

Cascade Natural Gas Corporation
State of Washington
Statement of Operations and Rate of Return
Month and Twelve Months Ended April 30, 2009

	Month	Twelve Months
OPERATING REVENUES		
Natural Gas Sales	23,393,995	338,420,010
Transportation Revenue	1,405,253	16,881,064
Other Operating Revenue	138,839	1,590,246
	<u>24,938,087</u>	<u>356,891,320</u>
Less: Natural Gas & Production Costs	16,191,309	243,334,913
Revenue Taxes	2,383,831	26,528,029
OPERATING MARGIN	<u>6,362,947</u>	<u>87,028,378</u>
OPERATING EXPENSES		
Distribution	840,907	9,253,619
Customer Accounts	582,440	4,780,715
Customer Service & Informational Sales	72,463	877,155
	-	9,413
Administrative & General	1,146,026	14,963,990
Depreciation & Amortization	1,200,691	14,594,997
Property, Payroll & Misc. Taxes	241,596	4,039,124
Federal Income Taxes	560,625	11,339,664
Total Operating Expenses	<u>4,644,748</u>	<u>59,858,677</u>
NET OPERATING INCOME	<u>1,718,199</u>	<u>27,169,701</u>
RATE BASE	<u>223,227,737</u>	<u>223,273,898</u>
RATE OF RETURN	<u>0.77%</u>	<u>12.17%</u>

SCHEDULE OF RATE BASE

Utility Plant In Service	510,920,110	508,363,014
Accumulated Depreciation	(245,992,029)	(243,477,949)
Net Utility Plant	<u>264,928,081</u>	<u>264,885,065</u>
Other:		
Contributions in Aid of Construction		
Customer Advances for Construction	(4,291,150)	(4,305,326)
Accumulated Deferred Income Taxes	(47,318,883)	(47,318,883)
Deferred Debits		-
Subtotal	<u>213,318,048</u>	<u>213,260,856</u>
Working Capital	9,909,689	10,013,042
TOTAL RATE BASE	<u>223,227,737</u>	<u>223,273,898</u>

All rate base items except accumulated deferred income taxes represent monthly average and average of monthly average balances. Accumulated deferred income taxes represent the end-of-period balance.

This report is derived directly from the amounts recorded on the books of the Corporation for the period covered, as adjusted for the depreciation adjustment prescribed in WUTC Order No. 991923. It reflects no ratemaking or other normalized adjustments.

Cascade Natural Gas Corporation
State of Washington
Statement of Operations and Rate of Return
Month and Twelve Months Ended May 31, 2009

	Month	Twelve Months
OPERATING REVENUES		
Natural Gas Sales	13,736,482	330,852,111
Transportation Revenue	1,308,722	17,164,693
Other Operating Revenue	127,576	1,609,262
	<u>15,172,780</u>	<u>349,626,066</u>
Less: Natural Gas & Production Costs	9,412,358	236,665,891
Revenue Taxes	1,424,282	26,114,203
OPERATING MARGIN	<u>4,336,140</u>	<u>86,845,972</u>
OPERATING EXPENSES		
Distribution	841,080	9,327,707
Customer Accounts	613,301	4,951,571
Customer Service & Informational	63,988	867,538
Sales	2,427	11,673
Administrative & General	968,356	14,939,403
Depreciation & Amortization	1,202,624	14,575,296
Property, Payroll & Misc. Taxes	234,017	3,897,281
Federal Income Taxes	(153,686)	11,158,371
Total Operating Expenses	<u>3,772,107</u>	<u>59,728,840</u>
NET OPERATING INCOME	<u>564,033</u>	<u>27,117,132</u>
RATE BASE	<u>221,667,696</u>	<u>222,899,581</u>
RATE OF RETURN	<u>0.25%</u>	<u>12.17%</u>

SCHEDULE OF RATE BASE

Utility Plant In Service	511,148,353	509,236,555
Accumulated Depreciation	(247,108,531)	(244,174,790)
Net Utility Plant	<u>264,039,822</u>	<u>265,061,765</u>
Other:		
Contributions in Aid of Construction		
Customer Advances for Construction	(4,388,071)	(4,337,047)
Accumulated Deferred Income Taxes	(47,824,568)	(47,824,568)
Deferred Debits		-
Subtotal	<u>211,827,183</u>	<u>212,900,150</u>
Working Capital	9,840,513	9,999,431
TOTAL RATE BASE	<u>221,667,696</u>	<u>222,899,581</u>

