

CASCADE NATURAL GAS CORPORATION
Washington Statement of Operations
QUARTERLY STATISTICAL INFORMATION

THERM SALES

	Monthly			12 Months Ending		
	October 2017	November 2017	December 2017	October 2017	November 2017	December 2017
Residential	8,099,544	15,631,201	21,947,248	128,801,784	132,604,115	129,551,066
Commercial	6,740,702	10,800,803	16,077,395	101,411,257	104,166,688	103,297,938
Industrial Firm	1,530,746	1,278,888	1,609,946	15,542,221	15,634,041	15,695,690
Core Interruptible	209,696	230,027	258,481	3,274,494	3,126,383	2,827,747
Noncore	65,017,940	56,986,228	67,233,200	699,049,796	702,439,721	701,643,787
TOTAL WASHINGTON	81,598,628	84,927,147	107,126,270	948,079,552	957,970,948	953,016,228

	AVERAGE CUSTOMERS		
	October 2017	November 2017	December 2017
Residential	185,461	186,401	187,010
Commercial	25,890	26,108	26,249
Industrial Firm	476	473	474
Core Interruptible	10	10	10
Noncore	204	202	202
TOTAL WASHINGTON	212,041	213,194	213,945

Cascade Natural Gas Corporation
State of Washington
Statement of Operations and Rate of Return
Month and Twelve Months Ended 10/31/2017

	Month	Twelve Months
OPERATING REVENUES		
Natural Gas Sales	12,943,801	196,217,169
Transportation Revenue	2,036,908	23,178,320
Other Operating Revenue	63,490	1,068,981
	<u>15,044,199</u>	<u>220,464,469</u>
Less: Natural Gas & Production Costs	7,236,957	108,784,118
Revenue Taxes	1,068,330	19,028,197
OPERATING MARGIN	<u>6,738,912</u>	<u>92,652,154</u>
OPERATING EXPENSES		
Production	16,940	330,074
Distribution	1,851,113	18,522,995
Customer Accounts	566,129	6,157,563
Customer Service & Informational Sales	28,408	293,494
	-	3,841
Administrative & General	1,296,823	17,357,189
Depreciation & Amortization	1,745,781	20,331,524
Property, Payroll & Misc. Taxes	341,853	4,198,106
Federal Income Taxes	68,897	6,128,137
Total Operating Expenses	<u>5,915,944</u>	<u>73,322,923</u>
NET OPERATING INCOME	<u>822,968</u>	<u>19,329,231</u>
RATE BASE	<u>291,473,750</u>	<u>278,171,258</u>
RATE OF RETURN	<u>0.28%</u>	<u>6.95%</u>

SCHEDULE OF RATE BASE

Utility Plant In Service	735,061,585	713,471,675
Accumulated Depreciation	(366,857,443)	(358,827,055)
Net Utility Plant	368,204,142	354,644,620
Other:		
Contributions in Aid of Construction	-	-
Customer Advances for Construction	(4,418,879)	(4,021,386)
Accumulated Deferred Income Taxes	(75,694,467)	(75,532,987)
Deferred Debits	-	-
Subtotal	<u>288,090,796</u>	<u>275,090,247</u>
Working Capital	3,382,954	3,081,011
TOTAL RATE BASE	<u>291,473,750</u>	<u>278,171,258</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 11/30/2017

	Month	Twelve Months
OPERATING REVENUES		
Natural Gas Sales	23,556,557	201,102,805
Transportation Revenue	1,994,324	23,258,195
Other Operating Revenue	61,770	1,064,563
	<u>25,612,651</u>	<u>225,425,563</u>
Less: Natural Gas & Production Costs	13,603,218	113,016,582
Revenue Taxes	1,824,578	19,513,509
OPERATING MARGIN	<u>10,184,856</u>	<u>92,895,472</u>
OPERATING EXPENSES		
Production	19,407	315,627
Distribution	1,591,545	18,594,704
Customer Accounts	626,333	6,320,482
Customer Service & Informational	33,259	319,179
Sales	24	3,263
Administrative & General	1,395,998	17,416,465
Depreciation & Amortization	1,768,849	20,461,189
Property, Payroll & Misc. Taxes	352,952	4,224,989
Federal Income Taxes	1,260,381	6,076,236
Total Operating Expenses	<u>7,048,748</u>	<u>73,732,133</u>
NET OPERATING INCOME	<u>3,136,107</u>	<u>19,163,339</u>
RATE BASE	<u>296,508,207</u>	<u>280,771,618</u>
RATE OF RETURN	<u>1.06%</u>	<u>6.83%</u>

