

CASCADE NATURAL GAS CORPORATION
Washington Statement of Operations
QUARTERLY STATISTICAL INFORMATION

THERM SALES

	Monthly			12 Months Ending		
	October 2019	November 2019	December 2019	October 2019	November 2019	December 2019
Residential	11,085,416	15,903,738	19,793,411	130,063,965	130,472,433	130,865,446
Commercial	10,299,854	14,379,308	16,122,311	106,179,340	109,417,823	111,078,907
Industrial Firm	1,687,630	1,643,539	1,791,294	16,800,717	17,269,869	17,280,578
Core Interruptible	233,137	230,724	254,274	2,259,255	2,272,230	2,265,943
Noncore	64,562,818	64,197,498	84,674,336	768,095,507	793,674,615	815,829,905
TOTAL WASHINGTON	87,868,855	96,354,807	122,635,626	1,023,398,784	1,053,106,970	1,077,320,779

	AVERAGE CUSTOMERS		
	October 2019	November 2019	December 2019
Residential	192,838	193,448	193,905
Commercial	26,609	26,756	26,880
Industrial Firm	496	497	495
Core Interruptible	8	8	8
Noncore	192	194	195
TOTAL WASHINGTON	220,143	220,903	221,483

Cascade Natural Gas Corporation
State of Washington
Statement of Operations and Rate of Return
Month and Twelve Months Ended 10/31/2019

	Month	Twelve Months
OPERATING REVENUES		
Natural Gas Sales	18,891,883	208,817,409
Transportation Revenue	2,074,979	23,663,744
Other Operating Revenue	174,665	2,126,918
	<u>21,141,527</u>	<u>234,608,071</u>
Less: Natural Gas & Production Costs	11,555,900	114,003,339
Revenue Taxes	1,434,697	19,304,029
OPERATING MARGIN	<u>8,150,930</u>	<u>101,300,702</u>
OPERATING EXPENSES		
Production	105,226	341,892
Distribution	2,181,268	20,259,281
Customer Accounts	509,758	5,623,083
Customer Service & Informational	645,320	7,259,989
Sales	836	3,826
Administrative & General	1,395,209	18,040,946
Depreciation & Amortization	2,116,785	24,642,525
Property, Payroll & Misc. Taxes	384,783	4,066,340
Federal Income Taxes	(213,537)	(97,227)
Total Operating Expenses	<u>7,125,647</u>	<u>80,140,654</u>
NET OPERATING INCOME	<u>1,025,283</u>	<u>21,160,049</u>
RATE BASE	<u>383,957,101</u>	<u>369,151,966</u>
RATE OF RETURN	<u>0.27%</u>	<u>5.73%</u>

SCHEDULE OF RATE BASE

Utility Plant In Service	848,660,890	828,031,665
Accumulated Depreciation	(392,898,835)	(386,861,981)
Net Utility Plant	455,762,055	441,169,684
Other:		
Contributions in Aid of Construction	-	-
Customer Advances for Construction	(3,724,109)	(3,828,522)
Accumulated Deferred Income Taxes	(75,883,695)	(75,427,470)
Deferred Debits	-	-
Subtotal	<u>376,154,251</u>	<u>361,913,692</u>
Working Capital	7,802,850	7,238,274
TOTAL RATE BASE	<u>383,957,101</u>	<u>369,151,966</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 11/30/2019

	Month	Twelve Months
OPERATING REVENUES		
Natural Gas Sales	28,873,986	214,971,934
Transportation Revenue	1,968,942	23,851,462
Other Operating Revenue	191,930	2,056,551
	<u>31,034,859</u>	<u>240,879,947</u>
Less: Natural Gas & Production Costs	17,570,630	119,571,696
Revenue Taxes	2,254,650	19,928,737
OPERATING MARGIN	<u>11,209,579</u>	<u>101,379,513</u>
OPERATING EXPENSES		
Production	(867)	321,047
Distribution	1,576,341	20,266,840
Customer Accounts	498,778	5,648,106
Customer Service & Informational	819,638	7,348,986
Sales	764	4,590
Administrative & General	1,510,095	18,250,066
Depreciation & Amortization	2,135,644	24,806,295
Property, Payroll & Misc. Taxes	364,592	4,089,607
Federal Income Taxes	518,128	(506,118)
Total Operating Expenses	<u>7,423,113</u>	<u>80,229,420</u>
NET OPERATING INCOME	<u>3,786,466</u>	<u>21,150,093</u>
RATE BASE	<u>386,771,333</u>	<u>371,822,198</u>
RATE OF RETURN	<u>0.98%</u>	<u>5.69%</u>

