

CASCADE NATURAL GAS CORPORATION
Washington Statement of Operations
QUARTERLY STATISTICAL INFORMATION

THERM SALES

	Monthly			12 Months Ending		
	October 2018	November 2018	December 2018	October 2018	November 2018	December 2018
Residential	8,079,434	15,495,271	19,400,398	121,494,511	121,358,581	118,811,731
Commercial	7,127,079	11,140,824	14,461,227	96,808,260	97,148,284	95,532,116
Industrial Firm	1,478,716	1,174,387	1,780,585	15,374,506	15,270,005	15,440,644
Core Interruptible	197,763	217,751	260,561	2,212,418	2,200,142	2,202,222
Noncore	58,653,521	38,618,390	62,519,046	721,252,921	702,885,083	698,170,929
TOTAL WASHINGTON	75,536,513	66,646,623	98,421,817	957,142,616	938,862,095	930,157,642

	AVERAGE CUSTOMERS		
	October 2018	November 2018	December 2018
Residential	189,161	190,056	190,498
Commercial	26,277	26,472	26,571
Industrial Firm	486	488	490
Core Interruptible	8	8	8
Noncore	198	199	200
TOTAL WASHINGTON	216,130	217,223	217,767

Cascade Natural Gas Corporation
State of Washington
Statement of Operations and Rate of Return
Month and Twelve Months Ended 10/31/2018

	Month	Twelve Months
OPERATING REVENUES		
Natural Gas Sales	14,723,775	207,722,899
Transportation Revenue	1,765,919	23,374,695
Other Operating Revenue	363,920	(1,696,113)
	16,853,614	229,401,482
Less: Natural Gas & Production Costs	8,293,528	115,817,258
Revenue Taxes	1,157,170	19,573,216
OPERATING MARGIN	7,402,916	94,011,007
OPERATING EXPENSES		
Production	20,918	241,693
Distribution	1,654,407	19,739,444
Customer Accounts	486,331	5,679,304
Customer Service & Informational	260,645	2,635,256
Sales	500	1,571
Administrative & General	1,367,382	17,764,769
Depreciation & Amortization	1,944,258	22,274,525
Property, Payroll & Misc. Taxes	344,017	4,317,600
Federal Income Taxes	21,433	2,227,195
Total Operating Expenses	6,099,891	74,881,357
NET OPERATING INCOME	1,303,025	19,129,651
RATE BASE	342,739,618	318,023,594
RATE OF RETURN	0.38%	6.02%

SCHEDULE OF RATE BASE

Utility Plant In Service	800,322,500	769,643,663
Accumulated Depreciation	(382,505,713)	(375,249,586)
Net Utility Plant	417,816,788	394,394,077
Other:		
Contributions in Aid of Construction	-	-
Customer Advances for Construction	(3,951,700)	(4,056,124)
Accumulated Deferred Income Taxes	(75,320,108)	(76,023,272)
Deferred Debits	-	-
Subtotal	338,544,980	314,314,681
Working Capital	4,194,639	3,708,913
TOTAL RATE BASE	342,739,618	318,023,594

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 11/30/2018

	Month	Twelve Months
OPERATING REVENUES		
Natural Gas Sales	22,719,461	206,885,803
Transportation Revenue	1,781,224	23,161,596
Other Operating Revenue	262,298	(1,495,585)
	<u>24,762,983</u>	<u>228,551,813</u>
Less: Natural Gas & Production Costs	12,002,274	114,216,314
Revenue Taxes	1,629,941	19,378,580
OPERATING MARGIN	<u>11,130,768</u>	<u>94,956,920</u>
OPERATING EXPENSES		
Production	19,978	242,264
Distribution	1,568,782	19,716,681
Customer Accounts	473,754	5,526,725
Customer Service & Informational	730,640	3,332,637
Sales	-	1,547
Administrative & General	1,300,975	17,669,746
Depreciation & Amortization	1,971,874	22,477,550
Property, Payroll & Misc. Taxes	341,325	4,305,974
Federal Income Taxes	927,018	1,893,832
Total Operating Expenses	<u>7,334,346</u>	<u>75,166,954</u>
NET OPERATING INCOME	<u>3,796,422</u>	<u>19,789,966</u>
RATE BASE	<u>346,874,164</u>	<u>318,570,845</u>
RATE OF RETURN	<u>1.09%</u>	<u>6.21%</u>

