

**CASCADE NATURAL GAS CORPORATION**  
Washington Statement of Operations  
**QUARTERLY STATISTICAL INFORMATION**

**THERM SALES**

	<b>Monthly</b>			<b>12 Months Ending</b>		
	July 2015	August 2015	September 2015	July 2015	August 2015	September 2015
<b>Residential</b>	2,707,814	1,674,613	3,503,927	100,200,468	99,309,087	99,375,517
<b>Commercial</b>	3,187,625	1,970,611	3,466,318	79,557,272	78,594,738	78,461,683
<b>Industrial Firm</b>	589,631	586,174	1,107,425	12,412,321	12,529,088	13,002,911
<b>Core Interruptible</b>	205,413	199,931	249,105	4,275,753	4,255,455	4,240,831
<b>Noncore</b>	70,486,977	68,567,121	66,745,685	758,062,048	749,732,821	740,549,262
<b>TOTAL WASHINGTON</b>	<b>77,177,460</b>	<b>72,998,450</b>	<b>75,072,460</b>	<b>954,507,862</b>	<b>944,421,189</b>	<b>935,630,204</b>

	<b>AVERAGE CUSTOMERS</b>		
	July 2015	August 2015	September 2015
<b>Residential</b>	177,936	178,077	178,639
<b>Commercial</b>	25,082	25,077	25,090
<b>Industrial Firm</b>	454	455	457
<b>Core Interruptible</b>	13	13	13
<b>Noncore</b>	199	199	199
<b>TOTAL WASHINGTON</b>	<b>203,684</b>	<b>203,821</b>	<b>204,398</b>

Cascade Natural Gas Corporation  
State of Washington  
Statement of Operations and Rate of Return  
Month and Twelve Months Ended 7/31/2015

	Month	Twelve Months
<b>OPERATING REVENUES</b>		
Natural Gas Sales	7,573,708	205,314,916
Transportation Revenue	1,718,399	20,056,182
Other Operating Revenue	107,463	975,054
	9,399,570	226,346,151
Less: Natural Gas & Production Costs	4,480,551	130,293,782
Revenue Taxes	705,537	18,750,096
<b>OPERATING MARGIN</b>	<b>4,213,483</b>	<b>77,302,273</b>
<b>OPERATING EXPENSES</b>		
Production	37,415	344,323
Distribution	1,490,464	16,312,518
Customer Accounts	512,701	5,448,427
Customer Service & Informational	70,879	1,040,498
Sales	414	5,764
Administrative & General	1,145,499	15,879,354
Depreciation & Amortization	1,475,680	17,384,800
Property, Payroll & Misc. Taxes	188,928	4,254,154
Federal Income Taxes	(406,420)	3,257,068
Total Operating Expenses	4,515,561	63,926,905
<b>NET OPERATING INCOME</b>	<b>(302,079)</b>	<b>13,375,368</b>
<b>RATE BASE</b>	<b>235,919,506</b>	<b>233,328,921</b>
<b>RATE OF RETURN</b>	<b>-0.13%</b>	<b>5.73%</b>

SCHEDULE OF RATE BASE

Utility Plant In Service	631,356,284	620,665,341
Accumulated Depreciation	(327,957,625)	(320,530,508)
Net Utility Plant	303,398,659	300,134,833
Other:		
Contributions in Aid of Construction	-	-
Customer Advances for Construction	(3,608,063)	(2,943,149)
Accumulated Deferred Income Taxes	(74,334,724)	(74,334,724)
Deferred Debits	-	-
Subtotal	225,455,872	222,856,960
Working Capital	10,463,634	10,471,961
<b>TOTAL RATE BASE</b>	<b>235,919,506</b>	<b>233,328,921</b>

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 8/31/2015

	Month	Twelve Months
<b>OPERATING REVENUES</b>		
Natural Gas Sales	5,470,998	204,091,942
Transportation Revenue	1,668,760	20,015,471
Other Operating Revenue	78,095	963,564
	<u>7,217,854</u>	<u>225,070,977</u>
Less: Natural Gas & Production Costs	2,961,487	129,442,077
Revenue Taxes	628,382	18,747,029
<b>OPERATING MARGIN</b>	<u>3,627,985</u>	<u>76,881,871</u>
<b>OPERATING EXPENSES</b>		
Production	23,441	346,743
Distribution	1,274,015	16,302,378
Customer Accounts	511,877	5,419,954
Customer Service & Informational	149,853	1,121,224
Sales	4,064	9,578
Administrative & General	1,421,914	15,870,793
Depreciation & Amortization	1,479,190	17,450,786
Property, Payroll & Misc. Taxes	336,153	4,241,804
Federal Income Taxes	(689,862)	3,113,269
Total Operating Expenses	<u>4,510,645</u>	<u>63,876,528</u>
<b>NET OPERATING INCOME</b>	<u>(882,660)</u>	<u>13,005,343</u>
<b>RATE BASE</b>	<u>236,074,698</u>	<u>234,012,090</u>
<b>RATE OF RETURN</b>	<u>-0.37%</u>	<u>5.56%</u>

