

CASCADE NATURAL GAS CORPORATION
Washington Statement of Operations
QUARTERLY STATISTICAL INFORMATION

THERM SALES

	Monthly			12 Months Ending		
	April 2019	May 2019	June 2019	April 2019	May 2019	June 2019
Residential	6,952,138	5,018,427	2,902,522	125,590,302	126,566,206	125,882,463
Commercial	6,221,119	4,046,110	3,349,591	102,155,247	102,383,445	101,819,332
Industrial Firm	1,670,359	1,057,539	854,078	16,396,937	16,336,066	16,330,641
Core Interruptible	191,595	142,407	110,987	2,238,159	2,236,040	2,230,943
Noncore	53,528,395	47,962,626	54,928,747	723,436,722	720,961,658	729,783,052
TOTAL WASHINGTON	68,563,606	58,227,109	62,145,925	969,817,367	968,483,415	976,046,431

	AVERAGE CUSTOMERS		
	April 2019	May 2019	June 2019
Residential	191,097	190,896	190,735
Commercial	26,539	26,460	26,393
Industrial Firm	491	488	489
Core Interruptible	7	7	7
Noncore	200	202	202
TOTAL WASHINGTON	218,334	218,053	217,826

Cascade Natural Gas Corporation
State of Washington
Statement of Operations and Rate of Return
Month and Twelve Months Ended 4/30/2019

	Month	Twelve Months
OPERATING REVENUES		
Natural Gas Sales	14,507,804	202,863,975
Transportation Revenue	1,883,940	23,128,824
Other Operating Revenue	141,039	(413,790)
	<u>16,532,783</u>	<u>225,579,008</u>
Less: Natural Gas & Production Costs	7,575,353	109,339,410
Revenue Taxes	1,614,479	18,930,028
OPERATING MARGIN	<u>7,342,950</u>	<u>97,309,570</u>
OPERATING EXPENSES		
Production	15,424	265,602
Distribution	1,766,292	19,842,835
Customer Accounts	349,193	5,419,361
Customer Service & Informational	420,208	6,215,382
Sales	-	1,617
Administrative & General	1,537,044	16,676,230
Depreciation & Amortization	2,041,464	23,501,782
Property, Payroll & Misc. Taxes	(58,202)	3,783,308
Federal Income Taxes	(101,275)	137,405
Total Operating Expenses	<u>5,970,148</u>	<u>75,843,522</u>
NET OPERATING INCOME	<u>1,372,802</u>	<u>21,466,048</u>
RATE BASE	<u>399,531,600</u>	<u>377,765,718</u>
RATE OF RETURN	<u>0.34%</u>	<u>5.68%</u>

SCHEDULE OF RATE BASE

Utility Plant In Service	825,307,820	800,012,358
Accumulated Depreciation	(385,815,638)	(381,375,794)
Net Utility Plant	439,492,182	418,636,564
Other:		
Contributions in Aid of Construction	-	-
Customer Advances for Construction	(3,806,649)	(3,925,908)
Accumulated Deferred Income Taxes	(74,404,337)	(75,298,510)
Deferred Debits	-	-
Subtotal	<u>361,281,196</u>	<u>339,412,146</u>
Working Capital	38,250,404	38,353,572
TOTAL RATE BASE	<u>399,531,600</u>	<u>377,765,718</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 5/31/2019

	Month	Twelve Months
OPERATING REVENUES		
Natural Gas Sales	9,854,694	203,341,414
Transportation Revenue	1,796,714	23,083,421
Other Operating Revenue	41,346	581,928
	<u>11,692,753</u>	<u>227,006,763</u>
Less: Natural Gas & Production Costs	5,079,562	109,948,046
Revenue Taxes	1,093,325	18,931,858
OPERATING MARGIN	<u>5,519,866</u>	<u>98,126,859</u>
OPERATING EXPENSES		
Production	18,951	266,708
Distribution	1,776,308	20,089,314
Customer Accounts	402,457	5,398,462
Customer Service & Informational	401,247	6,467,302
Sales	1,232	2,100
Administrative & General	1,877,638	17,387,994
Depreciation & Amortization	2,055,365	23,701,686
Property, Payroll & Misc. Taxes	330,429	3,729,297
Federal Income Taxes	(1,142,207)	(656,402)
Total Operating Expenses	<u>5,721,419</u>	<u>76,386,461</u>
NET OPERATING INCOME	<u>(201,553)</u>	<u>21,740,398</u>
RATE BASE	<u>405,692,060</u>	<u>386,962,678</u>
RATE OF RETURN	<u>-0.05%</u>	<u>5.62%</u>

