

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

**THERM SALES**

	<b>Monthly</b>			<b>12 Months Ending</b>		
	July 2018	August 2018	September 2018	July 2018	August 2018	September 2018
<b>Residential</b>	2,871,151	1,410,680	3,736,534	122,109,645	121,343,697	121,514,621
<b>Commercial</b>	3,234,727	1,975,003	4,155,400	96,942,767	96,292,720	96,421,883
<b>Industrial Firm</b>	781,268	798,722	889,025	15,479,044	15,369,968	15,426,536
<b>Core Interruptible</b>	115,400	98,499	118,833	2,223,170	2,218,029	2,224,351
<b>Noncore</b>	78,444,364	76,939,361	72,015,829	712,209,646	719,275,345	727,617,340
<b>TOTAL WASHINGTON</b>	<b>85,446,910</b>	<b>81,222,265</b>	<b>80,915,621</b>	<b>948,964,272</b>	<b>954,499,759</b>	<b>963,204,731</b>

	<b>AVERAGE CUSTOMERS</b>		
	July 2018	August 2018	September 2018
<b>Residential</b>	187,180	187,282	187,869
<b>Commercial</b>	26,090	26,082	26,093
<b>Industrial Firm</b>	480	485	485
<b>Core Interruptible</b>	10	10	8
<b>Noncore</b>	203	202	200
<b>TOTAL WASHINGTON</b>	<b>213,963</b>	<b>214,061</b>	<b>214,655</b>

**Cascade Natural Gas Corporation**  
**State of Washington**  
**Statement of Operations and Rate of Return**  
**Month and Twelve Months Ended 7/31/2018**

	Month	Twelve Months
<b>OPERATING REVENUES</b>		
Natural Gas Sales	6,920,363	205,755,653
Transportation Revenue	2,076,610	23,597,422
Other Operating Revenue	(207,042)	(1,918,064)
	8,789,930	227,435,010
Less: Natural Gas & Production Costs	3,434,001	114,550,276
Revenue Taxes	720,463	19,413,879
<b>OPERATING MARGIN</b>	<b>4,635,467</b>	<b>93,470,856</b>
<b>OPERATING EXPENSES</b>		
Production	32,380	262,683
Distribution	1,446,495	18,864,901
Customer Accounts	474,535	5,957,470
Customer Service & Informational Sales	115,718	2,218,334
	(296)	1,069
Administrative & General	1,361,632	17,749,234
Depreciation & Amortization	1,886,080	21,719,866
Property, Payroll & Misc. Taxes	361,127	4,522,332
Federal Income Taxes	(810,529)	3,473,504
Total Operating Expenses	4,867,142	74,769,393
<b>NET OPERATING INCOME</b>	<b>(231,676)</b>	<b>18,701,463</b>
<b>RATE BASE</b>	<b>314,138,307</b>	<b>307,112,540</b>
<b>RATE OF RETURN</b>	<b>-0.07%</b>	<b>6.09%</b>

**SCHEDULE OF RATE BASE**

Utility Plant In Service	776,915,498	754,151,710
Accumulated Depreciation	(378,303,367)	(371,353,467)
Net Utility Plant	398,612,131	382,798,243
<b>Other:</b>		
Contributions in Aid of Construction	-	-
Customer Advances for Construction	(3,972,003)	(4,144,454)
Accumulated Deferred Income Taxes	(75,653,827)	(76,050,045)
Deferred Debits	-	-
Subtotal	318,986,302	302,603,744
Working Capital	(4,847,995)	4,508,796
<b>TOTAL RATE BASE</b>	<b>314,138,307</b>	<b>307,112,540</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 8/31/2018**

