

THIS FILING IS

Item 1: An Initial (Original) Submission OR Resubmission No. _____

Form 2 Approved
OMB No.1902-0028
(Expires 12/31/2020)

Form 3-Q Approved
OMB No.1902-0205
(Expires 11/30/2022)



FERC FINANCIAL REPORT

FERC FORM No. 2: Annual Report of Major Natural Gas Companies and Supplemental Form 3-Q: Quarterly Financial Report

These reports are mandatory under the Natural Gas Act, Sections 10(a), and 16 and 18 CFR Parts 260.1 and 260.300. Failure to report may result in criminal fines, civil penalties, and other sanctions as provided by law. The Federal Energy Regulatory Commission does not consider these reports to be of a confidential nature.

Exact Legal Name of Respondent (Company)

Cascade Natural Gas Corporation

Year/Period of Report

End of 2019/Q4

INSTRUCTIONS FOR FILING FERC FORMS 2, 2-A and 3-Q

GENERAL INFORMATION

I Purpose

FERC Forms 2, 2-A, and 3-Q are designed to collect financial and operational information from natural gas companies subject to the jurisdiction of the Federal Energy Regulatory Commission. These reports are also considered to be a non-confidential public use forms.

II. Who Must Submit

Each natural gas company whose combined gas transported or stored for a fee exceed 50 million dekatherms in each of the previous three years must submit FERC Form 2 and 3-Q.

Each natural gas company not meeting the filing threshold for FERC Form 2, but having total gas sales or volume transactions exceeding 200,000 dekatherms in each of the previous three calendar years must submit FERC Form 2-A and 3-Q.

Newly established entities must use projected data to determine whether they must file the FERC Form 3-Q and FERC Form 2 or 2-A.

III. What and Where to Submit

(a) Submit Forms 2, 2-A and 3-Q electronically through the submission software at <http://www.ferc.gov/docs-filing/eforms/form-2/elec-subm-soft.asp> .

(b) The Corporate Officer Certification must be submitted electronically as part of the FERC Form 2 and 3-Q filings.

(c) Submit immediately upon publication, by either eFiling or mailing two (2) copies to the Secretary of the Commission, the latest Annual Report to Stockholders and any annual financial or statistical report regularly prepared and distributed to bondholders, security analysts, or industry associations. Do not include monthly and quarterly reports. Indicate by checking the appropriate box on Form 2, Page 3, List of Schedules, if the reports to stockholders will be submitted or if no annual report to stockholders is prepared. Unless eFiling the Annual Report to Stockholders, mail these reports to the Secretary of the Commission at:

Secretary of the Commission
Federal Energy Regulatory Commission
888 First Street, NE
Washington, DC 20426

(d) For the Annual CPA certification, submit with the original submission of this form, a letter or report (not applicable to respondents classified as Class C or Class D prior to January 1, 1984) prepared in conformity with the current standards of reporting which will:

(i) Contain a paragraph attesting to the conformity, in all material respects, of the schedules listed below with the Commission's applicable Uniform Systems of Accounts (including applicable notes relating thereto and the Chief Accountant's published accounting releases), and

(ii) be signed by independent certified public accountants or an independent licensed public accountant certified or licensed by a regulatory authority of a State or other political subdivision of the U. S. (See 18 C.F.R. §§ 158.10-158.12 for specific qualifications.)

Reference	<u>Reference</u> <u>Schedules Pages</u>
Comparative Balance Sheet	110-113
Statement of Income	114-117
Statement of Retained Earnings	118-119
Statement of Cash Flows	120-121
Notes to Financial Statements	122-123

Filers should state in the letter or report, which, if any, of the pages above do not conform to the Commission's requirements. Describe the discrepancies that exist

(e) Filers are encouraged to file their Annual Report to Stockholders, and the CPA Certification Statement using eFiling. To further that effort, new selections, "Annual Report to Stockholders" and "CPA Certification Statement," have been added to the dropdown "pick list" from which companies must choose when eFiling. Further instructions are found on the Commission website at <http://www.ferc.gov/help/how-to.asp>

