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March 21, 2011

Mr. Dave Danner  
Secretary and Executive Director  
Washington Utilities & Transportation Commission  
1300 S. Evergreen Park Drive SW  
Olympia, WA 98504-9022

RE: WAC 480-90-275 Revised Quarterly Statement of Operations Report (UG-110286)

Dear Mr. Danner:

Enclosed is Cascade Natural Gas Corporation's revised monthly Statement of Operations report for the quarter ending December 31, 2010. This revised report should replace the report originally submitted on February 14, 2011 that was docketed as UG-110286. The revisions are necessary as the original filing included total company revenue and expense balances as opposed to Washington only amounts.

If you have any questions, please contact me at (509) 734-4593.

Sincerely,

*Katherine J. Barnard*

Katherine J. Barnard  
Manager  
Regulatory & Gas Supply

*We make warm neighbors*

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**REVISED**

Cascade Natural Gas Corporation  
State of Washington  
Statement of Operations and Rate of Return  
Month and Twelve Months Ended 10/31/2010

	Month	Twelve Months
<b>OPERATING REVENUES</b>		
Natural Gas Sales	16,278,685	243,346,772
Transportation Revenue	1,760,470	19,408,105
Other Operating Revenue	99,526	1,510,046
	<u>18,138,681</u>	<u>264,264,923</u>
Less: Natural Gas & Production Costs	11,175,908	165,403,113
Revenue Taxes	1,202,148	21,109,197
<b>OPERATING MARGIN</b>	<u>5,760,626</u>	<u>77,752,613</u>
<b>OPERATING EXPENSES</b>		
Distribution	813,763	9,792,840
Customer Accounts	392,415	4,879,559
Customer Service & Informational	72,453	809,645
Sales	1,258	9,749
Administrative & General	1,346,438	18,321,284
Depreciation & Amortization	1,249,015	14,591,554
Property, Payroll & Misc. Taxes	386,640	4,375,520
Federal Income Taxes	218,340	6,144,775
Total Operating Expenses	<u>4,480,322</u>	<u>58,924,926</u>
<b>NET OPERATING INCOME</b>	<u>1,280,304</u>	<u>18,827,688</u>
<b>RATE BASE</b>	<u>212,141,447</u>	<u>213,006,548</u>
<b>RATE OF RETURN</b>	<u>0.60%</u>	<u>8.84%</u>

**SCHEDULE OF RATE BASE**

Utility Plant In Service	524,353,607	519,816,218
Accumulated Depreciation	(265,881,083)	(259,939,155)
Net Utility Plant	<u>258,472,524</u>	<u>259,877,063</u>
Other:		
Contributions in Aid of Construction	-	-
Customer Advances for Construction	(4,353,410)	(4,964,709)
Accumulated Deferred Income Taxes	(51,391,580)	(51,391,580)
Deferred Debits	-	-
Subtotal	<u>202,727,534</u>	<u>203,520,774</u>
Working Capital	<u>9,413,913</u>	<u>9,485,774</u>
<b>TOTAL RATE BASE</b>	<u>212,141,447</u>	<u>213,006,548</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.

**REVISED**

Cascade Natural Gas Corporation  
 State of Washington  
 Statement of Operations and Rate of Return  
 Month and Twelve Months Ended 11/30/2010

	Month	Twelve Months
<b>OPERATING REVENUES</b>		
Natural Gas Sales	26,263,499	241,975,581
Transportation Revenue	1,663,532	19,528,989
Other Operating Revenue	176,000	1,521,294
	<u>28,103,030</u>	<u>263,025,864</u>
Less: Natural Gas & Production Costs	17,155,312	163,584,282
Revenue Taxes	1,920,024	20,946,816
<b>OPERATING MARGIN</b>	<u>9,027,695</u>	<u>78,494,766</u>
<b>OPERATING EXPENSES</b>		
Distribution	783,928	9,770,471
Customer Accounts	375,405	4,845,771
Customer Service & Informational	66,712	809,373
Sales	1,421	11,170
Administrative & General	1,707,709	18,832,271
Depreciation & Amortization	1,251,288	14,635,125
Property, Payroll & Misc. Taxes	333,393	4,398,190
Federal Income Taxes	1,291,932	6,203,932
Total Operating Expenses	<u>5,811,788</u>	<u>59,506,303</u>
<b>NET OPERATING INCOME</b>	<u>3,215,906</u>	<u>18,988,463</u>
<b>RATE BASE</b>	<u>213,337,884</u>	<u>212,532,478</u>
<b>RATE OF RETURN</b>	<u>1.51%</u>	<u>8.93%</u>