SCHEDULE OF RATE BASE

Utility Plant In Service	808,102,195	775,098,198
Accumulated Depreciation	(384,081,565)	(376,581,987)
Net Utility Plant	424,020,630	398,516,211
Other:		
Contributions in Aid of Construction	-	-
Customer Advances for Construction	(3,906,331)	(4,013,411)
Accumulated Deferred Income Taxes	(75,263,362)	(75,931,955)
Deferred Debits	-	-
Subtotal	<u>344,850,937</u>	<u>318,570,845</u>
Working Capital	2,023,227	-
TOTAL RATE BASE	<u>346,874,164</u>	<u>318,570,845</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 12/31/2018

	Month	Twelve Months
OPERATING REVENUES		
Natural Gas Sales	29,164,918	202,965,796
Transportation Revenue	1,950,593	23,006,329
Other Operating Revenue	76,066	(1,487,485)
	<u>31,191,577</u>	<u>224,484,641</u>
Less: Natural Gas & Production Costs	15,204,528	109,783,204
Revenue Taxes	2,390,798	19,055,890
OPERATING MARGIN	<u>13,596,251</u>	<u>95,645,546</u>
OPERATING EXPENSES		
Production	18,199	241,633
Distribution	1,611,754	19,661,049
Customer Accounts	500,657	5,462,931
Customer Service & Informational Sales	1,023,474	4,298,252
	-	1,547
Administrative & General	1,204,128	17,010,421
Depreciation & Amortization	2,039,207	22,725,279
Property, Payroll & Misc. Taxes	329,738	4,268,627
Federal Income Taxes	1,474,697	360,753
Total Operating Expenses	<u>8,201,855</u>	<u>74,030,492</u>
NET OPERATING INCOME	<u>5,394,396</u>	<u>21,615,054</u>
RATE BASE		
	<u>350,818,480</u>	<u>322,765,802</u>
RATE OF RETURN		
	<u>1.54%</u>	<u>6.70%</u>