	Month	Twelve Months
<b>OPERATING REVENUES</b>		
Natural Gas Sales	5,104,272	204,959,440
Transportation Revenue	1,966,521	23,571,606
Other Operating Revenue	242,913	(1,768,679)
	<u>7,313,706</u>	<u>226,762,367</u>
Less: Natural Gas & Production Costs	2,093,185	114,115,364
Revenue Taxes	616,575	19,409,808
<b>OPERATING MARGIN</b>	<u>4,603,946</u>	<u>93,237,194</u>
<b>OPERATING EXPENSES</b>		
Production	20,440	247,591
Distribution	2,033,972	19,239,226
Customer Accounts	459,444	5,866,759
Customer Service & Informational	116,905	2,324,278
Sales	2	1,071
Administrative & General	1,376,701	17,677,427
Depreciation & Amortization	1,896,830	21,890,808
Property, Payroll & Misc. Taxes	222,957	4,334,410
Federal Income Taxes	(906,165)	3,101,110
Total Operating Expenses	<u>5,221,086</u>	<u>74,682,679</u>
<b>NET OPERATING INCOME</b>	<u>(617,140)</u>	<u>18,554,516</u>
<b>RATE BASE</b>	<u>317,709,378</u>	<u>310,457,710</u>
<b>RATE OF RETURN</b>	<u>-0.19%</u>	<u>5.98%</u>

**SCHEDULE OF RATE BASE**

Utility Plant In Service	781,584,666	759,027,009
Accumulated Depreciation	(379,700,325)	(372,664,881)
Net Utility Plant	<u>401,884,341</u>	<u>386,362,128</u>
Other:		
Contributions in Aid of Construction	-	-
Customer Advances for Construction	(3,978,249)	(4,131,392)
Accumulated Deferred Income Taxes	(75,540,733)	(76,059,424)
Deferred Debits	-	-
Subtotal	<u>322,365,360</u>	<u>306,171,312</u>
Working Capital	(4,655,982)	4,286,398
<b>TOTAL RATE BASE</b>	<u>317,709,378</u>	<u>310,457,710</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 9/30/2018**

	Month	Twelve Months
<b>OPERATING REVENUES</b>		
Natural Gas Sales	8,323,593	205,942,925
Transportation Revenue	2,061,065	23,645,685
Other Operating Revenue	(145,784)	(1,996,543)
	10,238,875	227,592,067
Less: Natural Gas & Production Costs	4,368,487	114,760,687
Revenue Taxes	753,677	19,484,377
<b>OPERATING MARGIN</b>	<b>5,116,711</b>	<b>93,347,003</b>
<b>OPERATING EXPENSES</b>		
Production	17,420	237,716
Distribution	2,113,127	19,936,150
Customer Accounts	385,238	5,759,102
Customer Service & Informational Sales	102,265	2,403,018
	-	1,071
Administrative & General	1,278,946	17,694,210
Depreciation & Amortization	1,921,273	22,076,048
Property, Payroll & Misc. Taxes	329,868	4,315,436
Federal Income Taxes	(1,065,672)	2,274,659
Total Operating Expenses	5,082,465	74,697,409
<b>NET OPERATING INCOME</b>	<b>34,245</b>	<b>18,649,594</b>
<b>RATE BASE</b>	<b>325,327,491</b>	<b>314,145,216</b>
<b>RATE OF RETURN</b>	<b>0.01%</b>	<b>5.94%</b>

**SCHEDULE OF RATE BASE**

Utility Plant In Service	790,131,199	764,205,253
Accumulated Depreciation	(380,941,603)	(373,945,563)
Net Utility Plant	409,189,596	390,259,690
Other:		
Contributions in Aid of Construction	-	-
Customer Advances for Construction	(3,986,167)	(4,095,055)
Accumulated Deferred Income Taxes	(75,426,895)	(76,050,898)
Deferred Debits	-	-
Subtotal	329,776,534	310,113,737
Working Capital	(4,449,043)	4,031,479
<b>TOTAL RATE BASE</b>	<b>325,327,491</b>	<b>314,145,216</b>

