

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

**THERM SALES**

	<b>Monthly</b>			<b>12 Months Ending</b>		
	July 2017	August 2017	September 2017	July 2017	August 2017	September 2017
<b>Residential</b>	2,700,731	2,176,628	3,565,610	128,498,598	128,246,988	128,293,623
<b>Commercial</b>	2,936,510	2,625,050	4,026,237	100,596,785	100,555,566	100,889,111
<b>Industrial Firm</b>	669,283	907,798	832,457	15,324,906	15,399,292	15,345,040
<b>Core Interruptible</b>	112,941	103,640	112,511	3,591,275	3,514,903	3,394,009
<b>Noncore</b>	62,392,264	69,873,662	63,673,834	703,728,979	690,962,002	687,452,808
<b>TOTAL WASHINGTON</b>	<b>68,811,729</b>	<b>75,686,778</b>	<b>72,210,649</b>	<b>951,740,543</b>	<b>938,678,751</b>	<b>935,374,591</b>

	<b>AVERAGE CUSTOMERS</b>		
	July 2017	August 2017	September 2017
<b>Residential</b>	183,507	183,411	184,132
<b>Commercial</b>	25,679	25,650	25,715
<b>Industrial Firm</b>	470	474	476
<b>Core Interruptible</b>	10	10	10
<b>Noncore</b>	207	206	206
<b>TOTAL WASHINGTON</b>	<b>209,873</b>	<b>209,751</b>	<b>210,539</b>

**Cascade Natural Gas Corporation**  
**State of Washington**  
**Statement of Operations and Rate of Return**  
**Month and Twelve Months Ended 7/31/2017**

	Month	Twelve Months
<b>OPERATING REVENUES</b>		
Natural Gas Sales	6,035,459	195,894,532
Transportation Revenue	1,903,032	22,858,680
Other Operating Revenue	53,443	1,020,732
	7,991,935	219,773,945
Less: Natural Gas & Production Costs	2,797,262	108,947,739
Revenue Taxes	630,467	18,982,940
<b>OPERATING MARGIN</b>	<b>4,564,206</b>	<b>91,843,266</b>
<b>OPERATING EXPENSES</b>		
Production	17,897	443,537
Distribution	1,536,697	17,850,197
Customer Accounts	487,872	6,136,303
Customer Service & Informational	15,336	346,678
Sales	1,050	5,079
Administrative & General	1,489,477	17,587,696
Depreciation & Amortization	1,722,574	19,971,828
Property, Payroll & Misc. Taxes	348,691	4,008,819
Federal Income Taxes	(582,859)	5,866,979
Total Operating Expenses	5,036,735	72,217,115
<b>NET OPERATING INCOME</b>	<b>(472,529)</b>	<b>19,626,151</b>
<b>RATE BASE</b>	<b>284,558,878</b>	<b>274,625,335</b>
<b>RATE OF RETURN</b>	<b>-0.17%</b>	<b>7.15%</b>

**SCHEDULE OF RATE BASE**

Utility Plant In Service	720,507,493	703,104,487
Accumulated Depreciation	(362,457,356)	(354,513,296)
Net Utility Plant	358,050,138	348,591,191
Other:		
Contributions in Aid of Construction	-	-
Customer Advances for Construction	(3,844,438)	(3,959,239)
Accumulated Deferred Income Taxes	(75,512,780)	(75,021,374)
Deferred Debits	-	-
Subtotal	278,692,920	269,610,578
Working Capital	5,865,959	5,014,757
<b>TOTAL RATE BASE</b>	<b>284,558,878</b>	<b>274,625,335</b>

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 8/31/2017**

	Month	Twelve Months
<b>OPERATING REVENUES</b>		
Natural Gas Sales	5,900,485	195,737,496
Transportation Revenue	1,992,336	23,031,069
Other Operating Revenue	93,528	1,045,593
	7,986,350	219,814,159
Less: Natural Gas & Production Costs	2,528,096	108,314,675
Revenue Taxes	620,645	18,960,013
<b>OPERATING MARGIN</b>	<b>4,837,608</b>	<b>92,539,471</b>
<b>OPERATING EXPENSES</b>		
Production	35,532	422,398
Distribution	1,659,647	17,967,354
Customer Accounts	550,156	6,113,051
Customer Service & Informational	10,961	268,587
Sales	-	4,443
Administrative & General	1,448,508	17,477,126
Depreciation & Amortization	1,725,888	20,095,272
Property, Payroll & Misc. Taxes	410,880	4,165,929
Federal Income Taxes	(533,771)	6,084,979
Total Operating Expenses	5,307,800	72,599,138
<b>NET OPERATING INCOME</b>	<b>(470,192)</b>	<b>19,940,333</b>
<b>RATE BASE</b>	<b>284,178,007</b>	<b>275,477,437</b>
<b>RATE OF RETURN</b>	<b>-0.17%</b>	<b>7.24%</b>