SCHEDULE OF RATE BASE

Utility Plant In Service	632,652,553	622,740,518
Accumulated Depreciation	(328,981,993)	(321,777,682)
Net Utility Plant	<u>303,670,560</u>	<u>300,962,836</u>
Other:		
Contributions in Aid of Construction	-	-
Customer Advances for Construction	(3,624,693)	(2,983,642)
Accumulated Deferred Income Taxes	(74,441,685)	(74,441,685)
Deferred Debits	-	-
Subtotal	<u>225,604,182</u>	<u>223,537,509</u>
Working Capital	<u>10,470,516</u>	<u>10,474,581</u>
<b>TOTAL RATE BASE</b>	<u>236,074,698</u>	<u>234,012,090</u>

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Cascade Natural Gas Corporation  
State of Washington  
Statement of Operations and Rate of Return  
Month and Twelve Months Ended 9/30/2015

	Month	Twelve Months
OPERATING REVENUES		
Natural Gas Sales	8,003,276	203,824,127
Transportation Revenue	1,729,515	20,343,587
Other Operating Revenue	100,935	982,776
	9,833,726	225,150,489
Less: Natural Gas & Production Costs	4,525,707	129,076,867
Revenue Taxes	759,268	18,791,513
OPERATING MARGIN	4,548,751	77,282,109
OPERATING EXPENSES		
Production	21,210	329,836
Distribution	1,297,329	16,236,820
Customer Accounts	421,182	5,360,873
Customer Service & Informational	75,110	1,122,456
Sales	3,064	12,361
Administrative & General	997,917	15,525,600
Depreciation & Amortization	1,483,644	17,512,120
Property, Payroll & Misc. Taxes	200,730	4,093,120
Federal Income Taxes	240,639	3,841,684
Total Operating Expenses	4,740,824	64,034,869
NET OPERATING INCOME	(192,073)	13,247,240
RATE BASE	240,075,692	236,519,832
RATE OF RETURN	-0.08%	5.60%

SCHEDULE OF RATE BASE

Utility Plant In Service	635,819,855	624,920,219
Accumulated Depreciation	(329,901,238)	(323,029,503)
Net Utility Plant	305,918,617	301,890,716
Other:		
Contributions in Aid of Construction	-	-
Customer Advances for Construction	(3,619,678)	(3,024,569)
Accumulated Deferred Income Taxes	(72,833,143)	(72,833,143)
Deferred Debits	-	-
Subtotal	229,465,797	226,033,004
Working Capital	10,609,895	10,486,828
TOTAL RATE BASE	240,075,692	236,519,832

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Cascade Natural Gas Corporation  
Washington Statement of Operations  
Quarter Ending: 9/30/2015