(f) Federal, State and Local Governments and other authorized users may obtain additional blank copies of FERC Form 2 and 2-A free of charge from: <http://www.ferc.gov/docs-filing/eforms/form-2/form-2.pdf> and <http://www.ferc.gov/docs-filing/eforms/form-2a/form-2a.pdf>, respectively. Copies may also be obtained from the Public Reference and Files Maintenance Branch, Federal Energy Regulatory Commission, 888 First Street, NE. Room 2A, Washington, DC 20426 or by calling (202).502-8371

IV. When to Submit:

FERC Forms 2, 2-A, and 3-Q must be filed by the dates:

- (a) FERC Form 2 and 2-A --- by April 18th of the following year (18 C.F.R. §§ 260.1 and 260.2)
- (b) FERC Form 3-Q --- Natural gas companies that file a FERC Form 2 must file the FERC Form 3-Q within 60 days after the reporting quarter (18 C.F.R. § 260.300), and
- (c) FERC Form 3-Q --- Natural gas companies that file a FERC Form 2-A must file the FERC Form 3-Q within 70 days after the reporting quarter (18 C.F.R. § 260.300).

V. Where to Send Comments on Public Reporting Burden.

The public reporting burden for the Form 2 collection of information is estimated to average 1,623 hours per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data-needed, and completing and reviewing the collection of information. The public reporting burden for the Form 2A collection of information is estimated to average 250 hours per response. The public reporting burden for the Form 3-Q collection of information is estimated to average 167 hours per response.

Send comments regarding these burden estimates or any aspect of these collections of information, including suggestions for reducing burden, to the Federal Energy Regulatory Commission, 888 First Street NE, Washington, DC 20426 (Attention: Information Clearance Officer); and to the Office of Information and Regulatory Affairs, Office of Management and Budget, Washington, DC 20503 (Attention: Desk Officer for the Federal Energy Regulatory Commission). No person shall be subject to any penalty if any collection of information does not display a valid control number (44 U.S.C. § 3512 (a)).

GENERAL INSTRUCTIONS

- I. Prepare all reports in conformity with the Uniform System of Accounts (USofA) (18 C.F.R. Part 201). Interpret all accounting words and phrases in accordance with the USofA.
- II. Enter in whole numbers (dollars or Dth) only, except where otherwise noted. (Enter cents for averages and figures per unit where cents are important. The truncating of cents is allowed except on the four basic financial statements where rounding is required.) The amounts shown on all supporting pages must agree with the amounts entered on the statements that they support. When applying thresholds to determine significance for reporting purposes, use for balance sheet accounts the balances at the end of the current reporting period, and use for statement of income accounts the current year's year to date amounts.
- III. Complete each question fully and accurately, even if it has been answered in a previous report. Enter the word "None" where it truly and completely states the fact.
- IV. For any page(s) that is not applicable to the respondent, omit the page(s) and enter "NA," "NONE," or "Not Applicable" in column (d) on the List of Schedules, pages 2 and 3.
- V. Enter the month, day, and year for all dates. Use customary abbreviations. **The "Date of Report" included in the header of each page is to be completed only for resubmissions.**
- VI. Generally, except for certain schedules, all numbers, whether they are expected to be debits or credits, must be reported as positive. Numbers having a sign that is different from the expected sign must be reported by enclosing the numbers in parentheses.
- VII. For any resubmissions, submit the electronic filing using the form submission only. Please explain the reason for the resubmission in a footnote to the data field.
- VIII. Footnote and further explain accounts or pages as necessary.
- IX. Do not make references to reports of previous periods/years or to other reports in lieu of required entries, except as specifically authorized.
- X. Wherever (schedule) pages refer to figures from a previous period/year, the figures reported must be based upon those shown by the report of the previous period/year, or an appropriate explanation given as to why the different figures were used.
- XI. Report all gas volumes in Dth unless the schedule specifically requires the reporting in another unit of measurement.