**SCHEDULE OF RATE BASE**

Utility Plant In Service	723,081,079	706,605,935
Accumulated Depreciation	(363,963,366)	(355,937,141)
Net Utility Plant	359,117,713	350,668,794
Other:		
Contributions in Aid of Construction	-	-
Customer Advances for Construction	(4,134,989)	(3,961,600)
Accumulated Deferred Income Taxes	(75,456,685)	(75,220,610)
Deferred Debits	-	-
Subtotal	279,526,040	271,486,584
Working Capital	4,651,967	3,990,853
<b>TOTAL RATE BASE</b>	<b>284,178,007</b>	<b>275,477,437</b>

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 9/30/2017**

	Month	Twelve Months
<b>OPERATING REVENUES</b>		
Natural Gas Sales	7,340,108	195,775,440
Transportation Revenue	1,986,986	23,055,314
Other Operating Revenue	82,080	1,052,474
	9,409,174	219,883,228
Less: Natural Gas & Production Costs	3,723,165	108,300,880
Revenue Taxes	679,108	18,932,077
<b>OPERATING MARGIN</b>	<b>5,006,902</b>	<b>92,650,271</b>
<b>OPERATING EXPENSES</b>		
Production	27,294	369,182
Distribution	1,416,203	17,856,041
Customer Accounts	492,895	6,066,328
Customer Service & Informational Sales	23,525	282,108
	-	4,443
Administrative & General	1,262,163	17,543,284
Depreciation & Amortization	1,736,033	20,213,765
Property, Payroll & Misc. Taxes	348,842	4,180,695
Federal Income Taxes	(239,221)	6,279,836
Total Operating Expenses	5,067,735	72,795,683
<b>NET OPERATING INCOME</b>	<b>(60,833)</b>	<b>19,854,588</b>
<b>RATE BASE</b>	<b>286,091,156</b>	<b>276,525,136</b>
<b>RATE OF RETURN</b>	<b>-0.02%</b>	<b>7.18%</b>

**SCHEDULE OF RATE BASE**

Utility Plant In Service	727,992,263	709,933,582
Accumulated Depreciation	(365,573,411)	(357,385,973)
Net Utility Plant	362,418,852	352,547,609
Other:		
Contributions in Aid of Construction	-	-
Customer Advances for Construction	(4,422,209)	(3,990,173)
Accumulated Deferred Income Taxes	(75,715,565)	(75,392,232)
Deferred Debits	-	-
Subtotal	282,281,078	273,165,204
Working Capital	3,810,078	3,359,932
<b>TOTAL RATE BASE</b>	<b>286,091,156</b>	<b>276,525,136</b>

All rate base items in the "Twelve Months" column represent average of monthly average balances.

Cascade Natural Gas Corporation  
Washington Statement of Operations  
Quarter Ending: 9/30/2017

