Mains & Services Exp.	321,877.86	349,153.46	310,723.33	3,582,464.30	3,638,577.84	3,707,278.67
875 Meas. & Reg. Stat. Exp.-Gen.	45,599.86	44,285.48	52,790.89	624,133.90	612,600.17	622,756.81
876 Meas. & Reg. Stat. Exp.-Ind.	10,518.07	18,830.67	12,736.58	178,582.81	177,656.77	175,048.52
878 Meter & House Regulator Exp.	105,756.48	119,551.24	105,848.39	1,373,472.16	1,378,895.65	1,371,606.27
879 Customer Installations Exp.	74,383.48	88,759.55	82,063.78	1,066,918.04	1,080,310.54	1,080,841.22
880 Other Exp.	257,750.59	256,777.43	295,867.35	3,330,002.98	3,288,538.99	3,199,203.69
881 Rents	7,818.09	6,910.53	20,154.13	152,784.50	140,313.08	144,486.19
882 Transportation Exp.	-	-	-	-	-	-
Subtotal Operations	1,003,958.13	1,075,149.14	1,062,648.78	12,399,007.78	12,436,621.39	12,439,948.58

STATE ALLOCATION OF INCOME & EXPENSES	Month Ended			12 MONTH Ended		
	April-17	May-17	June-17	MAY 1, 2016 THROUGH APRIL 30, 2017	JUNE 1, 2016 THROUGH MAY 31, 2017	JULY 1, 2016 THROUGH JUNE 30, 2017
Maintenance						
885 Supervision & Engineering	11,554.08	13,777.02	14,511.25	135,959.30	139,951.93	143,282.83
886 Structures & Improvements	-	450.02	-	12,608.48	13,058.50	12,533.20
887 Mains	101,471.36	127,919.43	268,752.56	1,642,342.61	1,710,812.56	1,879,170.83
8880 Compressor Station	1,856.34	2,708.37	24,827.37	37,816.81	39,092.27	62,491.46
889 Meas. & Reg. Equip.-Gen.	38,491.13	23,029.70	27,514.85	373,563.04	344,742.46	352,542.94
890 Meas. & Reg. Equip.-Ind.	542.53	4,483.73	149.10	20,639.56	24,927.40	20,034.46
892 Services	113,523.97	145,318.10	143,937.06	1,330,587.07	1,354,890.42	1,403,982.17
893 Meters & House Regulators	84,365.22	107,417.92	82,907.83	1,040,560.08	1,056,416.36	1,038,432.13
894 Other Equipment	18,563.01	10,655.23	12,122.57	160,217.04	162,720.00	164,915.63
Subtotal Maintenance	370,367.64	435,759.52	574,722.59	4,754,293.99	4,846,611.90	5,077,385.65
TOTAL DISTRIBUTION EXPENSES	1,374,325.77	1,510,908.66	1,637,371.37	17,153,301.77	17,283,233.29	17,517,334.23
CUSTOMER ACCOUNTS EXPENSES						
901 Supervision	1,552.56	2,014.57	1,716.04	1,153.60	3,168.17	4,884.21
902 Meter Reading Exp.	49,718.06	37,396.69	37,781.12	513,328.97	497,107.80	491,183.32
903 Cust. Records & Collection Exp.	345,855.39	414,416.83	388,869.47	4,919,622.97	4,886,306.89	4,864,470.20
904 Uncollectible Accounts	(15,979.81)	(20,834.02)	(28,715.17)	858,692.07	840,573.70	809,446.33
905 Misc. Exp.	-	-	-	783.17	783.17	783.17
TOTAL CUSTOMER ACCOUNTS EXP.	381,146.20	432,994.07	399,651.46	6,293,580.78	6,227,939.73	6,170,767.23
CUSTOMER SERVICE AND INFORMATIONAL EXPENSES						
907 Supervision	-	-	-	-	-	-
908 Cust. Assistance Exp.	6,543.38	19,401.74	15,687.54	581,243.62	499,631.76	367,318.79
909 Info. & Instr. Advertising Exp.	1,128.47	4,236.87	1,101.31	40,244.50	43,981.37	40,590.50
910 Misc. Cust. Serv. & Info. Exp.	-	-	-	-	-	-
TOTAL CUST. SRVC. & INFO. EXPENSES	7,671.85	23,638.61	16,788.85	621,488.12	543,613.13	407,909.29
SALES EXPENSES						
911 Supervision	-	-	-	-	-	-
912 Demonstrating & Selling	-	-	-	-	-	-
913 Advertising	750.40	-	537.79	6,560.42	5,497.23	5,055.66
916 Misc. Sales Exp.	-	-	-	-	-	-
TOTAL SALES EXPENSES	750.40	-	537.79	6,560.42	5,497.23	5,055.66
ADMINISTRATIVE AND GENERAL EXPENSES						
920 Admin. & General Salaries	444,752.25	539,602.38	522,678.14	5,780,654.86	5,877,373.63	5,929,423.05
921 Office Supplies & Exp.	309,000.97	171,986.18	233,312.63	2,867,816.45	2,776,137.70	2,781,923.05
923 Outside Services Employed	113,078.46	89,241.12	79,568.79	1,074,925.85	1,066,094.96	1,056,686.90
924 Property Insurance	4,466.40	4,466.40	4,466.40	59,069.01	58,633.89	58,198.76
925 Injuries & Damages	18,310.35	76,292.28	77,844.24	1,096,224.38	1,092,612.20	1,093,504.06
926 Employee Pensions & Benefits	337,651.39	246,010.04	489,010.31	4,631,394.57	4,537,735.39	4,731,275.04
928 Regulatory Commission Exp.	-	-	-	-	-	-
930.1 General Advertising Exp.	679.17	1,861.31	671.31	42,651.60	43,029.57	43,220.62
930.2 Misc. General Exp.	53,067.97	55,398.11	38,371.22	723,075.61	744,325.71	694,186.35
931 Rents	54,410.85	119,368.14	87,033.45	1,202,995.21	1,238,964.68	1,132,257.32
932 Maintenance of General Plant	4,847.42	789.62	968.42	42,626.75	42,628.66	43,339.40
	1,340,265.23	1,305,015.58	1,533,924.91	17,521,434.29	17,477,536.39	17,564,014.55
922 Capitalized Exp.	(26,963.10)	(30,919.73)	(24,153.21)	(300,029.99)	(303,379.58)	(302,944.44)
TOTAL ADM. & GEN. EXPENSES	1,313,302.13	1,274,095.85	1,509,771.70	17,221,404.30	17,174,156.81	17,261,070.11
TOTAL O&M EXPENSES (Excluding Gas Cost and	3,108,003.85	3,265,742.59	3,567,641.93	41,776,193.70	41,711,024.11	41,812,687.31
DEPRECIATION AND AMORTIZATION						
403 Depreciation Expense	1,700,472.52	1,704,811.39	1,715,832.10	19,617,818.23	19,727,496.98	19,842,655.70
Propane Air Plant	-	-	-	-	-	-
Telemetry	-	-	-	-	-	-

