

CASCADE NATURAL GAS CORPORATION
Washington Statement of Operations
QUARTERLY STATISTICAL INFORMATION

THERM SALES

	Monthly			12 Months Ending		
	October 2015	November 2015	December 2015	October 2015	November 2015	December 2015
Residential	5,608,375	15,498,010	19,361,339	100,131,869	98,379,532	101,192,641
Commercial	5,010,468	10,087,804	13,662,552	78,833,152	77,543,078	78,865,244
Industrial Firm	1,392,251	935,529	1,360,411	12,940,107	12,898,333	12,751,950
Core Interruptible	297,892	439,981	476,504	4,225,689	4,192,797	4,130,363
Noncore	71,296,621	75,388,536	69,873,927	743,294,838	755,129,942	762,254,760
TOTAL WASHINGTON	83,605,607	102,349,860	104,734,733	939,425,655	948,143,682	959,194,958

	AVERAGE CUSTOMERS		
	October 2015	November 2015	December 2015
Residential	179,488	180,575	181,114
Commercial	25,190	25,416	25,574
Industrial Firm	457	460	460
Core Interruptible	13	13	13
Noncore	202	202	203
TOTAL WASHINGTON	205,350	206,666	207,364

Cascade Natural Gas Corporation
State of Washington
Statement of Operations and Rate of Return
Month and Twelve Months Ended 10/31/2015

	Month	Twelve Months
OPERATING REVENUES		
Natural Gas Sales	10,985,138	203,557,353
Transportation Revenue	1,769,882	20,266,830
Other Operating Revenue	158,444	1,071,069
	<u>12,913,464</u>	<u>224,895,251</u>
Less: Natural Gas & Production Costs	6,379,683	128,521,698
Revenue Taxes	922,341	18,766,190
OPERATING MARGIN	<u>5,611,439</u>	<u>77,607,363</u>
OPERATING EXPENSES		
Production	28,407	330,698
Distribution	1,282,237	16,102,972
Customer Accounts	467,954	5,443,138
Customer Service & Informational	72,290	1,120,516
Sales	804	13,165
Administrative & General	1,130,043	15,442,683
Depreciation & Amortization	1,513,407	17,598,018
Property, Payroll & Misc. Taxes	310,298	4,025,875
Federal Income Taxes	57,135	3,967,225
Total Operating Expenses	<u>4,862,574</u>	<u>64,044,290</u>
NET OPERATING INCOME	<u>748,865</u>	<u>13,563,074</u>
RATE BASE	<u>243,659,946</u>	<u>237,626,064</u>
RATE OF RETURN	<u>0.31%</u>	<u>5.71%</u>

SCHEDULE OF RATE BASE

Utility Plant In Service	640,317,803	627,219,548
Accumulated Depreciation	<u>(331,116,263)</u>	<u>(324,291,086)</u>
Net Utility Plant	309,201,540	302,928,462
Other:		
Contributions in Aid of Construction	-	-
Customer Advances for Construction	(3,594,740)	(3,062,829)
Accumulated Deferred Income Taxes	(72,749,492)	(72,749,492)
Deferred Debits	-	-
Subtotal	<u>232,857,308</u>	<u>227,116,141</u>
Working Capital	10,802,638	10,509,923
TOTAL RATE BASE	<u>243,659,946</u>	<u>237,626,064</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 11/30/2015

	Month	Twelve Months
OPERATING REVENUES		
Natural Gas Sales	22,951,961	196,378,612
Transportation Revenue	1,899,254	20,391,995
Other Operating Revenue	72,722	1,059,665
	<u>24,923,936</u>	<u>217,830,272</u>
Less: Natural Gas & Production Costs	14,021,773	122,403,936
Revenue Taxes	1,568,079	18,434,514
OPERATING MARGIN	<u>9,334,084</u>	<u>76,991,822</u>
OPERATING EXPENSES		
Production	28,304	334,527
Distribution	1,209,961	15,982,221
Customer Accounts	543,383	5,597,543
Customer Service & Informational	76,982	1,095,851
Sales	869	13,534
Administrative & General	1,306,784	15,567,627
Depreciation & Amortization	1,512,572	17,676,130
Property, Payroll & Misc. Taxes	322,107	4,005,333
Federal Income Taxes	659,239	2,958,512
Total Operating Expenses	<u>5,660,201</u>	<u>63,231,278</u>
NET OPERATING INCOME	<u>3,673,883</u>	<u>13,760,544</u>
RATE BASE	<u>247,622,356</u>	<u>238,993,240</u>
RATE OF RETURN	<u>1.48%</u>	<u>5.76%</u>