STATE ALLOCATION OF INCOME & EXPENSES	Month Ended			12 MONTH Ended		
	July-17	August-17	September-17	AUGUST 1, 2016 THROUGH JULY 31, 2017	SEPTEMBER 1, 2016 THROUGH AUGUST 31, 2017	OCTOBER 1, 2016 THROUGH SEPTEMBER 30, 2017
<b>GAS SALES</b>						
480 Residential Sales	3,032,861.01	2,888,763.31	3,615,378.32	109,196,241.40	109,215,984.54	109,246,599.13
481 Commercial - Interruptible Sales	3,002,598.41	3,011,721.42	3,724,729.30	86,698,290.74	86,521,511.86	86,528,841.03
<b>TOTAL GAS SALES</b>	<b>6,035,459.42</b>	<b>5,900,484.73</b>	<b>7,340,107.62</b>	<b>195,894,532.14</b>	<b>195,737,496.40</b>	<b>195,775,440.16</b>
<b>OTHER OPERATING REVENUE</b>						
4880 Miscellaneous Service Revenues	40,603.13	58,840.72	70,799.44	806,029.00	811,042.52	831,506.18
4890 Rev. From Transp. of Gas of Others	1,903,032.17	1,992,336.41	1,986,986.35	22,858,679.90	23,031,069.49	23,055,314.20
4930 Rent From Gas Property	-	-	-	100.00	100.00	100.00
4940 Interdepartmental Rents	6,403.16	6,403.16	6,403.16	82,935.07	81,715.64	80,496.21
4950 Other Gas Revenue	6,437.00	28,284.49	4,877.38	131,668.40	152,734.81	140,371.37
495.1 Overrun Penalty Income	-	-	-	-	-	-
<b>TOTAL OTHER OPERATING REVENUE</b>	<b>1,956,475.46</b>	<b>2,085,864.78</b>	<b>2,069,066.33</b>	<b>23,879,412.37</b>	<b>24,076,662.46</b>	<b>24,107,787.96</b>
<b>* TOTAL OPERATING REVENUE *</b>	<b>7,991,934.88</b>	<b>7,986,349.51</b>	<b>9,409,173.95</b>	<b>219,773,944.51</b>	<b>219,814,158.86</b>	<b>219,883,228.12</b>
<b>NATURAL GAS PURCHASED</b>						
804 Natural Gas City Gate Purchases	6,495,429.06	6,928,478.45	6,887,819.69	131,277,012.32	131,353,775.05	131,461,386.16
805 Other Gas Purchases	-	-	-	-	-	-
805.1 Purchased Gas Cost Adjustments	(2,420,165.11)	(3,205,792.98)	(2,464,485.45)	(21,466,027.55)	(22,106,469.31)	(22,257,301.65)
808.1 Gas Withdrawn From Storage	-	-	-	3,594,843.07	3,594,843.07	3,594,843.07
808.2 Gas Delivered To Storage	(1,276,518.66)	(1,192,110.98)	(697,724.01)	(4,416,377.70)	(4,483,560.40)	(4,451,990.13)
812 Gas Used For Other Utility Oper.	(1,483.48)	(2,478.45)	(2,445.69)	(41,711.46)	(43,913.75)	(46,057.71)
<b>TOTAL NATURAL GAS PURCHASED</b>	<b>2,797,261.81</b>	<b>2,528,096.04</b>	<b>3,723,164.54</b>	<b>108,947,738.68</b>	<b>108,314,674.66</b>	<b>108,300,879.74</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	630,467.16	620,645.27	679,107.86	18,982,940.33	18,960,013.05	18,932,077.26
<b>* OPERATING MARGIN *</b>	<b>4,564,205.91</b>	<b>4,837,608.20</b>	<b>5,006,901.55</b>	<b>91,843,265.50</b>	<b>92,539,471.15</b>	<b>92,650,271.12</b>
<b>PRODUCTION EXPENSES</b>						
813 Other Gas Supply Expenses	17,897.40	35,532.16	27,294.17	443,536.50	422,397.56	369,181.53
<b>DISTRIBUTION EXPENSES</b>						
<b>Operation</b>						
870 Oper., Supervision & Engineering	147,383.10	168,026.90	169,167.92	1,613,031.55	1,655,987.40	1,703,744.30
871 Distribution Load Dispatching	22,906.40	24,965.71	23,223.21	426,775.14	407,454.24	390,208.90
872 Compressor Station	8,880.04	7,953.49	3,625.46	129,078.42	108,845.16	103,048.76
874 Mains & Services Exp.	333,781.73	338,223.40	266,975.04	3,776,067.73	3,717,851.17	3,584,391.95
875 Meas. & Reg. Stat. Exp.-Gen.	41,404.03	50,535.76	57,358.93	621,018.45	629,048.40	631,621.14
876 Meas. & Reg. Stat. Exp.-Ind.	7,217.61	15,680.41	11,034.63	177,151.11	184,422.50	186,699.11
878 Meter & House Regulator Exp.	108,867.59	132,502.03	91,541.41	1,377,753.90	1,377,085.49	1,351,839.76
879 Customer Installations Exp.	78,655.54	85,412.85	64,951.78	1,088,984.96	1,082,114.43	1,056,553.60
880 Other Exp.	312,898.66	298,723.13	333,432.86	3,277,402.58	3,315,813.99	3,342,964.30
881 Rents	8,016.07	12,925.79	5,987.11	143,373.81	149,729.04	140,992.50
882 Transportation Exp.	-	-	-	-	-	-
<b>Subtotal Operations</b>	<b>1,070,010.77</b>	<b>1,134,949.47</b>	<b>1,027,298.35</b>	<b>12,630,637.65</b>	<b>12,628,351.82</b>	<b>12,492,064.32</b>