DEFINITIONS

- I. Btu per cubic foot – The total heating value, expressed in Btu, produced by the combustion, at constant pressure, of the amount of the gas which would occupy a volume of 1 cubic foot at a temperature of 60°F if saturated with water vapor and under a pressure equivalent to that of 30°F, and under standard gravitational force (980.665 cm. per sec) with air of the same temperature and pressure as the gas, when the products of combustion are cooled to the initial temperature of gas and air when the water formed by combustion is condensed to the liquid state (called gross heating value or total heating value).
- II. Commission Authorization -- The authorization of the Federal Energy Regulatory Commission, or any other Commission. Name the commission whose authorization was obtained and give date of the authorization.
- III. Dekatherm – A unit of heating value equivalent to 10 therms or 1,000,000 Btu.
- IV Respondent – The person, corporation, licensee, agency, authority, or other legal entity or instrumentality on whose behalf the report is made.

EXCERPTS FROM THE LAW
(Natural Gas Act, 15 U.S.C. 717-717w)

"Sec. 10(a). Every natural-gas company shall file with the Commission such annual and other periodic or special reports as the Commission may by rules and regulations or order prescribe as necessary or appropriate to assist the Commission in the proper administration of this act. The Commission may prescribe the manner and form in which such reports shall be made and require from such natural-gas companies specific answers to all questions upon which the Commission may need information. The Commission may require that such reports include, among other things, full information as to assets and liabilities, capitalization, investment and reduction thereof, gross receipts, interest dues and paid, depreciation, amortization, and other reserves, cost of facilities, costs of maintenance and operation of facilities for the production, transportation, delivery, use, or sale of natural gas, costs of renewal and replacement of such facilities, transportation, delivery, use and sale of natural gas..."

"Section 16. The Commission shall have power to perform all and any acts, and to prescribe, issue, make, amend, and rescind such orders, rules, and regulations as it may find necessary or appropriate to carry out the provisions of this act. Among other things, such rules and regulations may define accounting, technical, and trade terms used in this act; and may prescribe the form or forms of all statements declarations, applications, and reports to be filed with the Commission, the information which they shall contain, and time within they shall be filed..."

General Penalties

The Commission may assess up to \$1 million per day per violation of its rules and regulations. See NGA § 22(a), 15 U.S.C. § 717t-1(a).

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QUARTERLY/ANNUAL REPORT OF MAJOR NATURAL GAS COMPANIES

IDENTIFICATION

01 Exact Legal Name of Respondent Cascade Natural Gas Corporation		Year/Period of Report End of <u>2019/Q4</u>	
03 Previous Name and Date of Change (If name changed during year)			
04 Address of Principal Office at End of Year (Street, City, State, Zip Code) 8113 West Grandridge Boulevard, Kennewick, WA 99336-7166			
05 Name of Contact Person Kevin Conwell		06 Title of Contact Person Manager, Accounting & Finance	
07 Address of Contact Person (Street, City, State, Zip Code) 8113 West Grandridge Boulevard, Kennewick, WA 99336-7166			
08 Telephone of Contact Person, Including Area Code 509-734-4524		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	10 Date of Report (Mo, Da, Yr) 12/31/2019

ANNUAL CORPORATE OFFICER CERTIFICATION

The undersigned officer certifies that:

I have examined this report and to the best of my knowledge, information, and belief all statements of fact contained in this report are correct statements of the business affairs of the respondent and the financial statements, and other financial information contained in this report, conform in all material respects to the Uniform System of Accounts.

11 Name Kevin Conwell		12 Title Manager, Accounting & Finance	
13 Signature Kevin Conwell		14 Date Signed 04/15/2020	

Title 18, U.S.C. 1001, makes it a crime for any person knowingly and willingly to make to any Agency or Department of the United States any false, fictitious or fraudulent statements as to any matter within its jurisdiction.

List of Schedules (Natural Gas Company)

Enter in column (d) the terms "none," "not applicable," or "NA" as appropriate, where no information or amounts have been reported for certain pages. Omit pages where the responses are "none," "not applicable," or "NA."