SCHEDULE OF RATE BASE

Utility Plant In Service	645,142,953	629,642,061
Accumulated Depreciation	<u>(332,345,018)</u>	<u>(325,530,482)</u>
Net Utility Plant	312,797,935	304,111,579
Other:		
Contributions in Aid of Construction	-	-
Customer Advances for Construction	(3,589,341)	(3,104,147)
Accumulated Deferred Income Taxes	(72,562,283)	(72,562,283)
Deferred Debits	-	-
Subtotal	<u>236,646,311</u>	<u>228,445,149</u>
Working Capital	10,976,046	10,548,091
TOTAL RATE BASE	<u>247,622,356</u>	<u>238,993,240</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 12/31/2015

	Month	Twelve Months
OPERATING REVENUES		
Natural Gas Sales	29,899,875	194,465,890
Transportation Revenue	1,783,665	20,426,804
Other Operating Revenue	75,981	1,001,985
	<u>31,759,522</u>	<u>215,894,678</u>
Less: Natural Gas & Production Costs	18,123,476	119,769,690
Revenue Taxes	2,500,080	18,050,997
OPERATING MARGIN	<u>11,135,965</u>	<u>78,073,991</u>
OPERATING EXPENSES		
Production	30,990	337,722
Distribution	1,596,056	16,008,083
Customer Accounts	543,856	5,661,703
Customer Service & Informational	103,279	1,124,813
Sales	523	12,625
Administrative & General	1,759,206	15,622,373
Depreciation & Amortization	5,338,281	21,571,820
Property, Payroll & Misc. Taxes	362,443	3,984,398
Federal Income Taxes	116,022	1,744,805
Total Operating Expenses	<u>9,850,657</u>	<u>66,068,342</u>
NET OPERATING INCOME	<u>1,285,308</u>	<u>12,005,649</u>
RATE BASE	<u>253,536,396</u>	<u>239,600,695</u>
RATE OF RETURN	<u>0.51%</u>	<u>5.01%</u>

SCHEDULE OF RATE BASE

Utility Plant In Service	654,541,120	632,616,854
Accumulated Depreciation	<u>(335,114,607)</u>	<u>(326,886,721)</u>
Net Utility Plant	319,426,513	305,730,133
Other:		
Contributions in Aid of Construction	-	-
Customer Advances for Construction	(3,582,578)	(3,175,125)
Accumulated Deferred Income Taxes	(73,572,374)	(73,572,374)
Deferred Debits	-	-
Subtotal	<u>242,271,561</u>	<u>228,982,634</u>
Working Capital	11,264,835	10,618,061
TOTAL RATE BASE	<u>253,536,396</u>	<u>239,600,695</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.