STATE ALLOCATION OF INCOME & EXPENSES	Month Ended			12 MONTH Ended		
	July-17	August-17	September-17	AUGUST 1, 2016 THROUGH JULY 31, 2017	SEPTEMBER 1, 2016 THROUGH AUGUST 31, 2017	OCTOBER 1, 2016 THROUGH SEPTEMBER 30, 2017
<b>Maintenance</b>						
885 Supervision & Engineering	12,455.79	13,169.17	71,351.65	145,157.80	147,180.58	206,863.52
886 Structures & Improvements	-	-	-	12,524.56	12,524.56	8,375.92
887 Mains	176,699.31	240,135.92	124,250.95	1,955,125.14	2,059,589.38	2,065,206.52
8880 Compressor Station	(3,067.25)	1,861.57	3,086.31	57,690.87	53,923.44	53,957.83
889 Meas. & Reg. Equip.-Gen.	20,641.57	29,766.59	33,589.63	359,048.21	365,779.89	376,096.35
890 Meas. & Reg. Equip.-Ind.	2,743.93	883.61	1,801.43	21,995.54	22,342.51	22,861.11
892 Services	152,594.44	127,720.68	20,631.87	1,447,854.41	1,457,555.88	1,381,633.58
893 Meters & House Regulators	95,753.45	89,468.66	88,486.90	1,054,981.07	1,045,757.96	1,045,947.97
894 Other Equipment	8,864.49	21,691.39	45,705.91	165,181.26	174,348.09	203,033.51
<b>Subtotal Maintenance</b>	<b>466,685.73</b>	<b>524,697.59</b>	<b>388,904.65</b>	<b>5,219,558.86</b>	<b>5,339,002.29</b>	<b>5,363,976.31</b>
<b>TOTAL DISTRIBUTION EXPENSES</b>	<b>1,536,696.50</b>	<b>1,659,647.06</b>	<b>1,416,203.00</b>	<b>17,850,196.51</b>	<b>17,967,354.11</b>	<b>17,856,040.63</b>
<b>CUSTOMER ACCOUNTS EXPENSES</b>						
901 Supervision	(776.99)	2,787.81	1,701.88	4,107.22	6,895.03	8,596.91
902 Meter Reading Exp.	55,008.05	49,090.02	41,956.16	499,890.76	507,911.88	510,723.22
903 Cust. Records & Collection Exp.	315,825.17	431,859.92	349,258.43	4,800,102.93	4,756,106.11	4,692,818.29
904 Uncollectible Accounts	117,815.82	66,417.85	99,978.87	832,201.85	842,137.57	854,189.98
905 Misc. Exp.	-	-	-	-	-	-
<b>TOTAL CUSTOMER ACCOUNTS EXP.</b>	<b>487,872.05</b>	<b>550,155.60</b>	<b>492,895.34</b>	<b>6,136,302.76</b>	<b>6,113,050.59</b>	<b>6,066,328.40</b>
<b>CUSTOMER SERVICE AND INFORMATIONAL EXPENSES</b>						
907 Supervision	-	-	-	-	-	-
908 Cust. Assistance Exp.	11,872.85	10,186.73	10,702.64	306,454.57	241,940.92	244,911.93
909 Info. & Instr. Advertising Exp.	3,463.44	774.48	2,423.16	40,223.05	26,645.65	26,797.60
910 Misc. Cust. Serv. & Info. Exp.	-	-	10,398.72	-	-	10,398.72
<b>TOTAL CUST. SRVC. &amp; INFO. EXPENSES</b>	<b>15,336.29</b>	<b>10,961.21</b>	<b>23,524.52</b>	<b>346,677.62</b>	<b>268,586.57</b>	<b>282,108.25</b>
<b>SALES EXPENSES</b>						
911 Supervision	-	-	-	-	-	-
912 Demonstrating & Selling	-	-	-	-	-	-
913 Advertising	1,050.25	-	-	5,079.17	4,443.24	4,443.24
916 Misc. Sales Exp.	-	-	-	-	-	-
<b>TOTAL SALES EXPENSES</b>	<b>1,050.25</b>	<b>-</b>	<b>-</b>	<b>5,079.17</b>	<b>4,443.24</b>	<b>4,443.24</b>
<b>ADMINISTRATIVE AND GENERAL EXPENSES</b>						
920 Admin. & General Salaries	494,896.62	584,979.40	474,344.54	6,004,034.52	6,097,514.81	6,135,258.42
921 Office Supplies & Exp.	229,024.43	182,026.31	153,434.22	2,868,709.49	2,797,765.54	2,766,827.65
923 Outside Services Employed	216,864.34	113,336.22	31,299.97	1,207,825.35	1,171,466.38	1,164,046.19
924 Property Insurance	4,466.40	4,466.40	4,466.40	57,763.64	57,328.52	55,592.16
925 Injuries & Damages	74,905.78	77,116.46	77,342.19	1,019,087.09	1,014,102.32	1,009,568.98
926 Employee Pensions & Benefits	367,558.35	375,919.55	408,352.11	4,861,195.19	4,773,573.52	4,873,596.73
928 Regulatory Commission Exp.	-	-	-	-	-	-
930.1 General Advertising Exp.	825.68	3,456.84	4,878.45	43,874.88	42,013.33	43,569.48
930.2 Misc. General Exp.	36,174.54	37,466.34	37,837.38	672,446.05	675,759.97	648,208.99
931 Rents	87,086.82	89,521.74	87,080.87	1,117,068.47	1,105,692.67	1,091,837.15
932 Maintenance of General Plant	835.27	(75.65)	1,150.78	43,024.80	39,818.72	40,472.84
	1,512,638.23	1,468,213.61	1,280,186.91	17,895,029.48	17,775,035.78	17,828,978.59
922 Capitalized Exp.	(23,161.36)	(19,705.73)	(18,023.68)	(307,333.14)	(297,910.03)	(285,694.30)
<b>TOTAL ADM. &amp; GEN. EXPENSES</b>	<b>1,489,476.87</b>	<b>1,448,507.88</b>	<b>1,262,163.23</b>	<b>17,587,696.34</b>	<b>17,477,125.75</b>	<b>17,543,284.29</b>
<b>TOTAL O&amp;M EXPENSES (Excluding Gas Cost and</b>	<b>3,548,329.36</b>	<b>3,704,803.91</b>	<b>3,222,080.26</b>	<b>42,369,488.90</b>	<b>42,252,957.82</b>	<b>42,121,386.34</b>
<b>DEPRECIATION AND AMORTIZATION</b>						
403 Depreciation Expense	1,722,573.59	1,725,887.88	1,736,033.24	19,971,827.50	20,095,271.87	20,213,765.24
Propane Air Plant	-	-	-	-	-	-
Telemetry	-	-	-	-	-	-