SCHEDULE OF RATE BASE

Utility Plant In Service	829,513,251	805,038,560
Accumulated Depreciation	(387,353,002)	(382,371,415)
Net Utility Plant	442,160,249	422,667,145
Other:		
Contributions in Aid of Construction	-	-
Customer Advances for Construction	(3,790,661)	(3,911,733)
Accumulated Deferred Income Taxes	(76,158,659)	(75,246,599)
Deferred Debits	-	-
Subtotal	<u>362,210,929</u>	<u>343,508,813</u>
Working Capital	43,481,131	43,453,865
TOTAL RATE BASE	<u>405,692,060</u>	<u>386,962,678</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 6/30/2019

	Month	Twelve Months
OPERATING REVENUES		
Natural Gas Sales	7,347,151	202,682,556
Transportation Revenue	1,839,573	23,132,762
Other Operating Revenue	(9,805)	2,068,177
	9,176,919	227,883,495
Less: Natural Gas & Production Costs	3,568,251	109,357,997
Revenue Taxes	792,332	18,901,410
OPERATING MARGIN	4,816,336	99,624,089
OPERATING EXPENSES		
Production	14,312	261,033
Distribution	1,414,205	20,052,340
Customer Accounts	427,957	5,389,204
Customer Service & Informational	209,916	6,528,601
Sales	-	1,508
Administrative & General	1,531,283	17,642,894
Depreciation & Amortization	2,068,618	23,904,494
Property, Payroll & Misc. Taxes	362,273	3,719,649
Federal Income Taxes	(685,499)	(603,887)
Total Operating Expenses	5,343,066	76,895,836
NET OPERATING INCOME	(526,729)	22,728,252
RATE BASE	413,033,016	395,919,043
RATE OF RETURN	-0.13%	5.74%

SCHEDULE OF RATE BASE

Utility Plant In Service	833,469,516	810,048,885
Accumulated Depreciation	(389,017,136)	(383,395,567)
Net Utility Plant	444,452,380	426,653,318
Other:		
Contributions in Aid of Construction	-	-
Customer Advances for Construction	(3,790,463)	(3,897,457)
Accumulated Deferred Income Taxes	(76,101,452)	(75,275,570)
Deferred Debits	-	-
Subtotal	364,560,465	347,480,291
Working Capital	48,472,551	48,438,752
TOTAL RATE BASE	413,033,016	395,919,043