STATE ALLOCATION OF INCOME & EXPENSES	Month Ended			12 MONTH Ended		
	October-15	November-15	December-15	Sept. 1, 2014 Through Oct. 31, 2015	Oct. 1, 2014 Through Nov. 30, 2015	Nov. 1, 2014 Through Dec. 31, 2015
GAS SALES						
480 Residential Sales	5,506,971.22	13,724,887.67	17,260,582.66	109,960,471.32	105,855,550.85	105,429,667.03
481 Commercial - Interruptible Sales	5,478,166.78	9,227,072.95	12,639,292.68	93,596,881.68	90,523,061.27	89,036,222.70
TOTAL GAS SALES	10,985,138.00	22,951,960.62	29,899,875.34	203,557,353.00	196,378,612.12	194,465,889.73
OTHER OPERATING REVENUE						
4880 Miscellaneous Service Revenues	62,426.48	67,077.19	65,187.58	675,698.80	670,635.47	676,229.00
4890 Rev. From Transp. of Gas of Others	1,769,882.24	1,899,253.68	1,783,665.47	20,266,829.61	20,391,995.16	20,426,803.71
4930 Rent From Gas Property	-	-	-	2,371.90	2,371.90	2,371.90
4940 Interdepartmental Rents	6,478.70	6,478.70	6,478.70	77,385.00	77,564.70	77,744.40
4950 Other Gas Revenue	89,538.36	(833.78)	4,314.61	315,612.83	309,092.60	245,639.49
495.1 Overrun Penalty Income	-	-	-	-	-	-
TOTAL OTHER OPERATING REVENUE	1,928,325.78	1,971,975.79	1,859,646.36	21,337,898.14	21,451,659.83	21,428,788.50
* TOTAL OPERATING REVENUE *	12,913,463.78	24,923,936.41	31,759,521.70	224,895,251.14	217,830,271.95	215,894,678.23
NATURAL GAS PURCHASED						
804 Natural Gas City Gate Purchases	7,674,288.46	10,897,611.53	13,742,780.36	120,151,230.42	114,563,655.20	110,945,569.79
805 Other Gas Purchases	-	-	-	-	-	-
805.1 Purchased Gas Cost Adjustments	(1,293,327.23)	2,537,460.43	3,887,765.23	7,622,290.41	6,744,670.97	7,705,451.31
808.1 Gas Withdrawn From Storage	-	588,964.40	499,182.59	4,877,748.80	4,410,655.90	4,432,446.35
808.2 Gas Delivered To Storage	-	-	-	(4,088,853.59)	(3,274,658.48)	(3,274,658.48)
812 Gas Used For Other Utility Oper.	(1,277.98)	(2,262.87)	(6,252.15)	(40,718.02)	(40,387.56)	(39,118.72)
TOTAL NATURAL GAS PURCHASED	6,379,683.25	14,021,773.49	18,123,476.03	128,521,698.02	122,403,936.03	119,769,690.25
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	922,341.42	1,568,078.67	2,500,080.18	18,766,189.76	18,434,514.01	18,050,996.63
* OPERATING MARGIN *	5,611,439.11	9,334,084.25	11,135,965.49	77,607,363.36	76,991,821.91	78,073,991.35