SCHEDULE OF RATE BASE

Utility Plant In Service	854,299,024	831,881,401
Accumulated Depreciation	(394,674,010)	(387,744,685)
Net Utility Plant	459,625,014	444,136,716
Other:		
Contributions in Aid of Construction	-	-
Customer Advances for Construction	(3,730,286)	(3,813,852)
Accumulated Deferred Income Taxes	(76,564,459)	(75,505,166)
Deferred Debits	-	-
Subtotal	<u>379,330,269</u>	<u>364,817,698</u>
Working Capital	7,441,064	7,004,500
TOTAL RATE BASE	<u>386,771,333</u>	<u>371,822,198</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 12/31/2019

	Month	Twelve Months
OPERATING REVENUES		
Natural Gas Sales	35,674,584	221,481,600
Transportation Revenue	2,193,760	24,094,628
Other Operating Revenue	(231,724)	1,748,762
	<u>37,636,620</u>	<u>247,324,989</u>
Less: Natural Gas & Production Costs	20,798,671	125,165,839
Revenue Taxes	3,094,344	20,632,283
OPERATING MARGIN	<u>13,743,605</u>	<u>101,526,867</u>
OPERATING EXPENSES		
Production	17,180	320,028
Distribution	1,759,194	20,414,280
Customer Accounts	706,801	5,854,251
Customer Service & Informational	985,957	7,311,469
Sales	819	5,409
Administrative & General	1,904,176	18,950,113
Depreciation & Amortization	2,148,029	24,915,118
Property, Payroll & Misc. Taxes	416,145	4,176,015
Federal Income Taxes	756,616	(1,224,200)
Total Operating Expenses	<u>8,694,917</u>	<u>80,722,482</u>
NET OPERATING INCOME	<u>5,048,689</u>	<u>20,804,385</u>
RATE BASE	<u>393,201,759</u>	<u>375,260,464</u>
RATE OF RETURN	<u>1.28%</u>	<u>5.54%</u>