STATE ALLOCATION OF INCOME & EXPENSES	Month Ended			12 MONTH Ended		
	July-15	August-15	September-15	June 1, 2014 Through July 31, 2015	Jul. 1, 2014 Through Aug. 31, 2015	Aug. 1, 2014 Through Sept. 30, 2015
	<b>GAS SALES</b>					
480 Residential Sales	3,517,442.27	2,507,749.81	3,802,650.61	110,694,984.18	110,001,744.40	109,796,968.87
481 Commercial - Interruptible Sales	4,056,266.05	2,963,248.51	4,200,625.52	94,619,931.86	94,090,197.81	94,027,157.72
<b>TOTAL GAS SALES</b>	<b>7,573,708.32</b>	<b>5,470,998.32</b>	<b>8,003,276.13</b>	<b>205,314,916.04</b>	<b>204,091,942.21</b>	<b>203,824,126.59</b>
<b>OTHER OPERATING REVENUE</b>						
4880 Miscellaneous Service Revenues	56,997.05	61,770.90	63,525.69	679,217.57	674,822.79	672,308.90
4890 Rev. From Transp. of Gas of Others	1,718,398.95	1,668,760.36	1,729,514.67	20,056,181.69	20,015,471.01	20,343,587.04
4930 Rent From Gas Property	-	-	757.30	1,614.60	1,614.60	2,371.90
4940 Interdepartmental Rents	6,478.70	6,478.70	6,478.70	76,845.90	77,025.60	77,205.30
4950 Other Gas Revenue	43,987.34	9,845.38	30,173.11	217,375.52	210,100.58	230,889.61
495.1 Overrun Penalty Income	-	-	-	-	-	-
<b>TOTAL OTHER OPERATING REVENUE</b>	<b>1,825,862.04</b>	<b>1,746,855.34</b>	<b>1,830,449.47</b>	<b>21,031,235.28</b>	<b>20,979,034.58</b>	<b>21,326,362.75</b>
<b>* TOTAL OPERATING REVENUE *</b>	<b>9,399,570.36</b>	<b>7,217,853.66</b>	<b>9,833,725.60</b>	<b>226,346,151.32</b>	<b>225,070,976.79</b>	<b>225,150,489.34</b>
<b>NATURAL GAS PURCHASED</b>						
804 Natural Gas City Gate Purchases	6,825,193.61	6,523,630.32	6,611,622.59	122,280,978.81	122,378,980.79	121,408,336.49
805 Other Gas Purchases	-	-	-	-	-	-
805.1 Purchased Gas Cost Adjustments	(1,492,221.94)	(2,757,160.57)	(1,676,793.14)	6,919,713.54	6,392,012.66	6,981,042.65
808.1 Gas Withdrawn From Storage	13,546.73	9,737.89	13,073.25	4,854,937.66	4,864,675.55	4,877,748.80
808.2 Gas Delivered To Storage	(864,932.17)	(813,901.31)	(421,247.13)	(3,722,838.66)	(4,154,026.37)	(4,150,065.94)
812 Gas Used For Other Utility Oper.	(1,035.09)	(819.28)	(948.69)	(39,009.38)	(39,565.76)	(40,194.88)
<b>TOTAL NATURAL GAS PURCHASED</b>	<b>4,480,551.14</b>	<b>2,961,487.05</b>	<b>4,525,706.88</b>	<b>130,293,781.97</b>	<b>129,442,076.87</b>	<b>129,076,867.12</b>
<b>MANUFACTURED GAS PRODUCTION</b>						
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	-	-	-	-	-	-
<b>TOTAL MANUFACTURED GAS PRODUCTION EXPENSE</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
408.5 Revenue Taxes	705,536.68	628,381.78	759,267.74	18,750,096.27	18,747,028.96	18,791,513.40