Cascade Natural Gas Corporation  
Washington Statement of Operations  
Quarter Ending: 9/30/2017

STATE ALLOCATION OF INCOME & EXPENSES	Month Ended			12 MONTH Ended		
	July-17	August-17	September-17	AUGUST 1, 2016 THROUGH JULY 31, 2017	SEPTEMBER 1, 2016 THROUGH AUGUST 31, 2017	OCTOBER 1, 2016 THROUGH SEPTEMBER 30, 2017
Meters & Regulators	-	-	-	-	-	-
Central Stores Warehouse	-	-	-	-	-	-
General Office	-	-	-	-	-	-
407.1 Amortization of Property Losses	-	-	-	-	-	-
<b>TOTAL DEPRECIATION AND AMORTIZATION</b>	1,722,573.59	1,725,887.88	1,736,033.24	19,971,827.50	20,095,271.87	20,213,765.24
407.3 Regulatory Debits	-	-	-	-	-	-
<b>TAXES OTHER THAN INCOME TAXES</b>						
408.1 Property, Payroll and Misc. Taxes	348,691.06	410,879.70	348,841.66	4,008,819.05	4,165,929.41	4,180,695.19
<b>INCOME TAXES - OPERATING</b>						
409.1 Federal Inc Taxes, Util Oper Inc	(933,191.36)	(982,642.51)	(2,996,260.53)	2,953,793.19	2,697,661.34	781,503.19
409.1 State Income Taxes, Util Oper Inc	-	-	-	-	-	-
410.1 Provision For Defer'd Fed Inc Tax	353,067.18	451,606.42	2,759,775.15	2,947,920.63	3,421,674.03	5,532,310.94
410.1 Provis'n For Defer'd State Inc Tax	-	-	-	-	-	-
411.1 Prov For Deferred Inc Tax - Credit	-	-	-	-	-	-
411.4 Investment Tax Credit Adjustments	(2,735.26)	(2,735.25)	(2,735.26)	(34,734.42)	(34,356.12)	(33,977.84)
<b>TOTAL INCOME TAXES - OPERATING</b>	(582,859.44)	(533,771.34)	(239,220.64)	5,866,979.40	6,084,979.25	6,279,836.29
<b>* TOTAL OPERATING EXPENSES *</b>	5,036,734.57	5,307,800.15	5,067,734.52	72,217,114.85	72,599,138.35	72,795,683.06
<b>* TOTAL OPERATING INCOME *</b>	(472,528.66)	(470,191.95)	(60,832.97)	19,626,150.65	19,940,332.80	19,854,588.06