SCHEDULE OF RATE BASE

Utility Plant In Service	861,878,061	835,867,892
Accumulated Depreciation	(394,925,958)	(388,720,269)
Net Utility Plant	466,952,103	447,147,623
Other:		
Contributions in Aid of Construction	-	-
Customer Advances for Construction	(3,744,587)	(3,800,413)
Accumulated Deferred Income Taxes	(77,673,011)	(75,625,050)
Deferred Debits	-	-
Subtotal	<u>385,534,506</u>	<u>367,722,160</u>
Working Capital	7,667,253	7,538,304
TOTAL RATE BASE	<u>393,201,759</u>	<u>375,260,464</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-19	November-19	December-19	November 1, 2018 THROUGH October 31, 2019	December 1, 2018 THROUGH November 30, 2019	January 1, 2019 THROUGH December 31, 2019
GAS SALES						
480 Residential Sales	9,781,859.52	15,742,840.05	19,957,748.24	114,993,364.77	117,330,897.01	120,476,426.38
481 Commercial - Interruptible Sales	9,110,023.16	13,131,146.38	15,716,835.31	93,824,043.97	97,641,037.02	101,005,173.58
TOTAL GAS SALES	18,891,882.68	28,873,986.43	35,674,583.55	208,817,408.74	214,971,934.03	221,481,599.96
OTHER OPERATING REVENUE						
4880 Miscellaneous Service Revenues	37,754.48	42,062.09	44,919.77	554,740.82	536,393.38	527,669.76
4890 Rev. From Transp. of Gas of Others	2,074,979.45	1,968,942.06	2,193,759.77	23,663,743.69	23,851,461.63	24,094,627.94
4930 Rent From Gas Property	-	-	-	-	-	-
4940 Interdepartmental Rents	10,662.11	10,662.11	10,662.11	120,881.53	124,413.43	127,945.33
4950 Other Gas Revenue	3,824.81	30,694.58	15,142.40	50,376.25	78,736.87	91,457.44
495.1 Overrun Penalty Income	-	-	-	-	-	-
4962 Provision for Rate Refund	122,423.86	108,511.64	(302,447.98)	1,400,919.53	1,317,007.18	1,001,689.00
TOTAL OTHER OPERATING REVENUE	2,249,644.71	2,160,872.48	1,962,036.07	25,790,661.82	25,908,012.49	25,843,389.47
* TOTAL OPERATING REVENUE *	21,141,527.39	31,034,858.91	37,636,619.62	234,608,070.56	240,879,946.52	247,324,989.43
NATURAL GAS PURCHASED						
804 Natural Gas City Gate Purchases	10,926,607.61	13,206,284.77	20,080,412.80	212,967,075.51	203,915,425.07	183,154,598.38
805 Other Gas Purchases	-	-	-	-	-	-
805.1 Purchased Gas Cost Adjustments	460,890.00	3,343,739.65	(27,946.32)	(94,826,465.33)	(81,298,096.80)	(56,334,340.97)
808.1 Gas Withdrawn From Storage	492,051.78	1,025,195.83	754,639.28	4,968,406.32	5,911,603.54	6,419,366.40
808.2 Gas Delivered To Storage	(315,598.77)	-	-	(9,039,883.71)	(8,889,502.22)	(8,003,476.11)
812 Gas Used For Other Utility Oper.	(8,050.63)	(4,589.96)	(8,434.97)	(65,793.53)	(67,733.57)	(70,308.52)
TOTAL NATURAL GAS PURCHASED	11,555,899.99	17,570,630.29	20,798,670.79	114,003,339.26	119,571,696.02	125,165,839.18