SCHEDULE OF RATE BASE

Utility Plant In Service	742,647,773	717,341,249
Accumulated Depreciation	(368,092,751)	(360,250,773)
Net Utility Plant	<u>374,555,023</u>	<u>357,090,476</u>
Other:		
Contributions in Aid of Construction	-	-
Customer Advances for Construction	(4,418,879)	(4,055,381)
Accumulated Deferred Income Taxes	(77,080,612)	(75,675,006)
Deferred Debits	-	-
Subtotal	<u>293,055,532</u>	<u>277,360,089</u>
Working Capital	<u>3,452,675</u>	<u>3,411,529</u>
TOTAL RATE BASE	<u>296,508,207</u>	<u>280,771,618</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 12/31/2017

	Month	Twelve Months
OPERATING REVENUES		
Natural Gas Sales	33,084,924	201,859,941
Transportation Revenue	2,105,860	23,274,239
Other Operating Revenue	67,965	1,039,898
	<u>35,258,749</u>	<u>226,174,078</u>
Less: Natural Gas & Production Costs	19,637,637	113,381,089
Revenue Taxes	2,713,488	19,643,139
OPERATING MARGIN	<u>12,907,624</u>	<u>93,149,850</u>
OPERATING EXPENSES		
Production	18,830	294,447
Distribution	1,667,386	18,788,790
Customer Accounts	564,451	6,197,704
Customer Service & Informational	57,859	370,308
Sales	-	3,263
Administrative & General	1,863,453	17,491,298
Depreciation & Amortization	1,791,477	20,609,143
Property, Payroll & Misc. Taxes	367,084	4,242,029
Federal Income Taxes	3,007,777	6,857,365
Total Operating Expenses	<u>9,338,316</u>	<u>74,854,348</u>
NET OPERATING INCOME	<u>3,569,308</u>	<u>18,295,503</u>
RATE BASE	<u>304,932,736</u>	<u>283,774,538</u>
RATE OF RETURN	<u>1.17%</u>	<u>6.45%</u>