Line No.	Title of Schedule (a)	Reference Page No. (b)	Date Revised (c)	Remarks (d)
	GENERAL CORPORATE INFORMATION AND FINANCIAL STATEMENTS			
1	General Information	101		
2	Control Over Respondent	102		
3	Corporations Controlled by Respondent	103		
4	Security Holders and Voting Powers	107		
5	Important Changes During the Year	108		
6	Comparative Balance Sheet	110-113		
7	Statement of Income for the Year	114-116		
8	Statement of Accumulated Comprehensive Income and Hedging Activities	117		
9	Statement of Retained Earnings for the Year	118-119		
10	Statements of Cash Flows	120-121		
11	Notes to Financial Statements	122		
	BALANCE SHEET SUPPORTING SCHEDULES (Assets and Other Debits)			
12	Summary of Utility Plant and Accumulated Provisions for Depreciation, Amortization, and Depletion	200-201		
13	Gas Plant in Service	204-209		
14	Gas Property and Capacity Leased from Others	212		
15	Gas Property and Capacity Leased to Others	213		
16	Gas Plant Held for Future Use	214		
17	Construction Work in Progress-Gas	216		
18	Non-Traditional Rate Treatment Afforded New Projects	217		
19	General Description of Construction Overhead Procedure	218		
20	Accumulated Provision for Depreciation of Gas Utility Plant	219		
21	Gas Stored	220		
22	Investments	222-223		
23	Investments in Subsidiary Companies	224-225		
24	Prepayments	230		
25	Extraordinary Property Losses	230		
26	Unrecovered Plant and Regulatory Study Costs	230		
27	Other Regulatory Assets	232		
28	Miscellaneous Deferred Debits	233		
29	Accumulated Deferred Income Taxes	234-235		
	BALANCE SHEET SUPPORTING SCHEDULES (Liabilities and Other Credits)			
30	Capital Stock	250-251		
31	Capital Stock Subscribed, Capital Stock Liability for Conversion, Premium on Capital Stock, and Installments Received on Capital Stock	252		
32	Other Paid-in Capital	253		
33	Discount on Capital Stock	254		
34	Capital Stock Expense	254		
35	Securities issued or Assumed and Securities Refunded or Retired During the Year	255		
36	Long-Term Debt	256-257		
37	Unamortized Debt Expense, Premium, and Discount on Long-Term Debt	258-259		

List of Schedules (Natural Gas Company) (continued)

Enter in column (d) the terms "none," "not applicable," or "NA" as appropriate, where no information or amounts have been reported for certain pages. Omit pages where the responses are "none," "not applicable," or "NA."

Line No.	Title of Schedule (a)	Reference Page No. (b)	Date Revised (c)	Remarks (d)
38	Unamortized Loss and Gain on Recquired Debt	260		
39	Reconciliation of Reported Net Income with Taxable Income for Federal Income Taxes	261		
40	Taxes Accrued, Prepaid, and Charged During Year	262-263		
41	Miscellaneous Current and Accrued Liabilities	268		
42	Other Deferred Credits	269		
43	Accumulated Deferred Income Taxes-Other Property	274-275		
44	Accumulated Deferred Income Taxes-Other	276-277		
45	Other Regulatory Liabilities	278		
	INCOME ACCOUNT SUPPORTING SCHEDULES			
46	Monthly Quantity & Revenue Data by Rate Schedule	299		
47	Gas Operating Revenues	300-301		
48	Revenues from Transportation of Gas of Others Through Gathering Facilities	302-303		
49	Revenues from Transportation of Gas of Others Through Transmission Facilities	304-305		
50	Revenues from Storage Gas of Others	306-307		
51	Other Gas Revenues	308		
52	Discounted Rate Services and Negotiated Rate Services	313		
53	Gas Operation and Maintenance Expenses	317-325		
54	Exchange and Imbalance Transactions	328		
55	Gas Used in Utility Operations	331		
56	Transmission and Compression of Gas by Others	332		
57	Other Gas Supply Expenses	334		
58	Miscellaneous General Expenses-Gas	335		
59	Depreciation, Depletion, and Amortization of Gas Plant	336-338		
60	Particulars Concerning Certain Income Deduction and Interest Charges Accounts	340		
	COMMON SECTION			
61	Regulatory Commission Expenses	350-351		
62	Employee Pensions and Benefits (Account 926)	352		
63	Distribution of Salaries and Wages	354-355		
64	Charges for Outside Professional and Other Consultative Services	357		
65	Transactions with Associated (Affiliated) Companies	358		
	GAS PLANT STATISTICAL DATA			
66	Compressor Stations	508-509		
67	Gas Storage Projects	512-513		
68	Transmission Lines	514		
69	Transmission System Peak Deliveries	518		
70	Auxiliary Peaking Facilities	519		
71	Gas Account-Natural Gas	520		
72	Shipper Supplied Gas for the Current Quarter	521		
73	System Map	522		
74	Footnote Reference	551		
75	Footnote Text	552		
76	Stockholder's Reports (check appropriate box)			
	<input type="checkbox"/> Four copies will be submitted <input type="checkbox"/> No annual report to stockholders is prepared			