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		
	July-18	August-18	September-18	AUGUST 1, 2017 THROUGH JULY 31, 2018	SEPTEMBER 1, 2017 THROUGH AUGUST 31, 2018	OCTOBER 1, 2017 THROUGH SEPTEMBER 30, 2018
<b>GAS SALES</b>						
480 Residential Sales	3,375,473.33	2,376,611.56	4,061,119.46	114,528,733.99	114,016,582.24	114,462,323.38
481 Commercial - Interruptible Sales	3,544,889.28	2,727,660.55	4,262,473.48	91,226,918.71	90,942,857.84	91,480,602.02
<b>TOTAL GAS SALES</b>	<b>6,920,362.61</b>	<b>5,104,272.11</b>	<b>8,323,592.94</b>	<b>205,755,652.70</b>	<b>204,959,440.08</b>	<b>205,942,925.40</b>
<b>OTHER OPERATING REVENUE</b>						
4880 Miscellaneous Service Revenues	45,059.20	96,203.30	43,444.41	757,103.57	794,466.15	767,111.12
4890 Rev. From Transp. of Gas of Others	2,076,610.06	1,966,520.59	2,061,065.23	23,597,421.55	23,571,605.73	23,645,684.61
4930 Rent From Gas Property	-	-	-	100.00	100.00	100.00
4940 Interdepartmental Rents	7,130.21	7,130.21	7,130.21	81,927.27	82,654.32	83,381.37
4950 Other Gas Revenue	1,740.13	29,809.68	11,062.42	66,222.19	67,747.38	73,932.42
495.1 Overrun Penalty Income	-	-	-	-	-	-
4962 Provision for Rate Refund	(260,971.77)	109,770.04	(207,420.63)	(2,823,417.12)	(2,713,647.08)	(2,921,067.71)
<b>TOTAL OTHER OPERATING REVENUE</b>	<b>1,869,567.83</b>	<b>2,209,433.82</b>	<b>1,915,281.64</b>	<b>21,679,357.46</b>	<b>21,802,926.50</b>	<b>21,649,141.81</b>
<b>* TOTAL OPERATING REVENUE *</b>	<b>8,789,930.44</b>	<b>7,313,705.93</b>	<b>10,238,874.58</b>	<b>227,435,010.16</b>	<b>226,762,366.58</b>	<b>227,592,067.21</b>
<b>NATURAL GAS PURCHASED</b>						
804 Natural Gas City Gate Purchases	5,986,122.77	6,059,557.87	5,826,199.53	110,052,340.11	109,183,419.53	108,121,799.37
805 Other Gas Purchases	-	-	-	-	-	-
805.1 Purchased Gas Cost Adjustments	(1,965,797.47)	(3,285,733.71)	(1,210,814.70)	5,320,274.27	5,240,333.54	6,494,004.29
808.1 Gas Withdrawn From Storage	-	-	-	4,122,308.61	4,122,308.61	4,122,308.61
808.2 Gas Delivered To Storage	(584,917.17)	(679,224.54)	(245,327.39)	(4,891,951.90)	(4,379,065.46)	(3,926,668.84)
812 Gas Used For Other Utility Oper.	(1,407.34)	(1,415.00)	(1,570.17)	(52,695.47)	(51,632.02)	(50,756.50)
<b>TOTAL NATURAL GAS PURCHASED</b>	<b>3,434,000.79</b>	<b>2,093,184.62</b>	<b>4,368,487.27</b>	<b>114,550,275.62</b>	<b>114,115,364.20</b>	<b>114,760,686.93</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	720,462.93	616,574.86	753,676.61	19,413,878.61	19,409,808.20	19,484,376.95
<b>* OPERATING MARGIN *</b>	<b>4,635,466.72</b>	<b>4,603,946.45</b>	<b>5,116,710.70</b>	<b>93,470,855.93</b>	<b>93,237,194.18</b>	<b>93,347,003.33</b>
<b>PRODUCTION EXPENSES</b>						
813 Other Gas Supply Expenses	32,379.76	20,439.86	17,419.66	262,682.95	247,590.65	237,716.14
<b>DISTRIBUTION EXPENSES</b>						
<b>Operation</b>						
870 Oper., Supervision & Engineering	167,390.45	231,411.23	420,235.12	2,093,727.12	2,157,111.45	2,408,178.65
871 Distribution Load Dispatching	24,713.36	24,968.31	24,346.21	304,714.55	304,717.15	305,840.15
872 Compressor Station	4,266.83	3,901.56	3,596.02	76,563.99	72,512.06	72,482.62
874 Mains & Services Exp.	242,418.35	577,922.87	620,448.40	3,338,231.48	3,577,930.95	3,931,404.31
875 Meas. & Reg. Stat. Exp.-Gen.	32,414.97	32,256.64	33,126.01	525,370.91	507,091.79	482,858.87
876 Meas. & Reg. Stat. Exp.-Ind.	10,920.81	16,312.08	10,939.41	145,732.59	146,364.26	146,269.04
878 Meter & House Regulator Exp.	95,342.62	109,597.61	87,694.34	1,055,040.53	1,032,136.11	1,028,289.04
879 Customer Installations Exp.	57,381.88	55,735.41	55,710.11	815,281.59	785,604.15	776,362.48
880 Other Exp.	339,572.02	387,063.19	325,646.82	4,302,368.15	4,390,708.21	4,382,922.17
881 Rents	11,531.21	7,112.24	3,746.09	123,682.40	117,868.85	115,627.83

