

CASCADE NATURAL GAS CORPORATION
Washington Statement of Operations
QUARTERLY STATISTICAL INFORMATION

THERM SALES

	Monthly			12 Months Ending		
	January 2018	February 2018	March 2018	January 2018	February 2018	March 2018
Residential	18,794,612	17,727,135	14,461,098	123,082,866	122,881,439	122,843,305
Commercial	14,097,942	13,582,405	10,460,230	97,683,089	96,607,149	96,404,163
Industrial Firm	1,908,527	1,517,494	1,685,605	15,526,261	15,334,666	15,115,074
Core Interruptible	250,130	242,159	240,331	2,489,687	2,270,010	2,255,784
Noncore	54,951,202	54,242,617	59,385,558	687,859,922	687,140,365	692,054,095
TOTAL WASHINGTON	90,002,413	87,311,810	86,232,822	926,641,825	924,233,629	928,672,421

	AVERAGE CUSTOMERS		
	January 2018	February 2018	March 2018
Residential	187,356	187,587	187,695
Commercial	26,287	26,309	26,319
Industrial Firm	481	482	485
Core Interruptible	9	9	9
Noncore	199	199	199
TOTAL WASHINGTON	214,332	214,586	214,707

Cascade Natural Gas Corporation
State of Washington
Statement of Operations and Rate of Return
Month and Twelve Months Ended 1/31/2018

	Month	Twelve Months
OPERATING REVENUES		
Natural Gas Sales	31,111,226	198,641,192
Transportation Revenue	1,975,668	23,146,267
Other Operating Revenue	91,958	1,062,652
	<u>33,178,851</u>	<u>222,850,111</u>
Less: Natural Gas & Production Costs	17,239,228	109,792,643
Revenue Taxes	3,097,400	19,206,660
OPERATING MARGIN	<u>12,842,223</u>	<u>93,850,808</u>
OPERATING EXPENSES		
Production	30,601	292,732
Distribution	1,629,372	18,663,687
Customer Accounts	586,986	6,037,943
Customer Service & Informational	493,061	829,646
Sales	-	3,263
Administrative & General	1,801,646	17,692,092
Depreciation & Amortization	1,826,206	20,776,884
Property, Payroll & Misc. Taxes	393,783	4,265,100
Federal Income Taxes	950,856	6,073,732
Total Operating Expenses	<u>7,712,510</u>	<u>74,635,081</u>
NET OPERATING INCOME	<u>5,129,713</u>	<u>19,215,727</u>
RATE BASE	<u>311,592,493</u>	<u>287,069,638</u>
RATE OF RETURN	<u>1.65%</u>	<u>6.69%</u>

SCHEDULE OF RATE BASE

Utility Plant In Service	759,155,826	726,339,299
Accumulated Depreciation	<u>(371,181,288)</u>	<u>(363,172,621)</u>
Net Utility Plant	387,974,538	363,166,678
Other:		
Contributions in Aid of Construction	-	-
Customer Advances for Construction	(4,068,726)	(4,088,945)
Accumulated Deferred Income Taxes	(76,447,380)	(75,887,797)
Deferred Debits	-	-
Subtotal	<u>307,458,432</u>	<u>283,189,936</u>
Working Capital	4,134,062	3,879,702
TOTAL RATE BASE	<u>311,592,493</u>	<u>287,069,638</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 2/28/2018