Name of Respondent
Cascade Natural Gas Corporation

This Report Is:
(1) An Original
(2) A Resubmission

Date of Report
(Mo, Da, Yr)
12/31/2019

Year/Period of Report
End of 2019/Q4

General Information

1. Provide name and title of officer having custody of the general corporate books of account and address of office where the general corporate books are kept and address of office where any other corporate books of account are kept, if different from that where the general corporate books are kept.

Kevin Conwell
Manager, Accounting & Finance
8113 West Grandridge Boulevard
Kennewick, Washington 99336-7166

2. Provide the name of the State under the laws of which respondent is incorporated and date of incorporation. If incorporated under a special law, give reference to such law. If not incorporated, state that fact and give the type of organization and the date organized.

Incorporated in the State of Washington - January 2, 1953

3. If at any time during the year the property of respondent was held by a receiver or trustee, give (a) name of receiver or trustee, (b) date such receiver or trustee took possession, (c) the authority by which the receivership or trusteeship was created, and (d) date when possession by receiver or trustee ceased.

Not applicable

4. State the classes of utility and other services furnished by respondent during the year in each State in which the respondent operated.

Natural gas distribution in the states of Washington and Oregon

5. Have you engaged as the principal accountant to audit your financial statements an accountant who is not the principal accountant for your previous year's certified financial statements?

(1) Yes... Enter the date when such independent accountant was initially engaged:

(2) No

Control Over Respondent

1. Report in column (a) the names of all corporations, partnerships, business trusts, and similar organizations that directly, indirectly, or jointly held control (see page 103 for definition of control) over the respondent at the end of the year. If control is in a holding company organization, report in a footnote the chain of organization.

2. If control is held by trustees, state in a footnote the names of trustees, the names of beneficiaries for whom the trust is maintained, and the purpose of the trust.

3. In column (b) designate type of control over the respondent. Report an "M" if the company is the main parent or controlling company having ultimate control over the respondent. Otherwise, report a "D" for direct, an "I" for indirect, or a "J" for joint control.

Line No.	Company Name (a)	Type of Control (b)	State of Incorporation (c)	Percent Voting Stock Owned (d)
1	MDU Resources Group, Inc. (MDUR)	M	DE	100.00
2	MDU Energy Capital, LLC	I	DE	100.00
3	Praire Cascade Energy Holdings, LLC (PCEH)	D	DE	100.00
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Corporations Controlled by Respondent

1. Report below the names of all corporations, business trusts, and similar organizations, controlled directly or indirectly by respondent at any time during the year. If control ceased prior to end of year, give particulars (details) in a footnote.
2. If control was by other means than a direct holding of voting rights, state in a footnote the manner in which control was held, naming any intermediaries involved.
3. If control was held jointly with one or more other interests, state the fact in a footnote and name the other interests.
4. In column (b) designate type of control of the respondent as "D" for direct, an "I" for indirect, or a "J" for joint control.