<b>* OPERATING MARGIN *</b>	<b>4,213,482.54</b>	<b>3,627,984.83</b>	<b>4,548,750.98</b>	<b>77,302,273.08</b>	<b>76,881,870.96</b>	<b>77,282,108.82</b>
<b>PRODUCTION EXPENSES</b>						
813 Other Gas Supply Expenses	37,415.37	23,440.83	21,210.17	344,322.94	346,742.75	329,835.72
<b>DISTRIBUTION EXPENSES</b>						
<b>Operation</b>						
870 Oper., Supervision & Engineering	111,806.09	103,873.14	78,438.83	1,264,605.38	1,276,793.19	1,257,272.23
871 Distribution Load Dispatching	41,540.90	37,938.02	24,864.33	491,119.61	492,135.24	475,828.94
872 Compressor Station	6,588.32	4,663.52	6,337.51	84,309.46	85,211.01	86,935.10
874 Mains & Services Exp.	337,651.49	263,205.04	256,436.79	3,340,438.41	3,367,741.26	3,365,953.91
875 Meas. & Reg. Stat. Exp.-Gen.	53,363.27	40,062.26	48,279.99	642,141.87	620,132.66	607,874.99
876 Meas. & Reg. Stat. Exp.-Ind.	7,457.78	8,526.13	15,520.55	103,134.10	109,535.31	111,275.87
878 Meter & House Regulator Exp.	138,169.79	100,787.91	130,387.65	1,321,341.15	1,325,875.52	1,350,925.99
879 Customer Installations Exp.	89,936.90	78,710.05	94,149.92	959,766.17	974,457.38	988,959.23
880 Other Exp.	288,418.60	265,180.04	275,569.47	3,610,680.50	3,613,296.81	3,576,766.47
881 Rents	4,937.66	9,432.02	912.50	68,934.03	70,530.19	71,442.69
882 Transportation Exp.	-	-	-	-	-	-
<b>Subtotal Operations</b>	<b>1,079,870.80</b>	<b>912,378.13</b>	<b>930,897.54</b>	<b>11,886,470.68</b>	<b>11,935,708.57</b>	<b>11,895,235.42</b>
<b>Maintenance</b>						
885 Supervision & Engineering	13,052.07	11,358.84	11,121.27	145,488.86	146,183.88	146,684.83
886 Structures & Improvements	766.49	235.05	255.12	25,666.29	13,356.42	13,518.26
887 Mains	124,017.93	101,645.98	109,693.90	1,390,753.86	1,360,835.30	1,325,776.43
8880 Compressor Station	1,773.69	3,984.04	2,040.03	26,221.05	27,191.22	26,933.92
889 Meas. & Reg. Equip.-Gen.	26,580.69	24,235.34	23,961.81	267,458.79	265,235.19	269,293.71
890 Meas. & Reg. Equip.-Ind.	4,703.94	2,514.01	2,970.86	34,017.10	32,944.20	34,960.52
892 Services	108,161.91	114,285.92	115,475.42	1,283,879.83	1,256,825.10	1,277,481.04
893 Meters & House Regulators	114,629.49	92,190.72	79,599.73	1,080,321.78	1,089,481.54	1,066,340.23
894 Other Equipment	16,907.38	11,186.94	21,313.71	172,240.03	174,616.87	182,595.45
<b>Subtotal Maintenance</b>	<b>410,593.59</b>	<b>361,636.84</b>	<b>366,431.85</b>	<b>4,426,047.59</b>	<b>4,366,669.72</b>	<b>4,343,584.39</b>
<b>TOTAL DISTRIBUTION EXPENSES</b>	<b>1,490,464.39</b>	<b>1,274,014.97</b>	<b>1,297,329.39</b>	<b>16,312,518.27</b>	<b>16,302,378.29</b>	<b>16,236,819.81</b>
<b>CUSTOMER ACCOUNTS EXPENSES</b>						