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Cascade Natural Gas Corporation
State of Washington
Statement of Operations and Rate of Return
Month and Twelve Months Ended June 30, 2009

	Month	Twelve Months
OPERATING REVENUES		
Natural Gas Sales	10,652,569	318,566,294
Transportation Revenue	1,340,581	17,327,165
Other Operating Revenue	69,438	1,525,452
	<u>12,062,588</u>	<u>337,418,911</u>
Less: Natural Gas & Production Costs	6,927,381	230,489,678
Revenue Taxes	949,991	25,719,308
OPERATING MARGIN	<u>4,185,216</u>	<u>81,209,925</u>
OPERATING EXPENSES		
Distribution	881,739	9,564,028
Customer Accounts	998,294	5,631,720
Customer Service & Informational	66,510	860,423
Sales	6,232	17,590
Administrative & General	2,522,545	15,579,231
Depreciation & Amortization	1,204,382	14,660,100
Property, Payroll & Misc. Taxes	222,649	3,711,651
Federal Income Taxes	(803,990)	8,763,185
Total Operating Expenses	<u>5,098,361</u>	<u>58,787,928</u>
NET OPERATING INCOME	<u>(913,145)</u>	<u>22,421,997</u>
RATE BASE	<u>220,335,809</u>	<u>222,583,615</u>
RATE OF RETURN	<u>-0.41%</u>	<u>10.07%</u>

SCHEDULE OF RATE BASE

Utility Plant In Service	511,346,769	509,973,266
Accumulated Depreciation	(248,218,364)	(244,879,226)
Net Utility Plant	<u>263,128,405</u>	<u>265,094,040</u>
Other:		
Contributions in Aid of Construction		
Customer Advances for Construction	(4,452,582)	(4,373,121)
Accumulated Deferred Income Taxes	(48,116,734)	(48,116,734)
Deferred Debits		-
Subtotal	<u>210,559,089</u>	<u>212,604,185</u>
Working Capital	9,776,720	9,979,430
TOTAL RATE BASE	<u>220,335,809</u>	<u>222,583,615</u>

All rate base items except accumulated deferred income taxes represent monthly average and average of monthly average balances. Accumulated deferred income taxes represent the end-of-period balance.

This report is derived directly from the amounts recorded on the books of the Corporation for the period covered, as adjusted for the depreciation adjustment prescribed in WUTC Order No. 991923. It reflects no ratemaking or other normalized adjustments.

Total Washington

	Month ended			12 months ended		
	Apr 2009	May 2009	Jun 2009	Apr 2009	May 2009	Jun 2009
DISTRIBUTION EXPENSES						
Operation						
870 Oper., Supervision & Engineering	31,136	35,391	40,103	436,028	419,396	421,494
871 Distribution Load Dispatching	80,394	80,512	72,258	913,054	915,697	910,821
872 Compressor Station	400	(27)	93	2,781	2,263	2,356
874 Mains & Services Exp.	184,727	181,169	199,245	1,849,468	1,874,062	1,926,629
875 Meas. & Reg. Stat. Exp.-Gen.	20,486	28,456	31,306	360,966	357,390	361,039
876 Meas. & Reg. Stat. Exp.-Ind.	15,825	13,925	14,459	176,833	176,044	171,532
878 Meter & House Regulator Exp.	95,643	104,981	95,886	1,141,906	1,167,370	1,184,602
879 Customer Installations Exp.	104,390	94,544	86,479	850,032	893,565	944,246
880 Other Exp.	150,666	155,849	123,985	1,487,880	1,508,176	1,561,756
881 Rents	2,666	1,864	16,224	54,433	50,561	60,174
882 Transportation Exp.	-	-	-	-	-	-
	<u>686,333</u>	<u>696,663</u>	<u>680,039</u>	<u>7,273,382</u>	<u>7,364,523</u>	<u>7,544,648</u>
Maintenance						
885 Supervision & Engineering	16	77	-	16	94	94
886 Structures & Improvements	786	382	789	12,078	10,227	10,810
887 Mains	24,564	30,034	74,348	451,583	437,029	480,782
8880 Compressor Station	-	-	-	3,127	2,807	2,788
889 Meas. & Reg. Equip.-Gen.	20,210	21,268	28,074	302,392	305,915	306,893
890 Meas. & Reg. Equip.-Ind.	4,490	3,836	8,031	34,921	35,093	40,011
892 Services	31,619	33,744	30,036	545,260	536,265	519,796
893 Meters & House Regulators	53,718	35,304	46,259	562,227	548,978	557,951
894 Other Equipment	19,170	19,772	14,163	68,632	86,777	100,255
	<u>154,574</u>	<u>144,417</u>	<u>201,699</u>	<u>1,980,237</u>	<u>1,963,184</u>	<u>2,019,380</u>
TOTAL DISTRIBUTION EXPENSES	<u>840,907</u>	<u>841,080</u>	<u>881,739</u>	<u>9,253,619</u>	<u>9,327,707</u>	<u>9,564,028</u>
CUSTOMER ACCOUNTS EXPENSES						
901 Supervision	2,492	3,068	1,520	35,013	34,166	32,405
902 Meter Reading Exp.	28,950	28,035	43,639	392,658	396,036	399,589
903 Cust. Records & Collection Exp.	326,526	275,433	285,811	3,132,630	3,123,366	3,173,439
904 Uncollectible Accounts	215,567	298,622	657,358	1,147,488	1,321,987	1,945,180
905 Misc. Exp.	8,905	8,142	9,966	72,927	76,015	81,106
TOTAL CUSTOMER ACCOUNTS EXP.	<u>582,440</u>	<u>613,301</u>	<u>998,294</u>	<u>4,780,715</u>	<u>4,951,571</u>	<u>5,631,720</u>