STATE ALLOCATION OF INCOME & EXPENSES	Month Ended			12 MONTH Ended		
	July-18	August-18	September-18	AUGUST 1, 2017 THROUGH JULY 31, 2018	SEPTEMBER 1, 2017 THROUGH AUGUST 31, 2018	OCTOBER 1, 2017 THROUGH SEPTEMBER 30, 2018
882 Transportation Exp.	-	-	-	-	-	-
<b>Subtotal Operations</b>	<b>985,952.50</b>	<b>1,446,281.14</b>	<b>1,585,488.53</b>	<b>12,780,713.31</b>	<b>13,092,044.98</b>	<b>13,650,235.16</b>
<b>Maintenance</b>						
885 Supervision & Engineering	72,755.96	90,830.82	75,760.71	939,845.59	1,017,507.24	1,021,916.30
886 Structures & Improvements	3,353.10	-	-	22,005.03	22,005.03	22,005.03
887 Mains	73,839.47	160,966.41	174,266.79	1,417,238.55	1,338,069.04	1,388,084.88
8880 Compressor Station	4,697.88	2,230.92	6,171.93	50,050.27	50,419.62	53,505.24
889 Meas. & Reg. Equip.-Gen.	34,746.38	35,249.72	39,290.24	370,916.52	376,399.65	382,100.26
890 Meas. & Reg. Equip.-Ind.	3,826.78	3,916.13	891.99	34,104.19	37,136.71	36,227.27
892 Services	99,512.93	135,176.88	85,477.01	1,394,576.34	1,402,032.54	1,466,877.68
893 Meters & House Regulators	91,418.90	83,662.60	79,107.09	1,072,322.26	1,066,516.20	1,057,136.39
894 Other Equipment	76,391.49	75,657.12	66,673.14	783,128.80	837,094.53	858,061.76
<b>Subtotal Maintenance</b>	<b>460,542.89</b>	<b>587,690.60</b>	<b>527,638.90</b>	<b>6,084,187.55</b>	<b>6,147,180.56</b>	<b>6,285,914.81</b>
<b>TOTAL DISTRIBUTION EXPENSES</b>	<b>1,446,495.39</b>	<b>2,033,971.74</b>	<b>2,113,127.43</b>	<b>18,864,900.86</b>	<b>19,239,225.54</b>	<b>19,936,149.97</b>
<b>CUSTOMER ACCOUNTS EXPENSES</b>						
901 Supervision	8,032.99	9,382.34	7,827.08	89,563.87	96,158.40	102,283.60
902 Meter Reading Exp.	56,591.22	51,816.53	37,152.79	593,553.31	596,279.82	591,476.45
903 Cust. Records & Collection Exp.	314,573.59	344,683.99	301,180.76	4,325,524.81	4,238,348.88	4,190,271.21
904 Uncollectible Accounts	95,336.87	53,561.30	39,077.85	948,203.96	935,347.41	874,446.39
905 Misc. Exp.	-	-	-	624.03	624.03	624.03
<b>TOTAL CUSTOMER ACCOUNTS EXP.</b>	<b>474,534.67</b>	<b>459,444.16</b>	<b>385,238.48</b>	<b>5,957,469.98</b>	<b>5,866,758.54</b>	<b>5,759,101.68</b>
<b>CUSTOMER SERVICE AND INFORMATIONAL EXPENSES</b>						
907 Supervision	-	-	-	-	-	-
908 Cust. Assistance Exp.	93,617.18	88,844.61	81,228.28	1,992,504.62	2,071,162.50	2,141,688.14