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	1,434,697.28	2,254,649.75	3,094,343.62	19,304,028.90	19,928,737.40	20,632,282.93
* OPERATING MARGIN *	8,150,930.12	11,209,578.87	13,743,605.21	101,300,702.40	101,379,513.10	101,526,867.32
PRODUCTION EXPENSES						
813 Other Gas Supply Expenses	105,225.89	(867.34)	17,179.53	341,892.21	321,047.32	320,028.11
DISTRIBUTION EXPENSES						
Operation						
870 Oper., Supervision & Engineering	189,159.53	130,856.09	200,508.55	2,063,276.60	2,037,368.40	2,064,596.33
871 Distribution Load Dispatching	24,467.34	22,339.58	26,669.04	298,211.61	292,257.00	304,073.88
872 Compressor Station	5,009.76	1,551.75	2,901.27	40,319.36	38,017.55	37,041.43
874 Mains & Services Exp.	547,440.51	277,439.02	270,446.25	4,135,626.56	4,152,240.84	4,080,958.82
875 Meas. & Reg. Stat. Exp.-Gen.	30,047.11	20,653.07	28,730.13	407,443.27	404,086.58	404,219.45
876 Meas. & Reg. Stat. Exp.-Ind.	4,325.65	10,955.15	2,967.63	141,732.06	137,809.16	126,915.06
878 Meter & House Regulator Exp.	121,872.29	88,873.74	77,057.67	1,102,268.22	1,110,274.05	1,097,839.44
879 Customer Installations Exp.	75,541.10	50,198.65	63,288.44	700,269.82	670,790.05	674,150.00
880 Other Exp.	539,527.24	456,529.22	459,179.06	4,553,799.71	4,614,330.48	4,797,198.35
881 Rents	6,308.08	3,519.25	23,781.01	115,130.76	109,185.87	105,625.15
882 Transportation Exp.	-	-	-	-	-	-
Subtotal Operations	1,543,698.61	1,062,915.52	1,155,529.05	13,558,077.97	13,566,359.98	13,692,617.91
Maintenance						
885 Supervision & Engineering	115,644.56	96,139.75	112,152.27	1,065,923.46	1,084,202.26	1,100,694.52
886 Structures & Improvements	-	-	-	1,106.03	1,106.03	1,106.03
887 Mains	168,967.60	92,838.17	146,254.64	1,643,612.67	1,638,090.87	1,677,499.99
8880 Compressor Station	6,516.69	8,003.08	5,827.38	70,768.65	69,695.68	73,744.02
889 Meas. & Reg. Equip.-Gen.	29,506.76	33,494.08	16,096.21	468,225.70	474,054.69	393,027.88
890 Meas. & Reg. Equip.-Ind.	5,571.76	704.50	936.53	50,554.38	46,994.00	47,202.01
892 Services	101,968.70	107,734.63	106,370.42	1,364,485.72	1,355,624.80	1,334,463.01
893 Meters & House Regulators	86,383.96	76,488.17	89,165.73	990,398.26	998,962.12	992,165.73
894 Other Equipment	123,008.87	98,022.89	126,861.91	1,046,127.67	1,031,749.21	1,101,758.62
Subtotal Maintenance	637,568.90	513,425.27	603,665.09	6,701,202.54	6,700,479.66	6,721,661.81
TOTAL DISTRIBUTION EXPENSES	2,181,267.51	1,576,340.79	1,759,194.14	20,259,280.51	20,266,839.64	20,414,279.72
CUSTOMER ACCOUNTS EXPENSES						
901 Supervision	9,997.97	8,972.20	10,934.66	109,141.09	109,725.63	109,515.04