	Month	Twelve Months
OPERATING REVENUES		
Natural Gas Sales	27,937,866	200,139,709
Transportation Revenue	1,958,711	23,167,487
Other Operating Revenue	121,109	1,044,251
	<u>30,017,687</u>	<u>224,351,446</u>
Less: Natural Gas & Production Costs	16,272,160	110,876,125
Revenue Taxes	2,508,110	18,933,661
OPERATING MARGIN	<u>11,237,417</u>	<u>94,541,660</u>
OPERATING EXPENSES		
Production	12,741	277,662
Distribution	1,404,501	18,810,018
Customer Accounts	359,643	5,896,168
Customer Service & Informational	498,453	1,311,629
Sales	-	2,362
Administrative & General	1,511,617	17,761,153
Depreciation & Amortization	1,833,870	20,943,634
Property, Payroll & Misc. Taxes	407,645	4,324,669
Federal Income Taxes	819,344	5,263,013
Total Operating Expenses	<u>6,847,814</u>	<u>74,590,309</u>
NET OPERATING INCOME	<u>4,389,603</u>	<u>19,951,351</u>
RATE BASE	<u>313,451,171</u>	<u>290,879,253</u>
RATE OF RETURN	<u>1.40%</u>	<u>6.86%</u>

SCHEDULE OF RATE BASE

Utility Plant In Service	761,677,380	731,110,602
Accumulated Depreciation	<u>(372,323,771)</u>	<u>(364,609,113)</u>
Net Utility Plant	389,353,609	366,501,489
Other:		
Contributions in Aid of Construction	-	-
Customer Advances for Construction	(4,058,529)	(4,098,022)
Accumulated Deferred Income Taxes	(76,338,615)	(75,935,816)
Deferred Debits	-	-
Subtotal	<u>308,956,465</u>	<u>286,467,651</u>
Working Capital	4,494,706	4,411,602
TOTAL RATE BASE	<u>313,451,171</u>	<u>290,879,253</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 3/31/2018

	Month	Twelve Months
OPERATING REVENUES		
Natural Gas Sales	23,478,972	202,070,088
Transportation Revenue	1,991,798	23,254,541
Other Operating Revenue	81,026	1,013,693
	25,551,796	226,338,322
Less: Natural Gas & Production Costs	13,198,546	112,141,308
Revenue Taxes	2,513,751	19,066,492
OPERATING MARGIN	9,839,499	95,130,522
OPERATING EXPENSES		
Production	17,427	255,103
Distribution	1,684,544	18,963,613
Customer Accounts	466,946	5,915,203
Customer Service & Informational Sales	366,937	1,575,898
	-	2,362
Administrative & General	1,716,298	17,883,152
Depreciation & Amortization	1,839,910	21,111,704
Property, Payroll & Misc. Taxes	390,049	4,353,633
Federal Income Taxes	212,984	4,546,066
Total Operating Expenses	6,695,095	74,606,735
NET OPERATING INCOME	3,144,404	20,523,787
RATE BASE	314,493,266	294,453,857
RATE OF RETURN	1.00%	6.97%

SCHEDULE OF RATE BASE

Utility Plant In Service	763,259,583	735,726,544
Accumulated Depreciation	(373,603,850)	(366,027,819)
Net Utility Plant	389,655,733	369,698,725
Other:		
Contributions in Aid of Construction	-	-
Customer Advances for Construction	(4,058,341)	(4,108,432)
Accumulated Deferred Income Taxes	(76,070,066)	(75,973,044)
Deferred Debits	-	-
Subtotal	309,527,327	289,617,249
Working Capital	4,965,940	4,836,608
TOTAL RATE BASE	314,493,266	294,453,857