DEFINITIONS

1. See the Uniform System of Accounts for a definition of control.
2. Direct control is that which is exercised without interposition of an intermediary.
3. Indirect control is that which is exercised by the interposition of an intermediary that exercises direct control.
4. Joint control is that in which neither interest can effectively control or direct action without the consent of the other, as where the voting control is equally divided between two holders, or each party holds a veto power over the other. Joint control may exist by mutual agreement or understanding between two or more parties who together have control within the meaning of the definition of control in the Uniform System of Accounts, regardless of the relative voting rights of each party.

Line No.	Name of Company Controlled (a)	Type of Control (b)	Kind of Business (c)	Percent Voting Stock Owned (d)	Footnote Reference (e)
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Security Holders and Voting Powers

1. Give the names and addresses of the 10 security holders of the respondent who, at the date of the latest closing of the stock book or compilation of list of stockholders of the respondent, prior to the end of the year, had the highest voting powers in the respondent, and state the number of votes that each could cast on that date if a meeting were held. If any such holder held in trust, give in a footnote the known particulars of the trust (whether voting trust, etc.), duration of trust, and principal holders of beneficiary interests in the trust. If the company did not close the stock book or did not compile a list of stockholders within one year prior to the end of the year, or if since it compiled the previous list of stockholders, some other class of security has become vested with voting rights, then show such 10 security holders as of the close of the year. Arrange the names of the security holders in the order of voting power, commencing with the highest. Show in column (a) the titles of officers and directors included in such list of 10 security holders.

2. If any security other than stock carries voting rights, explain in a supplemental statement how such security became vested with voting rights and give other important details concerning the voting rights of such security. State whether voting rights are actual or contingent; if contingent, describe the contingency.

3. If any class or issue of security has any special privileges in the election of directors, trustees or managers, or in the determination of corporate action by any method, explain briefly in a footnote.

4. Furnish details concerning any options, warrants, or rights outstanding at the end of the year for others to purchase securities of the respondent or any securities or other assets owned by the respondent, including prices, expiration dates, and other material information relating to exercise of the options, warrants, or rights. Specify the amount of such securities or assets any officer, director, associated company, or any of the 10 largest security holders is entitled to purchase. This instruction is inapplicable to convertible securities or to any securities substantially all of which are outstanding in the hands of the general public where the options, warrants, or rights were

<p>1. Give date of the latest closing of the stock book prior to end of year, and, in a footnote, state the purpose of such closing:</p>	<p>2. State the total number of votes cast at the latest general meeting prior to the end of year for election of directors of the respondent and number of such votes cast by proxy.</p> <p>Total:</p> <p>By Proxy:</p>	<p>3. Give the date and place of such meeting:</p>
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Line No.	Name (Title) and Address of Security Holder (a)	VOTING SECURITIES			
		4. Number of votes as of (date):			
		Total Votes (b)	Common Stock (c)	Preferred Stock (d)	Other (e)
5	TOTAL votes of all voting securities	1,000	1,000		
6	TOTAL number of security holders	1	1		
7	TOTAL votes of security holders listed below	1,000	1,000		
8					
9					
10					
11	Cascade is a wholly-owned subsidiary of MDU Resources Group, Inc.				
12	MDU Resources Group, Inc.				
13	PO Box 5650				
14	Bismarck, ND 58506-5650				
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16					
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19					
20					

Name of Respondent	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 12/31/2019	Year/Period of Report 2019/Q4
Cascade Natural Gas Corporation			
Important Changes During the Quarter/Year			

Give details concerning the matters indicated below. Make the statements explicit and precise, and number them in accordance with the inquiries. Answer each inquiry. Enter "none" or "not applicable" where applicable. If the answer is given elsewhere in the report, refer to the schedule in which it appears.