Cascade Natural Gas Corporation  
Washington Statement of Operations  
Quarter Ending: 9/30/2015

STATE ALLOCATION OF INCOME & EXPENSES	Month Ended			12 MONTH Ended		
	July-15	August-15	September-15	June 1, 2014 Through 31, 2015	July 1, 2014 Through Aug. 31, 2015	Aug. 1, 2014 Through Sept. 30, 2015
	901 Supervision	-	-	-	19.00	19.00
902 Meter Reading Exp.	44,725.71	50,580.46	39,323.22	498,589.13	508,265.43	509,737.83
903 Cust. Records & Collection Exp.	419,412.52	333,866.46	326,334.93	4,049,886.28	4,102,289.80	4,157,679.49
904 Uncollectible Accounts	48,563.19	127,372.99	55,523.37	895,410.86	804,800.12	688,857.17
905 Misc. Exp.	-	57.35	-	4,521.92	4,579.27	4,579.27
<b>TOTAL CUSTOMER ACCOUNTS EXP.</b>	<b>512,701.42</b>	<b>511,877.26</b>	<b>421,181.52</b>	<b>5,448,427.19</b>	<b>5,419,953.62</b>	<b>5,360,872.76</b>
<b>CUSTOMER SERVICE AND INFORMATIONAL EXPENSES</b>						
907 Supervision	-	-	-	-	-	-
908 Cust. Assistance Exp.	70,384.28	147,178.81	73,530.17	1,009,029.77	1,088,076.37	1,090,584.19
909 Info. & Instr. Advertising Exp.	494.68	2,673.97	1,579.53	31,468.08	33,147.14	31,871.91
910 Misc. Cust. Serv. & Info. Exp.	-	-	-	-	-	-
<b>TOTAL CUST. SRVC. &amp; INFO. EXPENSES</b>	<b>70,878.96</b>	<b>149,852.78</b>	<b>75,109.70</b>	<b>1,040,497.85</b>	<b>1,121,223.51</b>	<b>1,122,456.10</b>
<b>SALES EXPENSES</b>						
911 Supervision	-	-	-	-	-	-
912 Demonstrating & Selling	-	-	-	-	-	-
913 Advertising	414.43	4,063.65	3,063.99	5,764.07	9,577.72	12,361.00
916 Misc. Sales Exp.	-	-	-	-	-	-
<b>TOTAL SALES EXPENSES</b>	<b>414.43</b>	<b>4,063.65</b>	<b>3,063.99</b>	<b>5,764.07</b>	<b>9,577.72</b>	<b>12,361.00</b>
<b>ADMINISTRATIVE AND GENERAL EXPENSES</b>						
920 Admin. & General Salaries	437,094.89	387,581.94	293,892.28	5,359,668.83	5,244,224.75	5,054,152.74
921 Office Supplies & Exp.	120,030.23	251,804.26	133,383.02	3,021,899.59	2,871,379.59	2,745,492.85
923 Outside Services Employed	61,792.22	82,444.64	79,900.35	995,337.48	959,561.69	968,111.76
924 Property Insurance	5,153.19	5,153.19	5,153.19	57,895.13	58,717.06	59,538.99
925 Injuries & Damages	77,595.06	81,218.26	67,705.48	1,050,194.56	1,053,743.87	1,040,106.27
926 Employee Pensions & Benefits	385,146.14	533,652.55	328,823.90	4,383,029.08	4,670,662.66	4,585,577.36
928 Regulatory Commission Exp.	-	-	-	-	-	-
930.1 General Advertising Exp.	(33,385.51)	377.28	226.89	22,172.21	19,760.83	18,778.74
930.2 Misc. General Exp.	46,365.91	40,239.68	40,145.46	435,277.00	445,741.14	510,560.86
931 Rents	76,719.74	76,654.91	76,654.91	925,106.29	921,175.59	921,014.43
932 Maintenance of General Plant	2,498.00	1,653.30	6,988.10	23,890.74	24,608.08	30,956.76
	1,179,009.87	1,460,780.01	1,032,873.58	16,274,470.91	16,269,575.26	15,934,290.76
	(33,510.67)	(38,865.59)	(34,956.94)	(395,117.29)	(398,781.84)	(408,690.64)
<b>TOTAL ADM. &amp; GEN. EXPENSES</b>	<b>1,145,499.20</b>	<b>1,421,914.42</b>	<b>997,916.64</b>	<b>15,879,353.62</b>	<b>15,870,793.42</b>	<b>15,525,600.12</b>
<b>TOTAL O&amp;M EXPENSES (Excluding Gas Cost and</b>	<b>3,257,373.77</b>	<b>3,385,163.91</b>	<b>2,815,811.41</b>	<b>39,030,883.94</b>	<b>39,070,669.31</b>	<b>38,587,945.51</b>
<b>DEPRECIATION AND AMORTIZATION</b>						
403 Depreciation Expense	1,475,679.98	1,479,189.51	1,483,644.12	17,384,799.58	17,450,785.60	17,512,120.40
Propane Air Plant	-	-	-	-	-	-
Telemetry	-	-	-	-	-	-
Meters & Regulators	-	-	-	-	-	-
Central Stores Warehouse	-	-	-	-	-	-
General Office	-	-	-	-	-	-
407.1 Amortization of Property Losses	-	-	-	-	-	-
<b>TOTAL DEPRECIATION AND AMORTIZATION</b>	<b>1,475,679.98</b>	<b>1,479,189.51</b>	<b>1,483,644.12</b>	<b>17,384,799.58</b>	<b>17,450,785.60</b>	<b>17,512,120.40</b>
407.3 Regulatory Debits	-	-	-	-	-	-
<b>TAXES OTHER THAN INCOME TAXES</b>						
408.1 Property, Payroll and Misc. Taxes	188,927.57	336,152.92	200,730.26	4,254,153.79	4,241,804.47	4,093,119.53
<b>INCOME TAXES - OPERATING</b>						
409.1 Federal Inc Taxes, Util Oper Inc	(318,257.98)	(749,947.62)	1,332,506.52	(4,874,837.91)	(4,965,145.33)	(2,268,542.77)
409.1 State Income Taxes, Util Oper Inc	-	-	-	-	-	-
410.1 Provision For Defer'd Fed Inc Tax	(84,937.30)	63,310.43	(1,088,643.31)	8,174,228.47	8,120,431.92	6,152,048.93
410.1 Provis'n For Defer'd State Inc Tax	-	-	-	-	-	-
411.1 Prov For Deferred Inc Tax - Credit	-	-	-	-	-	-
411.4 Investment Tax Credit Adjustments	(3,224.57)	(3,224.58)	(3,224.57)	(42,322.80)	(42,017.83)	(41,822.35)
<b>TOTAL INCOME TAXES - OPERATING</b>	<b>(406,419.85)</b>	<b>(689,861.77)</b>	<b>240,638.64</b>	<b>3,257,067.76</b>	<b>3,113,268.76</b>	<b>3,841,683.81</b>
<b>* TOTAL OPERATING EXPENSES *</b>	<b>4,515,561.47</b>	<b>4,510,644.57</b>	<b>4,740,824.43</b>	<b>63,926,905.07</b>	<b>63,876,528.14</b>	<b>64,034,869.25</b>
<b>* TOTAL OPERATING INCOME *</b>	<b>(302,078.93)</b>	<b>(882,659.74)</b>	<b>(192,073.45)</b>	<b>13,375,368.01</b>	<b>13,005,342.82</b>	<b>13,247,239.57</b>