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		
	January-18	February-18	March-18	December 1, 2017 THROUGH January 31, 2018	January 1, 2017 THROUGH February 28, 2018	February 1, 2017 THROUGH March 31, 2018
GAS SALES						
480 Residential Sales	17,715,788.26	15,798,094.50	13,370,154.18	110,802,545.35	111,968,950.03	113,150,638.69
481 Commercial - Interruptible Sales	13,395,437.73	12,139,771.92	10,108,817.72	87,838,646.52	88,170,758.51	88,919,448.82
TOTAL GAS SALES	31,111,225.99	27,937,866.42	23,478,971.90	198,641,191.87	200,139,708.54	202,070,087.51
OTHER OPERATING REVENUE						
4880 Miscellaneous Service Revenues	72,342.97	113,047.89	75,888.19	831,300.96	814,837.73	795,001.15
4890 Rev. From Transp. of Gas of Others	1,975,667.75	1,958,711.43	1,991,798.27	23,146,267.45	23,167,486.51	23,254,540.99
4930 Rent From Gas Property	-	-	-	100.00	-	-
4940 Interdepartmental Rents	7,130.21	7,130.21	7,130.21	77,564.97	78,292.02	79,019.07
4950 Other Gas Revenue	12,484.38	931.30	(1,992.47)	153,686.13	151,121.20	139,672.90
495.1 Overrun Penalty Income	-	-	-	-	-	-
TOTAL OTHER OPERATING REVENUE	2,067,625.31	2,079,820.83	2,072,824.20	24,208,919.51	24,211,737.46	24,268,234.11
* TOTAL OPERATING REVENUE *	33,178,851.30	30,017,687.25	25,551,796.10	222,850,111.38	224,351,446.00	226,338,321.62
NATURAL GAS PURCHASED						
804 Natural Gas City Gate Purchases	14,620,181.98	10,604,538.62	9,839,855.51	121,269,222.37	116,443,840.42	114,703,431.67
805 Other Gas Purchases	-	-	-	-	-	-
805.1 Purchased Gas Cost Adjustments	3,644,981.38	3,301,298.86	2,963,495.59	(7,672,124.12)	(3,557,895.11)	(959,703.39)
808.1 Gas Withdrawn From Storage	171,181.07	2,384,628.19	402,277.39	1,914,637.62	3,720,029.14	4,122,306.42
808.2 Gas Delivered To Storage	(1,186,411.65)	(11,356.88)	-	(5,662,641.26)	(5,673,998.14)	(5,673,998.14)
812 Gas Used For Other Utility Oper.	(10,704.50)	(6,948.66)	(7,082.34)	(56,451.20)	(55,851.41)	(50,728.92)
TOTAL NATURAL GAS PURCHASED	17,239,228.28	16,272,160.13	13,198,546.15	109,792,643.41	110,876,124.90	112,141,307.64
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	3,097,399.61	2,508,109.86	2,513,750.58	19,206,660.39	18,933,661.39	19,066,492.27
* OPERATING MARGIN *	12,842,223.41	11,237,417.26	9,839,499.37	93,850,807.58	94,541,659.71	95,130,521.71
PRODUCTION EXPENSES						
813 Other Gas Supply Expenses	30,600.61	12,740.83	17,426.65	292,732.37	277,662.28	255,102.63
DISTRIBUTION EXPENSES						
Operation						
870 Oper., Supervision & Engineering	173,186.10	147,309.24	182,791.98	1,959,522.01	1,987,567.76	2,033,619.65
871 Distribution Load Dispatching	28,338.68	22,349.65	27,068.07	334,258.44	322,748.97	303,686.02
872 Compressor Station	5,276.36	8,699.09	2,787.66	95,242.12	96,552.84	85,100.63
874 Mains & Services Exp.	266,989.66	222,191.33	255,594.54	3,561,600.70	3,564,050.84	3,512,963.73
875 Meas. & Reg. Stat. Exp.-Gen.	48,394.33	48,610.40	60,004.36	548,753.69	559,934.31	551,900.78
876 Meas. & Reg. Stat. Exp.-Ind.	10,574.85	19,958.94	21,031.00	138,466.65	150,582.38	160,969.75
878 Meter & House Regulator Exp.	78,592.91	78,101.69	117,474.03	1,203,211.69	1,179,297.33	1,176,512.18
879 Customer Installations Exp.	84,016.44	67,137.11	63,798.49	944,738.56	929,020.83	916,545.78
880 Other Exp.	393,676.24	336,729.83	391,898.26	3,896,714.25	3,949,328.26	4,041,172.67
881 Rents	11,210.47	6,421.87	12,487.70	133,942.00	132,908.27	129,106.97
882 Transportation Exp.	-	-	-	-	-	-
Subtotal Operations	1,100,256.04	957,509.15	1,134,936.09	12,816,450.11	12,871,991.79	12,911,578.16
Maintenance						
885 Supervision & Engineering	84,450.54	72,927.10	93,792.49	535,040.28	594,979.44	674,921.61
886 Structures & Improvements	-	15,065.82	960.83	2,400.13	17,465.95	18,417.07
887 Mains	111,901.59	87,035.56	75,632.61	1,793,132.77	1,801,447.26	1,736,370.39
8880 Compressor Station	4,830.66	5,387.61	5,732.57	52,764.63	56,306.42	58,623.52
889 Meas. & Reg. Equip.-Gen.	43,724.78	21,908.28	44,932.28	347,927.73	344,436.84	366,123.64
890 Meas. & Reg. Equip.-Ind.	4,843.40	5,835.62	21,331.84	21,360.14	25,588.50	45,405.11
892 Services	116,501.52	89,778.43	166,719.64	1,568,582.20	1,529,318.54	1,530,337.63
893 Meters & House Regulators	88,505.28	74,452.70	93,592.59	1,074,909.06	1,061,977.69	1,079,721.41
894 Other Equipment	74,358.21	74,600.53	46,913.04	451,120.03	506,505.18	542,114.34
Subtotal Maintenance	529,115.98	446,991.65	549,607.89	5,847,236.97	5,938,025.82	6,052,034.72
TOTAL DISTRIBUTION EXPENSES	1,629,372.02	1,404,500.80	1,684,543.98	18,663,687.08	18,810,017.61	18,963,612.88
CUSTOMER ACCOUNTS EXPENSES						