909 Info. & Instr. Advertising Exp.	3,018.12	1,959.05	531.44	21,981.67	23,166.24	21,274.52
910 Misc. Cust. Serv. & Info. Exp.	19,082.97	26,101.41	20,504.99	203,847.93	229,949.34	240,055.61
<b>TOTAL CUST. SRVC. &amp; INFO. EXPENSES</b>	<b>115,718.27</b>	<b>116,905.07</b>	<b>102,264.71</b>	<b>2,218,334.22</b>	<b>2,324,278.08</b>	<b>2,403,018.27</b>
<b>SALES EXPENSES</b>						
911 Supervision	-	-	-	-	-	-
912 Demonstrating & Selling	-	-	-	-	-	-
913 Advertising	(296.28)	1.87	-	1,068.72	1,070.59	1,070.59
916 Misc. Sales Exp.	-	-	-	-	-	-
<b>TOTAL SALES EXPENSES</b>	<b>(296.28)</b>	<b>1.87</b>	<b>-</b>	<b>1,068.72</b>	<b>1,070.59</b>	<b>1,070.59</b>
<b>ADMINISTRATIVE AND GENERAL EXPENSES</b>						
920 Admin. & General Salaries	449,026.76	500,340.55	437,064.39	5,873,047.10	5,788,408.25	5,751,128.10
921 Office Supplies & Exp.	213,986.26	203,593.75	249,849.91	3,210,141.77	3,231,709.21	3,328,124.90
923 Outside Services Employed	91,958.81	59,147.87	74,316.63	1,109,548.50	1,055,360.15	1,098,376.81
924 Property Insurance	5,112.34	5,112.34	5,112.34	58,137.89	58,783.83	59,429.77
925 Injuries & Damages	88,211.26	93,446.27	86,987.07	1,073,545.52	1,089,875.33	1,099,520.21
926 Employee Pensions & Benefits	378,359.28	375,375.42	318,670.28	4,661,430.61	4,660,886.48	4,571,204.65
928 Regulatory Commission Exp.	-	-	-	-	-	-
930.1 General Advertising Exp.	1,418.35	1,706.96	2,695.47	29,376.94	27,627.06	25,444.08
930.2 Misc. General Exp.	49,169.35	52,090.17	29,282.27	845,194.87	859,818.70	851,263.59
931 Rents	105,237.66	104,482.41	95,318.58	1,115,031.94	1,129,992.61	1,138,230.32
932 Maintenance of General Plant	2,192.90	2,282.80	642.84	34,381.08	36,739.53	36,231.59
	1,384,672.97	1,397,578.54	1,299,939.78	18,009,836.22	17,939,201.15	17,958,954.02
922 Capitalized Exp.	(23,040.98)	(20,877.47)	(20,993.83)	(260,602.21)	(261,773.95)	(264,744.10)
<b>TOTAL ADM. &amp; GEN. EXPENSES</b>	<b>1,361,631.99</b>	<b>1,376,701.07</b>	<b>1,278,945.95</b>	<b>17,749,234.01</b>	<b>17,677,427.20</b>	<b>17,694,209.92</b>
<b>TOTAL O&amp;M EXPENSES (Excluding Gas Cost and</b>	<b>3,430,463.80</b>	<b>4,007,463.77</b>	<b>3,896,996.23</b>	<b>45,053,690.74</b>	<b>45,356,350.60</b>	<b>46,031,266.57</b>
<b>DEPRECIATION AND AMORTIZATION</b>						