STATE ALLOCATION OF INCOME & EXPENSES	Month Ended			12 MONTH Ended		
	October-19	November-19	December-19	November 1, 2018 THROUGH October 31, 2019	December 1, 2018 THROUGH November 30, 2019	January 1, 2019 THROUGH December 31, 2019
902 Meter Reading Exp.	46,975.42	58,065.15	48,770.24	562,110.35	564,249.10	570,761.14
903 Cust. Records & Collection Exp.	363,189.59	311,738.53	379,302.81	4,055,790.22	4,020,010.51	4,080,675.60
904 Uncollectible Accounts	89,594.90	120,001.81	168,712.34	896,035.89	954,121.20	994,217.61
905 Misc. Exp.	-	-	99,081.28	5.27	-	99,081.28
TOTAL CUSTOMER ACCOUNTS EXP.	509,757.88	498,777.69	706,801.33	5,623,082.82	5,648,106.44	5,854,250.67
CUSTOMER SERVICE AND INFORMATIONAL EXPENSES						
907 Supervision	-	-	-	-	-	-
908 Cust. Assistance Exp.	629,023.46	805,331.42	954,264.94	6,864,078.34	6,961,034.93	6,913,182.57
909 Info. & Instr. Advertising Exp.	1,856.19	1,400.94	17,300.23	118,651.08	119,250.29	128,325.24
910 Misc. Cust. Serv. & Info. Exp.	14,440.51	12,905.56	14,392.32	277,259.12	268,701.13	269,961.65
TOTAL CUST. SRVC. & INFO. EXPENSES	645,320.16	819,637.92	985,957.49	7,259,988.54	7,348,986.35	7,311,469.46
SALES EXPENSES						
911 Supervision	-	-	-	-	-	-
912 Demonstrating & Selling	835.62	763.73	818.52	1,599.21	2,362.94	3,181.46
913 Advertising	-	-	-	2,227.23	2,227.23	2,227.23
916 Misc. Sales Exp.	-	-	-	-	-	-
TOTAL SALES EXPENSES	835.62	763.73	818.52	3,826.44	4,590.17	5,408.69
ADMINISTRATIVE AND GENERAL EXPENSES						
920 Admin. & General Salaries	557,486.28	719,533.11	688,868.06	6,056,979.02	6,292,006.58	6,618,215.96
921 Office Supplies & Exp.	242,518.54	355,557.37	334,529.64	3,056,236.44	3,247,551.40	3,397,997.35
923 Outside Services Employed	55,446.44	43,600.34	50,462.79	605,971.83	603,234.60	595,625.00
924 Property Insurance	6,914.78	6,908.67	6,908.68	79,390.70	81,177.93	82,965.17
925 Injuries & Damages	(78,838.13)	37,258.09	109,088.92	1,353,189.74	1,296,529.24	1,326,740.28
926 Employee Pensions & Benefits	438,552.05	399,858.86	633,121.48	4,905,727.09	4,950,844.63	5,198,008.33
928 Regulatory Commission Exp.	16,453.30	2,312.62	3,195.72	108,227.85	110,540.47	113,736.19
930.1 General Advertising Exp.	3,575.51	2,723.62	2,472.88	24,929.93	25,400.76	25,735.65
930.2 Misc. General Exp.	68,038.68	(138,043.35)	42,923.38	999,139.67	796,028.45	781,888.29
931 Rents	89,156.82	90,162.94	88,889.24	1,085,944.08	1,079,302.86	1,072,996.20
932 Maintenance of General Plant	5,299.69	6,207.03	1,798.29	43,583.57	46,345.51	46,987.03
	1,404,603.96	1,526,079.30	1,962,259.08	18,319,319.92	18,528,962.43	19,260,895.45
922 Capitalized Exp.	(9,394.63)	(15,983.87)	(58,083.48)	(278,374.11)	(278,896.40)	(310,782.27)
TOTAL ADM. & GEN. EXPENSES	1,395,209.33	1,510,095.43	1,904,175.60	18,040,945.81	18,250,066.03	18,950,113.18
TOTAL O&M EXPENSES (Excluding Gas Cost and	4,837,616.39	4,404,748.22	5,374,126.61	51,529,016.33	51,839,635.95	52,855,549.83
DEPRECIATION AND AMORTIZATION						
403 Depreciation Expense	2,116,784.89	2,135,644.39	2,148,029.36	24,642,524.56	24,806,295.22	24,915,117.61
Propane Air Plant	-	-	-	-	-	-
Telemetry	-	-	-	-	-	-
Meters & Regulators	-	-	-	-	-	-
Central Stores Warehouse	-	-	-	-	-	-
General Office	-	-	-	-	-	-
407.1 Amortization of Property Losses	-	-	-	-	-	-
TOTAL DEPRECIATION AND AMORTIZATION	2,116,784.89	2,135,644.39	2,148,029.36	24,642,524.56	24,806,295.22	24,915,117.61
407.3 Regulatory Debits	-	-	-	-	-	-
TAXES OTHER THAN INCOME TAXES						
408.1 Property, Payroll and Misc. Taxes	384,782.53	364,592.04	416,144.98	4,066,340.18	4,089,607.06	4,176,014.52
INCOME TAXES - OPERATING						
409.1 Federal Inc Taxes, Util Oper Inc	(155,961.68)	(191,792.85)	557,248.26	(18,792,683.14)	(18,088,000.38)	(10,887,316.07)
409.1 State Income Taxes, Util Oper Inc	-	-	-	-	-	-
410.1 Provision For Defer'd Fed Inc Tax	235,470.53	1,929,273.52	2,306,946.59	46,334,023.65	46,437,481.55	32,227,813.57
410.1 Provis'n For Defer'd State Inc Tax	-	-	-	-	-	-
411.1 Prov For Deferred Inc Tax - Credit	(290,400.52)	(1,216,707.70)	(2,104,934.03)	(27,607,098.06)	(28,823,805.76)	(22,532,955.92)
411.4 Investment Tax Credit Adjustments	(2,645.09)	(2,645.09)	(2,645.09)	(31,469.93)	(31,793.27)	(31,741.09)
TOTAL INCOME TAXES - OPERATING	(213,536.76)	518,127.88	756,615.73	(97,227.48)	(506,117.86)	(1,224,199.51)
* TOTAL OPERATING EXPENSES *	7,125,647.05	7,423,112.53	8,694,916.68	80,140,653.59	80,229,420.37	80,722,482.45
* TOTAL OPERATING INCOME *	1,025,283.07	3,786,466.34	5,048,688.53	21,160,048.81	21,150,092.73	20,804,384.87