STATE ALLOCATION OF INCOME & EXPENSES	Month Ended			12 MONTH Ended		
	January-18	February-18	March-18	December 1, 2017 THROUGH January 31, 2018	January 1, 2017 THROUGH February 28, 2018	February 1, 2017 THROUGH March 31, 2018
	901 Supervision	8,622.44	7,454.32	9,031.91	45,412.67	52,866.99
902 Meter Reading Exp.	65,330.56	37,833.76	42,105.14	521,532.60	559,052.70	567,154.32
903 Cust. Records & Collection Exp.	399,311.41	323,367.40	343,305.77	4,628,387.35	4,534,095.70	4,452,210.46
904 Uncollectible Accounts	113,721.83	(9,012.19)	72,503.05	841,986.48	749,528.78	835,644.38
905 Misc. Exp.	-	-	-	624.03	624.03	624.03
TOTAL CUSTOMER ACCOUNTS EXP.	586,986.24	359,643.29	466,945.87	6,037,943.13	5,896,168.20	5,915,203.26
CUSTOMER SERVICE AND INFORMATIONAL EXPENSES						
907 Supervision	-	-	-	-	-	-
908 Cust. Assistance Exp.	474,665.38	475,842.60	340,834.22	736,616.72	1,197,047.81	1,437,389.14
909 Info. & Instr. Advertising Exp.	1,361.26	696.16	856.09	24,527.87	24,165.30	22,846.14
910 Misc. Cust. Serv. & Info. Exp.	17,034.29	21,914.26	25,247.05	68,501.87	90,416.13	115,663.18
TOTAL CUST. SRVC. & INFO. EXPENSES	493,060.93	498,453.02	366,937.36	829,646.46	1,311,629.24	1,575,898.46
SALES EXPENSES						
911 Supervision	-	-	-	-	-	-
912 Demonstrating & Selling	-	-	-	-	-	-
913 Advertising	-	-	-	3,262.86	2,362.38	2,362.38
916 Misc. Sales Exp.	-	-	-	-	-	-
TOTAL SALES EXPENSES	-	-	-	3,262.86	2,362.38	2,362.38
ADMINISTRATIVE AND GENERAL EXPENSES						
920 Admin. & General Salaries	490,914.65	463,186.87	527,725.69	6,114,389.92	6,073,233.85	6,035,775.05
921 Office Supplies & Exp.	457,780.53	341,169.26	352,367.13	3,030,765.69	3,143,683.59	3,224,998.73
923 Outside Services Employed	49,418.05	56,229.61	119,529.99	1,155,149.77	1,141,410.80	1,127,141.30
924 Property Insurance	5,112.34	5,112.34	5,112.34	54,262.25	54,908.19	55,554.13
925 Injuries & Damages	105,742.89	97,161.45	95,840.53	962,773.83	978,068.90	963,748.23
926 Employee Pensions & Benefits	435,707.13	371,249.30	430,814.47	4,797,124.64	4,808,279.24	4,836,537.59
928 Regulatory Commission Exp.	-	-	-	-	-	-
930.1 General Advertising Exp.	5,447.49	375.94	1,325.32	32,308.68	31,933.16	29,338.93