Cascade Natural Gas Corporation  
Washington Statement of Operations  
Quarter Ending: 9/30/2018

STATE ALLOCATION OF INCOME & EXPENSES		Month Ended			12 MONTH Ended		
		July-18	August-18	September-18	AUGUST 1, 2017 THROUGH JULY 31, 2018	SEPTEMBER 1, 2017 THROUGH AUGUST 31, 2018	OCTOBER 1, 2017 THROUGH SEPTEMBER 30, 2018
403	Depreciation Expense	1,886,080.35	1,896,830.09	1,921,273.20	21,719,865.88	21,890,808.09	22,076,048.05
	Propane Air Plant	-	-	-	-	-	-
	Telemetry	-	-	-	-	-	-
	Meters & Regulators	-	-	-	-	-	-
	Central Stores Warehouse	-	-	-	-	-	-
	General Office	-	-	-	-	-	-
407.1	Amortization of Property Losses	-	-	-	-	-	-
<b>TOTAL DEPRECIATION AND AMORTIZATION</b>		<b>1,886,080.35</b>	<b>1,896,830.09</b>	<b>1,921,273.20</b>	<b>21,719,865.88</b>	<b>21,890,808.09</b>	<b>22,076,048.05</b>
407.3	Regulatory Debits	-	-	-	-	-	-
<b>TAXES OTHER THAN INCOME TAXES</b>							
408.1	Property, Payroll and Misc. Taxes	361,126.97	222,957.18	329,867.57	4,522,332.44	4,334,409.92	4,315,435.83
<b>INCOME TAXES - OPERATING</b>							
409.1	Federal Inc Taxes, Util Oper Inc	(767,906.01)	(910,780.59)	(1,299,410.48)	287,554.47	359,416.39	2,056,266.44
409.1	State Income Taxes, Util Oper Inc	-	-	-	-	-	-
410.1	Provision For Defer'd Fed Inc Tax	(39,875.12)	7,363.19	236,486.40	3,215,490.80	2,771,247.57	247,958.82
410.1	Provis'n For Defer'd State Inc Tax	-	-	-	-	-	-
411.1	Prov For Deferred Inc Tax - Credit	-	-	-	-	-	-
411.4	Investment Tax Credit Adjustments	(2,747.53)	(2,747.54)	(2,747.53)	(29,541.75)	(29,554.04)	(29,566.31)
<b>TOTAL INCOME TAXES - OPERATING</b>		<b>(810,528.66)</b>	<b>(906,164.94)</b>	<b>(1,065,671.61)</b>	<b>3,473,503.52</b>	<b>3,101,109.92</b>	<b>2,274,658.95</b>
<b>* TOTAL OPERATING EXPENSES *</b>		<b>4,867,142.46</b>	<b>5,221,086.10</b>	<b>5,082,465.39</b>	<b>74,769,392.58</b>	<b>74,682,678.53</b>	<b>74,697,409.40</b>
<b>* TOTAL OPERATING INCOME *</b>		<b>(231,675.74)</b>	<b>(617,139.65)</b>	<b>34,245.31</b>	<b>18,701,463.35</b>	<b>18,554,515.65</b>	<b>18,649,593.93</b>