SCHEDULE OF RATE BASE

Utility Plant In Service	751,906,569	721,672,786
Accumulated Depreciation	(369,879,553)	(361,711,018)
Net Utility Plant	382,027,017	359,961,768
Other:		
Contributions in Aid of Construction	-	-
Customer Advances for Construction	(4,248,901)	(4,078,946)
Accumulated Deferred Income Taxes	(76,684,094)	(75,805,307)
Deferred Debits	-	-
Subtotal	<u>301,094,022</u>	<u>280,077,515</u>
Working Capital	3,838,714	3,697,023
TOTAL RATE BASE	<u>304,932,736</u>	<u>283,774,538</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		
	October-17	November-17	December-17	NOVEMBER 1, 2016 THROUGH OCTOBER 31, 2017	DECEMBER 1, 2016 THROUGH NOVEMBER 30, 2017	JANUARY 1, 2017 THROUGH DECEMBER 31, 2017
GAS SALES						
480 Residential Sales	6,902,715.49	13,931,234.44	19,256,831.48	109,455,238.26	112,315,543.01	112,384,813.19
481 Commercial - Interruptible Sales	6,041,085.40	9,625,322.64	13,828,092.77	86,761,930.79	88,787,261.95	89,475,128.07
TOTAL GAS SALES	12,943,800.89	23,556,557.08	33,084,924.25	196,217,169.05	201,102,804.96	201,859,941.26
OTHER OPERATING REVENUE						
4880 Miscellaneous Service Revenues	57,086.84	49,642.97	60,477.22	829,615.37	826,664.30	817,036.24
4890 Rev. From Transp. of Gas of Others	2,036,908.11	1,994,323.87	2,105,859.83	23,178,319.87	23,258,194.81	23,274,238.50
4930 Rent From Gas Property	-	-	-	100.00	100.00	100.00
4940 Interdepartmental Rents	6,403.16	6,403.16	6,403.16	79,276.78	78,057.35	76,837.92
4950 Other Gas Revenue	-	5,724.06	1,084.76	159,988.41	159,741.65	145,923.99
495.1 Overrun Penalty Income	-	-	-	-	-	-
TOTAL OTHER OPERATING REVENUE	2,100,398.11	2,056,094.06	2,173,824.97	24,247,300.43	24,322,758.11	24,314,136.58
* TOTAL OPERATING REVENUE *	15,044,199.00	25,612,651.14	35,258,749.22	220,464,469.48	225,425,563.07	226,174,077.84
NATURAL GAS PURCHASED						
804 Natural Gas City Gate Purchases	8,486,338.36	11,533,028.15	15,429,869.93	131,757,633.94	132,208,437.38	128,958,033.80
805 Other Gas Purchases	-	-	-	-	-	-
805.1 Purchased Gas Cost Adjustments	(1,247,439.46)	1,608,264.33	3,516,574.17	(22,069,110.20)	(18,718,791.05)	(13,978,220.04)
808.1 Gas Withdrawn From Storage	-	466,501.12	697,720.84	3,594,843.07	4,053,336.23	2,930,071.14
808.2 Gas Delivered To Storage	-	-	-	(4,451,990.13)	(4,476,229.61)	(4,476,229.61)
812 Gas Used For Other Utility Oper.	(1,941.85)	(4,575.55)	(6,527.79)	(47,258.38)	(50,170.51)	(52,566.31)
TOTAL NATURAL GAS PURCHASED	7,236,957.05	13,603,218.05	19,637,637.15	108,784,118.30	113,016,582.44	113,381,088.98
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	1,068,330.42	1,824,577.51	2,713,487.66	19,028,197.26	19,513,508.70	19,643,138.55
* OPERATING MARGIN *	6,738,911.53	10,184,855.58	12,907,624.41	92,652,153.92	92,895,471.93	93,149,850.31
PRODUCTION EXPENSES						
813 Other Gas Supply Expenses	16,940.16	19,407.40	18,829.59	330,073.96	315,627.17	294,447.20
DISTRIBUTION EXPENSES						
Operation						
870 Oper., Supervision & Engineering	163,790.10	179,041.23	254,749.40	1,751,140.46	1,781,564.60	1,923,203.11
871 Distribution Load Dispatching	23,705.65	28,321.68	27,648.83	371,920.25	360,027.54	343,236.02
872 Compressor Station	4,895.10	6,632.84	6,083.60	96,572.09	96,892.57	97,924.42
874 Mains & Services Exp.	334,653.03	279,741.34	233,059.01	3,680,610.28	3,606,255.44	3,588,516.32
875 Meas. & Reg. Stat. Exp.-Gen.	36,736.82	34,622.26	31,557.66	628,510.97	577,075.61	560,263.45
876 Meas. & Reg. Stat. Exp.-Ind.	18,639.40	6,425.95	8,321.64	197,278.76	174,932.96	165,104.19
878 Meter & House Regulator Exp.	100,862.28	69,051.36	68,362.77	1,333,592.78	1,287,203.70	1,237,977.27
879 Customer Installations Exp.	76,791.48	76,462.63	74,112.65	1,038,088.92	1,009,739.36	969,727.02
880 Other Exp.	361,878.98	413,369.86	388,169.48	3,550,201.29	3,702,494.78	3,800,622.80
881 Rents	23,420.28	9,358.92	4,396.01	161,856.41	158,928.10	127,798.38
882 Transportation Exp.	-	-	-	-	-	-
Subtotal Operations	1,145,373.12	1,103,028.07	1,096,461.05	12,809,772.21	12,755,114.66	12,814,372.98