SCHEDULE OF RATE BASE

Utility Plant In Service	814,040,177	780,275,999
Accumulated Depreciation	(383,218,952)	(377,693,604)
Net Utility Plant	430,821,226	402,582,395
Other:		
Contributions in Aid of Construction	-	-
Customer Advances for Construction	(3,905,857)	(3,984,824)
Accumulated Deferred Income Taxes	(76,096,889)	(75,831,769)
Deferred Debits	-	-
Subtotal	<u>350,818,480</u>	<u>322,765,802</u>
Working Capital	-	-
TOTAL RATE BASE	<u>350,818,480</u>	<u>322,765,802</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-18	November-18	December-18	NOVEMBER 1, 2017 THROUGH OCTOBER 31, 2018	DECEMBER 1, 2017 THROUGH NOVEMBER 30, 2018	JANUARY 1, 2018 THROUGH DECEMBER 31, 2018
GAS SALES						
480 Residential Sales	7,799,179.47	13,405,307.81	16,812,218.87	115,358,786.36	114,832,859.73	112,388,247.12
481 Commercial - Interruptible Sales	6,924,595.90	9,314,153.33	12,352,698.75	92,364,112.52	92,052,943.21	90,577,549.19
TOTAL GAS SALES	14,723,775.37	22,719,461.14	29,164,917.62	207,722,898.88	206,885,802.94	202,965,796.31
OTHER OPERATING REVENUE						
4880 Miscellaneous Service Revenues	64,759.69	60,409.53	53,643.39	774,783.97	785,550.53	778,716.70
4890 Rev. From Transp. of Gas of Others	1,765,918.76	1,781,224.12	1,950,593.46	23,374,695.26	23,161,595.51	23,006,329.14
4930 Rent From Gas Property	-	-	-	100.00	100.00	100.00
4940 Interdepartmental Rents	7,130.21	7,130.21	7,130.21	84,108.42	84,835.47	85,562.52
4950 Other Gas Revenue	981.92	2,333.96	2,421.83	74,914.34	71,524.24	72,861.31
495.1 Overrun Penalty Income	-	-	-	-	-	-
4962 Provision for Rate Refund	291,048.44	192,423.99	12,870.20	(2,630,019.27)	(2,437,595.28)	(2,424,725.08)
TOTAL OTHER OPERATING REVENUE	2,129,839.02	2,043,521.81	2,026,659.09	21,678,582.72	21,666,010.47	21,518,844.59
* TOTAL OPERATING REVENUE *	16,853,614.39	24,762,982.95	31,191,576.71	229,401,481.60	228,551,813.41	224,484,640.90
NATURAL GAS PURCHASED						
804 Natural Gas City Gate Purchases	8,645,314.38	22,257,935.21	40,841,239.49	108,280,775.39	119,005,682.45	144,417,052.01
805 Other Gas Purchases	-	-	-	-	-	-
805.1 Purchased Gas Cost Adjustments	(689,346.64)	(10,184,628.88)	(24,991,702.15)	7,052,097.11	(4,740,796.10)	(33,249,072.42)
808.1 Gas Withdrawn From Storage	339,543.33	81,998.61	246,876.42	4,461,851.94	4,077,349.43	3,626,505.01
808.2 Gas Delivered To Storage	-	(150,381.49)	(886,026.11)	(3,926,668.84)	(4,077,050.33)	(4,963,076.44)
812 Gas Used For Other Utility Oper.	(1,982.73)	(2,649.92)	(5,860.02)	(50,797.38)	(48,871.75)	(48,203.98)
TOTAL NATURAL GAS PURCHASED	8,293,528.34	12,002,273.53	15,204,527.63	115,817,258.22	114,216,313.70	109,783,204.18