Total Washington

	Month ended			12 months ended		
	Apr 2009	May 2009	Jun 2009	Apr 2009	May 2009	Jun 2009
CUSTOMER SERVICE AND INFORMATIONAL EXP						
907 Supervision	2,568	(2,812)	(370)	10,200	3,406	320
908 Cust. Assistance Exp.	66,698	66,667	66,719	819,080	816,145	812,075
909 Info. & Instr. Advertising Exp.	3,198	102	160	34,499	34,579	34,619
910 Misc. Cust. Serv. & Info. Exp.	-	32	-	13,377	13,408	13,408
TOTAL CUST. SRVC. & INFO. EXPENSES	72,463	63,988	66,510	877,155	867,538	860,423
SALES EXPENSES						
911 Supervision	-	-	-	315	315	-
912 Demonstrating & Selling	-	-	-	(0)	(0)	(0)
913 Advertising	-	2,427	6,232	8,875	11,136	17,367
916 Misc. Sales Exp.	-	-	-	223	223	223
TOTAL SALES EXPENSES	-	2,427	6,232	9,413	11,673	17,590
ADMINISTRATIVE AND GENERAL EXPENSES						
920 Admin. & General Salaries	619,849	496,183	1,270,198	5,445,964	5,416,222	5,928,325
921 Office Supplies & Exp.	263,557	236,941	260,718	3,216,184	3,241,273	3,235,672
923 Outside Services Employed	54,122	76,580	82,785	832,502	882,897	954,753
924 Property Insurance	(8,138)	(498)	5,842	82,795	73,195	71,174
925 Injuries & Damages	61,646	72,229	57,932	782,923	788,669	778,879
926 Employee Pensions & Benefits	85,765	28,911	728,246	3,649,121	3,524,868	3,678,787
928 Regulatory Commission Exp.	-	-	-	85	85	85
930.1 General Advertising Exp.	638	2,729	484	6,699	7,566	7,855
930.2 Misc. General Exp.	77,188	70,851	128,514	2,673,708	2,585,112	2,315,103
931 Rents	449	4,674	349	38,809	40,083	31,407
932 Maintenance of General Plant	16,203	13,417	24,615	314,390	308,009	317,627
922 Capitalized Exp.	1,171,280	1,002,017	2,559,683	17,043,179	16,867,979	17,319,668
	(25,253)	(33,661)	(37,138)	(2,079,190)	(1,928,576)	(1,740,437)
TOTAL ADM. & GEN. EXPENSES	1,146,026	968,356	2,522,545	14,963,990	14,939,403	15,579,231
TOTAL O & M EXPENSES (Excluding Gas Cost and Production Cost and Revenue Taxes)	2,641,836	2,489,153	4,475,319	29,884,892	30,097,892	31,652,991