STATE ALLOCATION OF INCOME & EXPENSES	Month Ended			12 MONTH Ended		
	October-17	November-17	December-17	NOVEMBER 1, 2016 THROUGH OCTOBER 31, 2017	DECEMBER 1, 2016 THROUGH NOVEMBER 30, 2017	JANUARY 1, 2017 THROUGH DECEMBER 31, 2017
Maintenance						
885 Supervision & Engineering	78,036.55	85,189.57	123,706.40	271,558.08	343,618.54	463,643.93
886 Structures & Improvements	536.75	918.85	484.80	8,601.27	8,727.10	2,400.13
887 Mains	201,768.43	119,395.11	101,407.56	2,120,608.74	2,118,800.53	2,048,047.04
8880 Compressor Station	990.36	4,688.43	5,721.18	50,928.71	45,338.11	49,929.73
889 Meas. & Reg. Equip.-Gen.	38,507.99	24,592.39	19,424.45	374,092.41	375,863.74	356,862.98
890 Meas. & Reg. Equip.-Ind.	730.25	1,948.00	111.67	21,707.46	22,766.91	20,077.12
892 Services	220,437.11	96,617.75	136,557.06	1,527,800.32	1,528,168.02	1,566,026.23
893 Meters & House Regulators	104,566.91	80,769.29	89,434.66	1,083,355.03	1,078,627.77	1,079,759.89
894 Other Equipment	60,165.12	74,397.22	94,077.62	254,570.44	317,678.75	387,670.25
Subtotal Maintenance	705,739.47	488,516.61	570,925.40	5,713,222.46	5,839,589.47	5,974,417.30
TOTAL DISTRIBUTION EXPENSES	1,851,112.59	1,591,544.68	1,667,386.45	18,522,994.67	18,594,704.13	18,788,790.28
CUSTOMER ACCOUNTS EXPENSES						
901 Supervision	1,620.80	11,546.63	12,298.10	10,217.71	21,764.34	36,790.23
902 Meter Reading Exp.	57,928.56	46,328.09	46,678.11	517,546.46	527,677.11	539,965.08
903 Cust. Records & Collection Exp.	414,106.11	360,765.01	365,269.55	4,726,027.59	4,686,266.08	4,629,761.32
904 Uncollectible Accounts	91,849.82	207,693.50	140,204.83	903,147.47	1,084,150.22	990,563.72
905 Misc. Exp.	624.03	-	-	624.03	624.03	624.03
TOTAL CUSTOMER ACCOUNTS EXP.	566,129.32	626,333.23	564,450.59	6,157,563.26	6,320,481.78	6,197,704.38
CUSTOMER SERVICE AND INFORMATIONAL EXPENSES						
907 Supervision	-	-	-	-	-	-
908 Cust. Assistance Exp.	13,109.63	17,572.24	40,970.19	245,052.74	258,491.24	293,443.61
909 Info. & Instr. Advertising Exp.	1,899.90	2,644.24	2,260.76	24,644.15	23,848.26	25,396.61
910 Misc. Cust. Serv. & Info. Exp.	13,398.21	13,042.70	14,627.95	23,796.93	36,839.63	51,467.58
TOTAL CUST. SRVC. & INFO. EXPENSES	28,407.74	33,259.18	57,858.90	293,493.82	319,179.13	370,307.80
SALES EXPENSES						
911 Supervision	-	-	-	-	-	-
912 Demonstrating & Selling	-	-	-	-	-	-
913 Advertising	-	23.94	-	3,841.08	3,262.86	3,262.86
916 Misc. Sales Exp.	-	-	-	-	-	-
TOTAL SALES EXPENSES	-	23.94	-	3,841.08	3,262.86	3,262.86
ADMINISTRATIVE AND GENERAL EXPENSES						
920 Admin. & General Salaries	443,118.63	625,584.39	423,991.49	6,113,018.70	6,265,964.89	6,109,958.54
921 Office Supplies & Exp.	213,371.86	140,339.46	441,185.75	2,751,056.72	2,770,901.01	2,978,494.33
923 Outside Services Employed	77,386.46	24,258.36	156,929.93	1,190,862.78	1,150,030.48	1,157,941.62
924 Property Insurance	4,466.37	4,476.17	4,476.17	55,148.92	54,464.70	54,037.90
925 Injuries & Damages	84,696.88	84,253.75	94,241.43	1,011,774.28	1,018,246.44	936,974.44
926 Employee Pensions & Benefits	365,877.68	396,400.08	611,987.18	4,703,826.27	4,624,203.87	4,766,248.31
928 Regulatory Commission Exp.	-	-	-	-	-	-
930.1 General Advertising Exp.	4,197.51	2,737.43	2,882.48	45,342.46	43,758.01	29,117.85
930.2 Misc. General Exp.	42,649.67	40,429.55	58,349.34	657,240.36	662,606.81	644,427.28
931 Rents	86,978.35	86,972.42	86,889.77	1,075,545.12	1,059,862.09	1,044,253.20
932 Maintenance of General Plant	2,672.80	8,646.82	3,777.94	41,289.50	46,335.77	42,423.17
	1,325,416.21	1,414,098.43	1,884,711.48	17,645,105.11	17,696,374.07	17,763,876.64
922 Capitalized Exp.	(28,593.13)	(18,100.25)	(21,258.59)	(287,915.81)	(279,909.57)	(272,578.71)
TOTAL ADM. & GEN. EXPENSES	1,296,823.08	1,395,998.18	1,863,452.89	17,357,189.30	17,416,464.50	17,491,297.93
TOTAL O&M EXPENSES (Excluding Gas Cost and	3,759,412.89	3,666,566.61	4,171,978.42	42,665,156.09	42,969,719.57	43,145,810.45
DEPRECIATION AND AMORTIZATION						
403 Depreciation Expense	1,745,781.36	1,768,848.82	1,791,477.22	20,331,524.23	20,461,189.07	20,609,143.47
Propane Air Plant	-	-	-	-	-	-
Telemetry	-	-	-	-	-	-