Cascade Natural Gas Corporation
Washington Statement of Operations
Quarter Ending: 6/30/2017

STATE ALLOCATION OF INCOME & EXPENSES	Month Ended			12 MONTH Ended		
	April-17	May-17	June-17	MAY 1, 2016 THROUGH APRIL 30, 2017	JUNE 1, 2016 THROUGH MAY 31, 2017	JULY 1, 2016 THROUGH JUNE 30, 2017
Meters & Regulators	-	-	-	-	-	-
Central Stores Warehouse	-	-	-	-	-	-
General Office	-	-	-	-	-	-
407.1 Amortization of Property Losses	-	-	-	-	-	-
TOTAL DEPRECIATION AND AMORTIZATION	1,700,472.52	1,704,811.39	1,715,832.10	19,617,818.23	19,727,496.98	19,842,655.70
407.3 Regulatory Debits	-	-	-	-	-	-
TAXES OTHER THAN INCOME TAXES						
408.1 Property, Payroll and Misc. Taxes	300,239.86	339,380.93	352,233.96	3,914,315.46	3,896,234.35	3,898,522.63
INCOME TAXES - OPERATING						
409.1 Federal Inc Taxes, Util Oper Inc	30,848.96	(546,430.63)	(649,459.75)	3,502,274.25	3,373,552.18	3,512,327.91
409.1 State Income Taxes, Util Oper Inc	-	-	-	-	-	-
410.1 Provision For Defer'd Fed Inc Tax	326,916.10	337,495.30	90,515.10	2,176,159.15	2,609,271.94	2,538,869.72
410.1 Provis'n For Defer'd State Inc Tax	-	-	-	-	-	-
411.1 Prov For Deferred Inc Tax - Credit	-	-	-	-	-	-
411.4 Investment Tax Credit Adjustments	(2,735.26)	(2,735.25)	(2,735.26)	(35,689.39)	(35,266.12)	(35,112.70)
TOTAL INCOME TAXES - OPERATING	355,029.80	(211,670.58)	(561,679.91)	5,642,744.01	5,947,558.00	6,016,084.93
* TOTAL OPERATING EXPENSES *	5,463,746.03	5,098,264.33	5,074,028.08	70,951,071.40	71,282,313.44	71,569,950.57
* TOTAL OPERATING INCOME *	1,440,052.31	306,289.41	(411,105.67)	19,142,806.18	19,790,019.71	19,920,643.53