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-19	May-19	June-19	May 1, 2018 THROUGH April 30, 2019	June 1, 2018 THROUGH May 31, 2019	July 1, 2018 THROUGH June 30, 2019
GAS SALES						
480 Residential Sales	7,807,312.81	5,376,355.64	3,642,488.93	111,861,728.12	112,335,428.41	111,989,573.24
481 Commercial - Interruptible Sales	6,700,490.83	4,478,338.24	3,704,662.03	91,002,246.57	91,005,985.66	90,692,982.76
TOTAL GAS SALES	14,507,803.64	9,854,693.88	7,347,150.96	202,863,974.69	203,341,414.07	202,682,556.00
OTHER OPERATING REVENUE						
4880 Miscellaneous Service Revenues	68,192.79	46,271.35	40,123.03	670,293.94	656,662.84	669,133.11
4890 Rev. From Transp. of Gas of Others	1,883,940.32	1,796,713.64	1,839,573.39	23,128,823.73	23,083,420.97	23,132,762.19
4930 Rent From Gas Property	-	-	-	100.00	-	-
4940 Interdepartmental Rents	10,662.11	10,662.12	10,662.11	99,690.12	103,222.03	106,753.93
4950 Other Gas Revenue	3,893.43	9,911.27	8,751.55	62,280.72	68,709.33	70,840.52
495.1 Overrun Penalty Income	-	-	-	-	-	-
4962 Provision for Rate Refund	58,290.45	(25,498.89)	(69,341.63)	(1,246,155.21)	(246,666.43)	1,221,449.62
TOTAL OTHER OPERATING REVENUE	2,024,979.10	1,838,059.49	1,829,768.45	22,715,033.30	23,665,348.74	25,200,939.37
* TOTAL OPERATING REVENUE *	16,532,782.74	11,692,753.37	9,176,919.41	225,579,007.99	227,006,762.81	227,883,495.37
NATURAL GAS PURCHASED						
804 Natural Gas City Gate Purchases	9,593,131.65	6,268,341.55	6,152,617.32	209,057,209.90	209,340,211.10	209,601,640.61
805 Other Gas Purchases	-	-	-	-	-	-
805.1 Purchased Gas Cost Adjustments	(1,133,833.95)	(713,864.86)	(1,756,994.71)	(96,998,087.30)	(96,609,815.52)	(97,147,621.39)
808.1 Gas Withdrawn From Storage	-	15,029.27	-	4,800,868.60	4,815,897.87	4,815,897.87
808.2 Gas Delivered To Storage	(877,178.75)	(484,583.03)	(824,127.08)	(7,471,012.26)	(7,546,317.91)	(7,858,231.25)
812 Gas Used For Other Utility Oper.	(6,765.99)	(5,360.46)	(3,244.61)	(49,569.35)	(51,929.88)	(53,688.57)
TOTAL NATURAL GAS PURCHASED	7,575,352.96	5,079,562.47	3,568,250.92	109,339,409.59	109,948,045.66	109,357,997.27
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	1,614,479.40	1,093,325.08	792,332.04	18,930,028.43	18,931,857.88	18,901,409.60
* OPERATING MARGIN *	7,342,950.38	5,519,865.82	4,816,336.45	97,309,569.97	98,126,859.27	99,624,088.50