PRODUCTION EXPENSES						
813 Other Gas Supply Expenses	28,407.05	28,304.23	30,990.06	330,698.21	334,526.54	337,721.95
DISTRIBUTION EXPENSES						
Operation						
870 Oper., Supervision & Engineering	101,746.90	99,328.86	164,421.45	1,257,465.83	1,267,895.09	1,315,500.86
871 Distribution Load Dispatching	34,276.76	36,091.38	44,114.55	471,869.56	463,096.02	469,609.88
872 Compressor Station	12,221.70	4,612.91	11,964.46	87,706.86	81,920.68	90,025.42
874 Mains & Services Exp.	308,931.75	297,023.17	268,345.94	3,369,001.45	3,461,666.45	3,388,010.63
875 Meas. & Reg. Stat. Exp.-Gen.	41,961.34	30,243.28	36,473.06	590,524.18	572,184.83	546,118.22
876 Meas. & Reg. Stat. Exp.-Ind.	13,188.77	3,099.81	12,757.88	113,389.70	112,139.83	111,097.55
878 Meter & House Regulator Exp.	109,640.24	123,791.63	127,912.95	1,343,146.05	1,341,815.26	1,349,235.16
879 Customer Installations Exp.	79,066.58	104,114.29	119,331.97	980,073.07	985,151.11	1,005,081.04
880 Other Exp.	274,186.87	244,653.48	338,137.02	3,601,949.31	3,556,680.39	3,532,469.99
881 Rents	3,288.15	11,264.97	37,464.05	71,594.20	79,638.04	103,476.33
882 Transportation Exp.	-	-	-	-	-	-
Subtotal Operations	978,509.06	954,223.78	1,160,923.33	11,886,720.21	11,922,187.70	11,910,625.08
Maintenance						
885 Supervision & Engineering	8,142.80	9,757.94	35,157.78	143,763.88	143,351.59	164,822.47
886 Structures & Improvements	46.09	436.84	5,778.36	13,440.73	11,909.96	10,841.20
887 Mains	58,752.49	56,717.14	108,506.78	1,269,033.39	1,153,319.12	1,149,324.31
8880 Compressor Station	1,305.78	692.43	949.76	25,720.97	25,447.24	25,228.03
889 Meas. & Reg. Equip.-Gen.	26,543.25	24,126.72	23,419.86	271,863.14	283,730.86	294,860.64
890 Meas. & Reg. Equip.-Ind.	3,081.59	(662.60)	2,287.52	29,792.03	29,480.40	30,677.96
892 Services	96,631.81	90,510.72	132,919.72	1,252,569.76	1,214,223.58	1,231,601.85
893 Meters & House Regulators	92,355.60	65,277.51	96,587.52	1,023,364.02	1,017,188.99	1,001,092.37
894 Other Equipment	16,868.37	8,880.48	29,525.21	186,703.93	181,381.78	189,009.15
Subtotal Maintenance	303,727.78	255,737.18	435,132.51	4,216,251.85	4,060,033.52	4,097,457.98
TOTAL DISTRIBUTION EXPENSES	1,282,236.84	1,209,960.96	1,596,055.84	16,102,972.06	15,982,221.22	16,008,083.06
CUSTOMER ACCOUNTS EXPENSES						