930.2 Misc. General Exp.	177,472.96	97,177.91	106,880.82	732,605.91	708,928.92	781,275.81
931 Rents	95,301.02	95,209.12	95,402.11	1,053,719.17	1,063,249.56	1,071,254.66
932 Maintenance of General Plant	5,642.57	3,278.84	1,427.06	45,140.19	39,991.87	33,961.89
	1,828,539.63	1,530,150.64	1,736,425.46	17,978,240.05	18,043,688.08	18,159,586.32
922 Capitalized Exp.	(26,894.08)	(18,533.83)	(20,127.38)	(286,147.88)	(282,534.72)	(276,434.07)
TOTAL ADM. & GEN. EXPENSES	1,801,645.55	1,511,616.81	1,716,298.08	17,692,092.17	17,761,153.36	17,883,152.25
TOTAL O&M EXPENSES (Excluding Gas Cost and	4,541,665.35	3,786,954.75	4,252,151.94	43,519,364.07	44,058,993.07	44,595,331.86
DEPRECIATION AND AMORTIZATION						
403 Depreciation Expense	1,826,205.66	1,833,869.82	1,839,909.90	20,776,884.22	20,943,633.62	21,111,703.50
Propane Air Plant	-	-	-	-	-	-
Telemetry	-	-	-	-	-	-
Meters & Regulators	-	-	-	-	-	-
Central Stores Warehouse	-	-	-	-	-	-
General Office	-	-	-	-	-	-
407.1 Amortization of Property Losses	-	-	-	-	-	-
TOTAL DEPRECIATION AND AMORTIZATION	1,826,205.66	1,833,869.82	1,839,909.90	20,776,884.22	20,943,633.62	21,111,703.50
407.3 Regulatory Debits	-	-	-	-	-	-
TAXES OTHER THAN INCOME TAXES						
408.1 Property, Payroll and Misc. Taxes	393,783.28	407,645.09	390,049.38	4,265,100.29	4,324,669.40	4,353,633.26
INCOME TAXES - OPERATING						
409.1 Federal Inc Taxes, Util Oper Inc	1,857,814.51	1,516,339.69	1,121,502.89	(1,244,775.90)	(1,211,337.75)	(891,883.61)
409.1 State Income Taxes, Util Oper Inc	-	-	-	-	-	-
410.1 Provision For Defer'd Fed Inc Tax	(904,211.28)	(694,248.03)	(905,771.52)	7,347,976.45	6,503,831.55	5,467,442.62
410.1 Provis'n For Defer'd State Inc Tax	-	-	-	-	-	-
411.1 Prov For Deferred Inc Tax - Credit	-	-	-	-	-	-
411.4 Investment Tax Credit Adjustments	(2,747.53)	(2,747.54)	(2,747.53)	(29,468.09)	(29,480.83)	(29,492.65)
TOTAL INCOME TAXES - OPERATING	950,855.70	819,344.12	212,983.84	6,073,732.46	5,263,012.97	4,546,066.36
* TOTAL OPERATING EXPENSES *	7,712,509.99	6,847,813.78	6,695,095.06	74,635,081.04	74,590,309.06	74,606,734.98
* TOTAL OPERATING INCOME *	5,129,713.42	4,389,603.48	3,144,404.31	19,215,726.54	19,951,350.65	20,523,786.73