Cascade Natural Gas Corporation
Washington Statement of Operations
Quarter Ending: 12/31/2017

STATE ALLOCATION OF INCOME & EXPENSES	Month Ended			12 MONTH Ended		
	October-17	November-17	December-17	NOVEMBER 1, 2016 THROUGH OCTOBER 31, 2017	DECEMBER 1, 2016 THROUGH NOVEMBER 30, 2017	JANUARY 1, 2017 THROUGH DECEMBER 31, 2017
Meters & Regulators	-	-	-	-	-	-
Central Stores Warehouse	-	-	-	-	-	-
General Office	-	-	-	-	-	-
407.1 Amortization of Property Losses	-	-	-	-	-	-
TOTAL DEPRECIATION AND AMORTIZATION	1,745,781.36	1,768,848.82	1,791,477.22	20,331,524.23	20,461,189.07	20,609,143.47
407.3 Regulatory Debits	-	-	-	-	-	-
TAXES OTHER THAN INCOME TAXES						
408.1 Property, Payroll and Misc. Taxes	341,852.55	352,951.64	367,084.15	4,198,106.43	4,224,988.71	4,242,028.70
INCOME TAXES - OPERATING						
409.1 Federal Inc Taxes, Util Oper Inc	(424,659.59)	(1,347,496.24)	2,461,750.95	95,406.32	(1,292,891.79)	(1,508,118.62)
409.1 State Income Taxes, Util Oper Inc	-	-	-	-	-	-
410.1 Provision For Defer'd Fed Inc Tax	496,291.81	2,607,042.62	548,963.77	6,066,329.85	7,398,759.04	8,394,939.32
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)	834.94	(2,938.19)	(33,599.56)	(29,631.17)	(29,455.82)
TOTAL INCOME TAXES - OPERATING	68,896.96	1,260,381.32	3,007,776.53	6,128,136.61	6,076,236.08	6,857,364.88
* TOTAL OPERATING EXPENSES *	5,915,943.76	7,048,748.39	9,338,316.32	73,322,923.36	73,732,133.43	74,854,347.50
* TOTAL OPERATING INCOME *	822,967.77	3,136,107.19	3,569,308.09	19,329,230.56	19,163,338.50	18,295,502.81