Total Washington

	Month ended			12 months ended		
	Apr 2009	May 2009	Jun 2009	Apr 2009	May 2009	Jun 2009
DEPRECIATION AND AMORTIZATION						
403 Depreciation Expense	1,200,691	1,202,624	1,204,382	14,107,755	14,142,010	14,280,715
Propane Air Plant	-	-	-	-	-	-
Telemetry	-	-	-	-	-	-
Meters & Regulators	-	-	-	487,242	433,286	379,385
Central Stores Warehouse	-	-	-	-	-	-
General Office	-	-	-	-	-	-
407.1 Amortization of Property Losses	-	-	-	-	-	-
TOTAL DEPRECIATION AND AMORTIZATION	1,200,691	1,202,624	1,204,382	14,594,997	14,575,296	14,660,100
407.3 Regulatory Debits	-	-	-	-	-	-
TAXES OTHER THAN INCOME TAXES						
408.1 Property, Payroll and Misc. Taxes	241,596	234,017	222,649	4,039,124	3,897,281	3,711,651
INCOME TAXES - OPERATING						
409.1 Federal Inc Taxes, Util Oper Inc	302,905	(414,980)	(535,044)	659,071	759,041	189,976
409.1 State Income Taxes, Util Oper Inc	-	-	-	-	-	-
410.1 Provision For Defer'd Fed Inc Tax	263,497	267,072	(263,168)	10,744,261	10,461,226	8,633,335
410.1 Provis'n For Defer'd State Inc Tax	-	-	-	-	-	-
411.1 Prov For Deferred Inc Tax - Credit	(5,777)	(5,777)	(5,777)	(63,667)	(61,897)	(60,126)
411.4 Investment Tax Credit Adjustments	560,625	(153,686)	(803,990)	11,339,664	11,158,371	8,763,185
TOTAL INCOME TAXES - OPERATING	4,644,747	3,772,108	5,098,360	59,858,678	59,728,839	58,787,928
* TOTAL OPERATING EXPENSES *	1,718,199	564,030	(913,145)	27,169,701	27,117,133	22,421,997

CASCADE NATURAL GAS CORPORATION

QUARTERLY STATISTICAL INFORMATION

THERM SALES

	Monthly			12 Months Ending		
	2009 Apr	2009 May	2009 Jun	2009 Apr	2009 May	2009 Jun
Residential	7,857,376	4,660,690	3,149,632	119,660,210	118,998,765	117,815,796
Commercial	5,996,817	4,019,719	3,261,628	93,796,557	93,478,873	92,903,709
Industrial Firm	899,918	621,688	462,381	12,070,308	11,899,306	11,744,408
Core Interruptible	445,376	334,418	230,442	5,673,564	5,699,172	5,646,627
Noncore	40,011,744	33,267,044	35,896,599	541,731,829	540,386,097	544,273,501
TOTAL WASHINGTON	55,211,231	42,903,559	43,000,682	772,932,468	770,462,213	772,384,041

	Monthly			12 Months Ending		
	2009 Apr	2009 May	2009 Jun	2009 Apr	2009 May	2009 Jun
Residential	167,299	166,782	166,212	119,660,210	118,998,765	117,815,796
Commercial	24,046	23,963	23,854	93,796,557	93,478,873	92,903,709
Industrial Firm	368	366	366	12,070,308	11,899,306	11,744,408
Core Interruptible	19	17	15	5,673,564	5,699,172	5,646,627
Noncore	169	172	173	541,731,829	540,386,097	544,273,501
TOTAL WASHINGTON	191,901	191,300	190,620	772,932,468	770,462,213	772,384,041

	AVERAGE CUSTOMERS		
	2009 Apr	2009 May	2009 Jun
Residential	167,299	166,782	166,212
Commercial	24,046	23,963	23,854
Industrial Firm	368	366	366
Core Interruptible	19	17	15
Noncore	169	172	173
TOTAL WASHINGTON	191,901	191,300	190,620

	AVERAGE CUSTOMERS		
	2009 Apr	2009 May	2009 Jun
Residential	167,299	166,782	166,212
Commercial	24,046	23,963	23,854
Industrial Firm	368	366	366
Core Interruptible	19	17	15
Noncore	169	172	173
TOTAL WASHINGTON	191,901	191,300	190,620