**SCHEDULE OF RATE BASE**

Utility Plant In Service	525,731,075	520,594,228
Accumulated Depreciation	(265,760,597)	(260,942,813)
Net Utility Plant	<u>259,970,478</u>	<u>259,651,415</u>
Other:		
Contributions in Aid of Construction	-	-
Customer Advances for Construction	(4,462,268)	(4,952,531)
Accumulated Deferred Income Taxes	(51,635,674)	(51,635,674)
Deferred Debits	-	-
Subtotal	<u>203,872,536</u>	<u>203,063,210</u>
Working Capital	<u>9,465,349</u>	<u>9,469,268</u>
<b>TOTAL RATE BASE</b>	<u>213,337,884</u>	<u>212,532,478</u>

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**REVISED**

Cascade Natural Gas Corporation  
State of Washington  
Statement of Operations and Rate of Return  
Month and Twelve Months Ended 12/31/2010

	Month	Twelve Months
<b>OPERATING REVENUES</b>		
Natural Gas Sales	32,536,887	229,605,802
Transportation Revenue	1,531,303	19,084,820
Other Operating Revenue	240,743	1,625,620
	<u>34,308,932</u>	<u>250,316,242</u>
Less: Natural Gas & Production Costs	21,026,931	152,672,552
Revenue Taxes	2,932,032	20,505,039
<b>OPERATING MARGIN</b>	<u>10,349,970</u>	<u>77,138,651</u>
<b>OPERATING EXPENSES</b>		
Distribution	946,947	9,927,583
Customer Accounts	(139,408)	4,092,504
Customer Service & Informational	87,334	829,540
Sales	150	9,378
Administrative & General	2,080,219	19,284,068
Depreciation & Amortization	1,242,501	14,673,678
Property, Payroll & Misc. Taxes	341,015	4,418,364
Federal Income Taxes	(2,493,456)	1,331,358
Total Operating Expenses	<u>2,065,302</u>	<u>54,566,473</u>
<b>NET OPERATING INCOME</b>	<u>8,284,668</u>	<u>22,572,178</u>
<b>RATE BASE</b>	<u>216,544,475</u>	<u>215,288,727</u>
<b>RATE OF RETURN</b>	<u>3.83%</u>	<u>10.48%</u>

**SCHEDULE OF RATE BASE**

Utility Plant In Service	526,584,168	521,396,429
Accumulated Depreciation	(266,487,919)	(261,926,989)
Net Utility Plant	<u>260,096,249</u>	<u>259,469,439</u>
Other:		
Contributions in Aid of Construction	-	-
Customer Advances for Construction	(4,377,017)	(4,930,504)
Accumulated Deferred Income Taxes	(48,712,061)	(48,712,061)
Deferred Debits	-	-
Subtotal	<u>207,007,170</u>	<u>205,826,874</u>
Working Capital	9,537,305	9,461,853
<b>TOTAL RATE BASE</b>	<u>216,544,475</u>	<u>215,288,727</u>

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# CASCADE NATURAL GAS CORPORATION

Washington Statement of Operations  
 QUARTERLY STATISTICAL INFORMATION

## THERM SALES

	Monthly		12 Months Ending	
	Oct 2010	Nov 2010	Oct 2010	Dec 2010
<b>Residential</b>	6,772,990	15,485,730	107,801,107	106,459,428
<b>Commercial</b>	5,890,891	10,792,500	85,237,764	84,407,362
<b>Industrial Firm</b>	981,287	721,230	9,294,409	9,331,102
<b>Core Interruptible</b>	373,592	501,241	4,842,654	4,661,970
<b>Noncore</b>	63,799,175	57,829,023	654,835,268	648,212,466
<b>TOTAL WASHINGTON</b>	<b>77,817,935</b>	<b>85,329,724</b>	<b>862,011,202</b>	<b>853,072,328</b>

	AVERAGE CUSTOMERS	
	Oct 2010	Nov 2010
<b>Residential</b>	169,004	169,986
<b>Commercial</b>	24,272	24,504
<b>Industrial Firm</b>	354	355
<b>Core Interruptible</b>	11	11
<b>Noncore</b>	176	175
<b>TOTAL WASHINGTON</b>	<b>193,817</b>	<b>195,031</b>