PRODUCTION EXPENSES						
813 Other Gas Supply Expenses	15,424.26	18,950.60	14,312.12	265,602.16	266,708.05	261,033.26
DISTRIBUTION EXPENSES						
Operation						
870 Oper., Supervision & Engineering	181,319.86	191,135.27	156,074.24	2,298,153.31	2,341,850.87	2,329,173.28
871 Distribution Load Dispatching	27,987.17	22,144.12	23,511.41	308,024.75	301,278.93	299,260.63
872 Compressor Station	3,036.07	1,715.25	3,456.47	55,799.25	45,139.17	44,968.01
874 Mains & Services Exp.	352,736.60	445,904.25	297,864.20	4,045,023.86	4,227,634.91	4,209,677.09
875 Meas. & Reg. Stat. Exp.-Gen.	36,603.24	39,446.43	35,251.72	430,002.89	410,044.88	415,387.66
876 Meas. & Reg. Stat. Exp.-Ind.	7,958.02	9,548.53	9,248.20	149,155.38	151,332.50	153,352.46
878 Meter & House Regulator Exp.	87,715.70	110,461.55	85,502.86	1,067,278.33	1,092,121.96	1,105,157.37
879 Customer Installations Exp.	60,525.73	43,120.02	46,165.71	729,221.04	717,996.07	712,816.06
880 Other Exp.	365,723.43	328,400.24	282,136.88	4,272,813.57	4,225,330.34	4,202,244.36
881 Rents	9,003.25	7,549.58	7,187.57	116,966.62	114,163.21	113,708.61
882 Transportation Exp.	-	-	-	-	-	-
Subtotal Operations	1,132,609.07	1,199,425.24	946,399.26	13,472,439.00	13,626,892.84	13,585,745.53
Maintenance						
885 Supervision & Engineering	88,064.71	90,961.27	84,003.54	981,809.39	1,003,020.54	1,002,836.96
886 Structures & Improvements	-	-	-	6,457.55	5,869.64	5,772.67
887 Mains	211,387.57	126,084.21	75,613.92	1,616,400.44	1,636,684.83	1,628,482.49
8880 Compressor Station	281.59	9,985.30	3,818.07	58,296.41	62,915.07	61,611.22
889 Meas. & Reg. Equip.-Gen.	23,192.50	33,448.73	42,270.18	472,442.41	481,379.71	496,122.75
890 Meas. & Reg. Equip.-Ind.	1,623.80	9,902.24	3,501.52	24,656.29	34,338.78	36,738.95
892 Services	131,773.05	115,594.90	113,333.94	1,289,915.35	1,303,718.79	1,314,540.13
893 Meters & House Regulators	95,155.95	111,454.87	72,119.31	972,612.07	983,461.71	969,193.62
894 Other Equipment	82,203.30	79,451.07	73,145.23	947,806.16	951,031.64	951,295.98
Subtotal Maintenance	633,682.47	576,882.59	467,805.71	6,370,396.07	6,462,420.71	6,466,594.77
TOTAL DISTRIBUTION EXPENSES	1,766,291.54	1,776,307.83	1,414,204.97	19,842,835.07	20,089,313.55	20,052,340.30
CUSTOMER ACCOUNTS EXPENSES						
901 Supervision	8,985.35	9,758.59	8,267.14	106,501.10	108,062.95	106,352.79