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	1,157,169.69	1,629,941.25	2,390,798.09	19,573,216.22	19,378,579.96	19,055,890.39
* OPERATING MARGIN *	7,402,916.36	11,130,768.17	13,596,250.99	94,011,007.16	94,956,919.75	95,645,546.33
PRODUCTION EXPENSES						
813 Other Gas Supply Expenses	20,917.51	19,977.55	18,198.74	241,693.49	242,263.64	241,632.79
DISTRIBUTION EXPENSES						
Operation						
870 Oper., Supervision & Engineering	152,468.06	156,764.29	173,280.62	2,396,856.61	2,374,579.67	2,293,110.89
871 Distribution Load Dispatching	23,958.77	28,294.19	14,852.16	306,093.27	306,065.78	293,269.11
872 Compressor Station	7,881.65	3,853.56	3,877.39	75,469.17	72,689.89	70,483.68
874 Mains & Services Exp.	321,044.99	260,824.74	341,728.27	3,917,796.27	3,898,879.67	4,007,548.93
875 Meas. & Reg. Stat. Exp.-Gen.	35,642.64	24,009.76	28,597.26	481,764.69	471,152.19	468,191.79
876 Meas. & Reg. Stat. Exp.-Ind.	21,962.60	14,878.05	13,861.73	149,592.24	158,044.34	163,584.43
878 Meter & House Regulator Exp.	105,213.76	80,867.91	89,492.28	1,032,640.52	1,044,457.07	1,065,586.58
879 Customer Installations Exp.	74,443.44	79,678.42	59,928.49	774,014.44	777,230.23	763,046.07
880 Other Exp.	286,331.46	395,998.45	276,311.19	4,307,374.65	4,290,003.24	4,178,144.95
881 Rents	5,339.72	9,464.14	27,341.73	97,547.27	97,652.49	120,598.21
882 Transportation Exp.	-	-	-	-	-	-
Subtotal Operations	1,034,287.09	1,054,633.51	1,029,271.12	13,539,149.13	13,490,754.57	13,423,564.64
Maintenance						
885 Supervision & Engineering	76,642.26	77,860.95	95,660.01	1,020,522.01	1,013,193.39	985,147.00
886 Structures & Improvements	1,313.54	-	-	22,781.82	21,862.97	21,378.17
887 Mains	264,371.42	98,359.97	106,845.52	1,450,687.87	1,429,652.73	1,435,090.69
8880 Compressor Station	3,445.31	9,076.05	1,779.04	55,960.19	60,347.81	56,405.67
889 Meas. & Reg. Equip.-Gen.	45,190.82	27,665.09	97,123.02	388,783.09	391,855.79	469,554.36
890 Meas. & Reg. Equip.-Ind.	4,082.52	4,264.88	728.52	39,579.54	41,896.42	42,513.27
892 Services	108,712.96	116,595.55	127,532.21	1,355,153.53	1,375,131.33	1,366,106.48
893 Meters & House Regulators	69,311.92	67,924.31	95,962.12	1,021,881.40	1,009,036.42	1,015,563.88
894 Other Equipment	47,048.86	112,401.35	56,852.50	844,945.50	882,949.63	845,724.51
Subtotal Maintenance	620,119.61	514,148.15	582,482.94	6,200,294.95	6,225,926.49	6,237,484.03
TOTAL DISTRIBUTION EXPENSES	1,654,406.70	1,568,781.66	1,611,754.06	19,739,444.08	19,716,681.06	19,661,048.67
CUSTOMER ACCOUNTS EXPENSES						
901 Supervision	9,019.10	8,387.66	11,145.25	109,681.90	106,522.93	105,370.08