STATE ALLOCATION OF INCOME & EXPENSES	Month Ended			12 MONTH Ended		
	October-15	November-15	December-15	Sept. 1, 2014 Through Oct. 31, 2015	Oct. 1, 2014 Through Nov. 30, 2015	Nov. 1, 2014 Through Dec. 31, 2015
901 Supervision	-	-	4,149.41	19.00	19.00	4,149.41
902 Meter Reading Exp.	37,624.66	54,512.24	47,039.16	507,855.17	514,757.97	517,486.13
903 Cust. Records & Collection Exp.	356,506.63	348,604.40	461,197.15	4,244,926.75	4,348,842.76	4,492,641.82
904 Uncollectible Accounts	73,822.38	139,134.89	31,470.71	685,758.29	728,212.54	646,236.96
905 Misc. Exp.	-	1,131.43	-	4,579.27	5,710.70	1,188.78
TOTAL CUSTOMER ACCOUNTS EXP.	467,953.67	543,382.96	543,856.43	5,443,138.48	5,597,542.97	5,661,703.10
CUSTOMER SERVICE AND INFORMATIONAL EXPENSES						
907 Supervision	-	-	-	-	-	-
908 Cust. Assistance Exp.	70,585.98	74,344.40	101,677.26	1,088,382.48	1,061,648.32	1,091,619.79
909 Info. & Instr. Advertising Exp.	1,703.68	2,637.68	1,602.19	32,133.43	34,202.83	33,192.98
910 Misc. Cust. Serv. & Info. Exp.	-	-	-	-	-	-
TOTAL CUST. SRVC. & INFO. EXPENSES	72,289.66	76,982.08	103,279.45	1,120,515.91	1,095,851.15	1,124,812.77
SALES EXPENSES						
911 Supervision	-	-	-	-	-	-
912 Demonstrating & Selling	-	-	-	-	-	-
913 Advertising	803.63	869.18	522.76	13,164.63	13,533.81	12,625.27
916 Misc. Sales Exp.	-	-	-	-	-	-
TOTAL SALES EXPENSES	803.63	869.18	522.76	13,164.63	13,533.81	12,625.27
ADMINISTRATIVE AND GENERAL EXPENSES						
920 Admin. & General Salaries	378,872.63	392,494.84	421,696.38	4,989,970.72	4,972,137.06	4,944,937.55
921 Office Supplies & Exp.	207,582.08	235,739.97	387,267.24	2,671,113.49	2,679,511.47	2,685,390.09
923 Outside Services Employed	48,511.45	128,074.86	173,275.01	949,773.59	1,005,255.80	1,094,483.34
924 Property Insurance	5,153.16	5,257.12	5,257.12	60,360.82	61,286.61	62,046.11
925 Injuries & Damages	65,435.21	67,940.49	69,390.02	1,045,185.62	1,035,980.45	956,773.71
926 Employee Pensions & Benefits	340,549.43	367,008.90	579,160.55	4,656,597.00	4,709,637.44	4,683,840.77
928 Regulatory Commission Exp.	-	-	-	-	-	-
930.1 General Advertising Exp.	1,042.61	15,280.09	336.28	17,008.60	31,556.19	30,026.55
930.2 Misc. General Exp.	35,842.98	28,365.28	50,629.41	514,008.39	506,518.67	571,986.92
931 Rents	76,802.86	80,076.55	77,758.42	921,021.58	924,322.81	925,269.56
932 Maintenance of General Plant	569.98	3,806.22	3,397.58	30,052.22	32,749.03	33,823.02
	1,160,362.39	1,324,044.32	1,768,168.01	15,855,092.03	15,958,955.53	15,988,577.62
922 Capitalized Exp.	(30,319.64)	(17,260.79)	(8,961.53)	(412,408.81)	(391,328.37)	(366,204.60)
TOTAL ADM. & GEN. EXPENSES	1,130,042.75	1,306,783.53	1,759,206.48	15,442,683.22	15,567,627.16	15,622,373.02
TOTAL O&M EXPENSES (Excluding Gas Cost and	2,981,733.60	3,166,282.94	4,033,911.02	38,453,172.51	3,859,130.85	38,767,319.17
DEPRECIATION AND AMORTIZATION						
403 Depreciation Expense	1,513,407.19	1,512,572.44	5,338,281.04	17,598,017.77	17,676,129.72	21,571,819.92
Propane Air Plant	-	-	-	-	-	-
Telemetry	-	-	-	-	-	-
Meters & Regulators	-	-	-	-	-	-
Central Stores Warehouse	-	-	-	-	-	-
General Office	-	-	-	-	-	-
407.1 Amortization of Property Losses	-	-	-	-	-	-
TOTAL DEPRECIATION AND AMORTIZATION	1,513,407.19	1,512,572.44	5,338,281.04	17,598,017.77	17,676,129.72	21,571,819.92
407.3 Regulatory Debts	-	-	-	-	-	-
TAXES OTHER THAN INCOME TAXES						
408.1 Property, Payroll and Misc. Taxes	310,297.66	322,106.71	362,443.43	4,025,874.55	4,005,332.96	3,984,398.04
INCOME TAXES - OPERATING						
409.1 Federal Inc Taxes, Util Oper Inc	332,405.60	(646,453.81)	(482,589.59)	(1,703,656.87)	(62,906.99)	1,776,728.66
409.1 State Income Taxes, Util Oper Inc	-	-	-	-	-	-
410.1 Provision For Defer'd Fed Inc Tax	(272,045.82)	1,308,934.91	603,323.76	5,712,411.10	3,060,623.69	8,276.77
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)	(3,242.17)	(4,712.48)	(41,529.53)	(39,204.61)	(40,200.37)
TOTAL INCOME TAXES - OPERATING	57,135.21	659,238.93	116,021.69	3,967,224.70	2,958,512.09	1,744,805.06
* TOTAL OPERATING EXPENSES *	4,862,573.66	5,660,201.02	9,850,657.18	64,044,289.53	63,231,277.62	66,068,342.19
* TOTAL OPERATING INCOME *	748,865.45	3,673,883.23	1,285,308.31	13,563,073.83	13,760,544.29	12,005,649.16