STATE ALLOCATION OF INCOME & EXPENSES	Month Ended			12 MONTH Ended		
	April-19	May-19	June-19	May 1, 2018 THROUGH April 30, 2019	June 1, 2018 THROUGH May 31, 2019	July 1, 2018 THROUGH June 30, 2019
902 Meter Reading Exp.	52,020.42	40,002.44	39,409.55	556,006.27	552,447.83	546,433.58
903 Cust. Records & Collection Exp.	341,985.17	343,047.94	313,212.55	4,026,967.68	4,046,932.78	3,995,901.16
904 Uncollectible Accounts	(53,797.55)	9,647.82	67,067.71	729,880.55	691,013.63	740,511.14
905 Misc. Exp.	-	-	-	5.27	5.27	5.27
TOTAL CUSTOMER ACCOUNTS EXP.	349,193.39	402,456.79	427,956.95	5,419,360.87	5,398,462.46	5,389,203.94
CUSTOMER SERVICE AND INFORMATIONAL EXPENSES						
907 Supervision	-	-	-	-	-	-
908 Cust. Assistance Exp.	391,425.06	371,957.61	187,534.95	5,816,031.47	6,063,612.04	6,129,877.16
909 Info. & Instr. Advertising Exp.	5,352.75	4,144.79	1,281.64	86,109.91	87,150.56	87,371.35
910 Misc. Cust. Serv. & Info. Exp.	23,429.74	25,144.19	21,099.50	313,240.34	316,539.38	311,352.22
TOTAL CUST. SRVC. & INFO. EXPENSES	420,207.55	401,246.59	209,916.09	6,215,381.72	6,467,301.98	6,528,600.73
SALES EXPENSES						
911 Supervision	-	-	-	-	-	-
912 Demonstrating & Selling	-	-	-	-	-	-
913 Advertising	-	1,232.23	-	1,616.65	2,100.38	1,507.82
916 Misc. Sales Exp.	-	-	-	-	-	-
TOTAL SALES EXPENSES	-	1,232.23	-	1,616.65	2,100.38	1,507.82
ADMINISTRATIVE AND GENERAL EXPENSES						
920 Admin. & General Salaries	522,797.95	530,366.17	441,689.27	5,709,112.97	5,733,930.51	5,719,948.41
921 Office Supplies & Exp.	321,817.19	376,676.58	228,984.77	2,921,302.12	3,092,642.46	3,162,725.40
923 Outside Services Employed	61,685.54	52,139.98	41,166.66	826,488.49	803,749.96	725,200.32
924 Property Insurance	6,914.78	6,914.78	6,914.79	68,576.05	70,378.49	72,180.94
925 Injuries & Damages	116,989.36	100,899.19	210,926.75	1,368,530.22	1,377,902.30	1,506,782.38
926 Employee Pensions & Benefits	349,567.17	634,964.45	457,542.88	3,983,279.35	4,462,554.24	4,606,985.36
928 Regulatory Commission Exp.	21,268.75	32,299.75	3,069.50	31,636.25	63,936.00	67,005.50
930.1 General Advertising Exp.	208.45	3,198.91	2,023.91	18,832.56	21,435.84	22,091.88
930.2 Misc. General Exp.	65,192.14	73,991.52	61,398.46	855,302.48	874,832.67	871,116.62
931 Rents	89,260.49	90,012.69	89,087.17	1,141,587.98	1,136,416.01	1,130,122.58
932 Maintenance of General Plant	4,058.62	7,149.48	5,677.36	32,995.83	38,946.92	42,020.42
	1,559,760.44	1,908,613.50	1,548,481.52	16,957,644.30	17,676,725.40	17,926,179.81
922 Capitalized Exp.	(22,716.03)	(30,975.92)	(17,198.19)	(281,414.15)	(288,731.03)	(283,285.84)
TOTAL ADM. & GEN. EXPENSES	1,537,044.41	1,877,637.58	1,531,283.33	16,676,230.15	17,387,994.37	17,642,893.97
TOTAL O&M EXPENSES (Excluding Gas Cost and	4,088,161.15	4,477,831.62	3,597,673.46	48,421,026.62	49,611,880.79	49,875,580.02
DEPRECIATION AND AMORTIZATION						
403 Depreciation Expense	2,041,464.36	2,055,364.64	2,068,617.67	23,501,782.06	23,701,685.51	23,904,493.90
Propane Air Plant	-	-	-	-	-	-
Telemetry	-	-	-	-	-	-
Meters & Regulators	-	-	-	-	-	-
Central Stores Warehouse	-	-	-	-	-	-
General Office	-	-	-	-	-	-
407.1 Amortization of Property Losses	-	-	-	-	-	-
TOTAL DEPRECIATION AND AMORTIZATION	2,041,464.36	2,055,364.64	2,068,617.67	23,501,782.06	23,701,685.51	23,904,493.90
407.3 Regulatory Debits	-	-	-	-	-	-
TAXES OTHER THAN INCOME TAXES						
408.1 Property, Payroll and Misc. Taxes	(58,201.64)	330,429.37	362,273.00	3,783,308.31	3,729,296.76	3,719,649.41
INCOME TAXES - OPERATING						
409.1 Federal Inc Taxes, Util Oper Inc	271,098.18	(744,140.86)	(1,035,350.57)	(18,035,071.76)	(18,894,426.90)	(19,544,016.38)
409.1 State Income Taxes, Util Oper Inc	-	-	-	-	-	-
410.1 Provision For Defer'd Fed Inc Tax	184,570.87	14,605,920.30	558,771.66	28,343,236.73	43,410,023.33	44,318,299.80
410.1 Provis'n For Defer'd State Inc Tax	-	-	-	-	-	-
411.1 Prov For Deferred Inc Tax - Credit	(554,299.56)	(15,001,341.40)	(206,274.62)	(10,138,674.93)	(25,140,016.33)	(25,346,290.95)
411.4 Investment Tax Credit Adjustments	(2,644.94)	(2,645.09)	(2,645.09)	(32,084.59)	(31,982.14)	(31,879.70)
TOTAL INCOME TAXES - OPERATING	(101,275.45)	(1,142,207.05)	(685,498.62)	137,405.45	(656,402.04)	(603,887.23)
* TOTAL OPERATING EXPENSES *	5,970,148.42	5,721,418.58	5,343,065.51	75,843,522.44	76,386,461.02	76,895,836.10
* TOTAL OPERATING INCOME *	1,372,801.96	(201,552.76)	(526,729.06)	21,466,047.53	21,740,398.25	22,728,252.40