STATE ALLOCATION OF INCOME & EXPENSES	Month Ended			12 MONTH Ended		
	October-18	November-18	December-18	NOVEMBER 1, 2017 THROUGH OCTOBER 31, 2018	DECEMBER 1, 2017 THROUGH NOVEMBER 30, 2018	JANUARY 1, 2018 THROUGH DECEMBER 31, 2018
902 Meter Reading Exp.	38,687.49	55,926.40	42,258.20	572,235.38	581,833.69	577,413.78
903 Cust. Records & Collection Exp.	368,771.54	347,518.24	318,637.72	4,144,936.64	4,131,689.87	4,085,058.04
904 Uncollectible Accounts	69,853.27	61,916.50	128,615.93	852,449.84	706,672.84	695,083.94
905 Misc. Exp.	-	5.27	-	-	5.27	5.27
TOTAL CUSTOMER ACCOUNTS EXP.	486,331.40	473,754.07	500,657.10	5,679,303.76	5,526,724.60	5,462,931.11
CUSTOMER SERVICE AND INFORMATIONAL EXPENSES						
907 Supervision	-	-	-	-	-	-
908 Cust. Assistance Exp.	233,647.11	708,374.83	1,002,117.30	2,362,225.62	3,053,028.21	4,014,175.32
909 Info. & Instr. Advertising Exp.	4,103.44	801.73	8,225.28	23,478.06	21,635.55	27,600.07
910 Misc. Cust. Serv. & Info. Exp.	22,894.64	21,463.55	13,131.80	249,552.04	257,972.89	256,476.74
TOTAL CUST. SRVC. & INFO. EXPENSES	260,645.19	730,640.11	1,023,474.38	2,635,255.72	3,332,636.65	4,298,252.13
SALES EXPENSES						
911 Supervision	-	-	-	-	-	-
912 Demonstrating & Selling	-	-	-	-	-	-
913 Advertising	500.00	-	-	1,570.59	1,546.65	1,546.65
916 Misc. Sales Exp.	-	-	-	-	-	-
TOTAL SALES EXPENSES	500.00	-	-	1,570.59	1,546.65	1,546.65
ADMINISTRATIVE AND GENERAL EXPENSES						
920 Admin. & General Salaries	495,840.14	484,505.55	362,658.68	5,803,849.61	5,662,770.77	5,601,437.96
921 Office Supplies & Exp.	222,800.69	164,242.41	184,083.69	3,337,553.73	3,361,456.68	3,104,354.62
923 Outside Services Employed	69,516.95	46,337.57	58,072.39	1,090,507.30	1,112,586.51	1,013,728.97
924 Property Insurance	5,112.34	5,121.44	5,121.44	60,075.74	60,721.01	61,366.28
925 Injuries & Damages	97,365.50	93,918.59	78,877.88	1,112,188.83	1,121,853.67	1,106,490.12
926 Employee Pensions & Benefits	349,427.54	354,741.32	385,957.78	4,554,754.51	4,513,095.75	4,287,066.35
928 Regulatory Commission Exp.	-	-	-	-	-	-
930.1 General Advertising Exp.	2,417.02	2,252.79	2,137.99	23,663.59	23,178.95	22,434.46
930.2 Misc. General Exp.	41,956.66	65,067.87	57,063.54	850,570.58	875,208.90	873,923.10
931 Rents	96,828.62	96,804.16	95,195.90	1,148,080.59	1,157,912.33	1,166,218.46
932 Maintenance of General Plant	3,459.36	3,445.09	1,156.77	37,018.15	31,816.42	29,195.25
	1,384,724.82	1,316,436.79	1,230,326.06	18,018,262.63	17,920,600.99	17,266,215.57
922 Capitalized Exp.	(17,342.85)	(15,461.58)	(26,197.61)	(253,493.82)	(250,855.15)	(255,794.17)
TOTAL ADM. & GEN. EXPENSES	1,367,381.97	1,300,975.21	1,204,128.45	17,764,768.81	17,669,745.84	17,010,421.40
TOTAL O&M EXPENSES (Excluding Gas Cost and	3,790,182.77	4,094,128.60	4,358,212.73	46,062,036.45	46,489,598.44	46,675,832.75
DEPRECIATION AND AMORTIZATION						
403 Depreciation Expense	1,944,257.96	1,971,873.73	2,039,206.97	22,274,524.65	22,477,549.56	22,725,279.31
Propane Air Plant	-	-	-	-	-	-
Telemetry	-	-	-	-	-	-
Meters & Regulators	-	-	-	-	-	-
Central Stores Warehouse	-	-	-	-	-	-
General Office	-	-	-	-	-	-
407.1 Amortization of Property Losses	-	-	-	-	-	-
TOTAL DEPRECIATION AND AMORTIZATION	1,944,257.96	1,971,873.73	2,039,206.97	22,274,524.65	22,477,549.56	22,725,279.31
407.3 Regulatory Debits	-	-	-	-	-	-
TAXES OTHER THAN INCOME TAXES						
408.1 Property, Payroll and Misc. Taxes	344,017.19	341,325.16	329,737.52	4,317,600.47	4,305,973.99	4,268,627.36
INCOME TAXES - OPERATING						
409.1 Federal Inc Taxes, Util Oper Inc	275,267.76	(896,475.61)	(6,643,436.05)	2,756,193.79	3,207,214.42	(5,897,972.58)
409.1 State Income Taxes, Util Oper Inc	-	-	-	-	-	-
410.1 Provision For Defer'd Fed Inc Tax	(251,087.13)	1,825,815.62	16,516,614.57	(499,420.12)	(1,280,647.12)	14,687,003.68
410.1 Provis'n For Defer'd State Inc Tax	-	-	-	-	-	-
411.1 Prov For Deferred Inc Tax - Credit	-	-	(8,395,783.87)	-	-	(8,395,783.87)
411.4 Investment Tax Credit Adjustments	(2,747.53)	(2,321.75)	(2,697.27)	(29,578.58)	(32,735.27)	(32,494.35)
TOTAL INCOME TAXES - OPERATING	21,433.10	927,018.26	1,474,697.38	2,227,195.09	1,893,832.03	360,752.88
* TOTAL OPERATING EXPENSES *	6,099,891.02	7,334,345.75	8,201,854.60	74,881,356.66	75,166,954.02	74,030,492.30
* TOTAL OPERATING INCOME *	1,303,025.34	3,796,422.42	5,394,396.39	19,129,650.50	19,789,965.73	21,615,054.03