1. Changes in and important additions to franchise rights: Describe the actual consideration and state from whom the franchise rights were acquired. If the franchise rights were acquired without the payment of consideration, state that fact.
 2. Acquisition of ownership in other companies by reorganization, merger, or consolidation with other companies: Give names of companies involved, particulars concerning the transactions, name of the Commission authorizing the transaction, and reference to Commission authorization.
 3. Purchase or sale of an operating unit or system: Briefly describe the property, and the related transactions, and cite Commission authorization, if any was required. Give date journal entries called for by Uniform System of Accounts were submitted to the Commission.
 4. Important leaseholds (other than leaseholds for natural gas lands) that have been acquired or given, assigned or surrendered: Give effective dates, lengths of terms, names of parties, rents, and other conditions. State name of Commission authorizing lease and give reference to such authorization.
 5. Important extension or reduction of transmission or distribution system: State territory added or relinquished and date operations began or ceased and cite Commission authorization, if any was required. State also the approximate number of customers added or lost and approximate annual revenues of each class of service.
- Each natural gas company must also state major new continuing sources of gas made available to it from purchases, development, purchase contract or otherwise, giving location and approximate total gas volumes available, period of contracts, and other parties to any such arrangements, etc.
6. Obligations incurred or assumed by respondent as guarantor for the performance by another of any agreement or obligation, including ordinary commercial paper maturing on demand or not later than one year after date of issue: State on behalf of whom the obligation was assumed and amount of the obligation. Cite Commission authorization if any was required.
 7. Changes in articles of incorporation or amendments to charter: Explain the nature and purpose of such changes or amendments.
 8. State the estimated annual effect and nature of any important wage scale changes during the year.
 9. State briefly the status of any materially important legal proceedings pending at the end of the year, and the results of any such proceedings culminated during the year.
 10. Describe briefly any materially important transactions of the respondent not disclosed elsewhere in this report in which an officer, director, security holder, voting trustee, associated company or known associate of any of these persons was a party or in which any such person had a material interest.
 11. Estimated increase or decrease in annual revenues caused by important rate changes: State effective date and approximate amount of increase or decrease for each revenue classification. State the number of customers affected.
 12. Describe fully any changes in officers, directors, major security holders and voting powers of the respondent that may have occurred during the reporting period.
 13. In the event that the respondent participates in a cash management program(s) and its proprietary capital ratio is less than 30 percent please describe the significant events or transactions causing the proprietary capital ratio to be less than 30 percent, and the extent to which the respondent has amounts loaned or money advanced to its parent, subsidiary, or affiliated companies through a cash management program(s). Additionally, please describe plans, if any to regain at least a 30 percent proprietary ratio.

1. None
2. None
3. None
4. None
5. None
6. None
7. None
8. Wages for union employees increased by 3.00% in April 2019.
9. None
10. None
11. None
12. None
13. None

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[Next page is 110]

Comparative Balance Sheet (Assets and Other Debits)

Line No.	Title of Account (a)	Reference Page Number (b)	Current Year End of Quarter/Year Balance (c)	Prior Year End Balance 12/31 (d)
1	UTILITY PLANT			
2	Utility Plant (101-106, 114)	200-201	1,148,216,102	1,077,226,744
3	Construction Work in Progress (107)	200-201	31,106,072	12,854,207
4	TOTAL Utility Plant (Total of lines 2 and 3)	200-201	1,179,322,174	1,090,080,951
5	(Less) Accum. Provision for Depr., Amort., Depl. (108, 111, 115)		508,329,146	490,730,756
6	Net Utility Plant (Total of line 4 less 5)		670,993,028	599,350,195
7	Nuclear Fuel (120.1 thru 120.4, and 120.6)		0	0
8	(Less) Accum. Provision for Amort., of Nuclear Fuel Assemblies (120.5)		0	0
9	Nuclear Fuel (Total of line 7 less 8)		0	0
10	Net Utility Plant (Total of lines 6 and 9)		670,993,028	599,350,195
11	Utility Plant Adjustments (116)	122	0	0
12	Gas Stored-Base Gas (117.1)	220	0	0
13	System Balancing Gas (117.2)	220	0	0
14	Gas Stored in Reservoirs and Pipelines-Noncurrent (117.3)	220	0	0
15	Gas Owed to System Gas (117.4)	220	0	0
16	OTHER PROPERTY AND INVESTMENTS			
17	Nonutility Property (121)		197,964	202,030
18	(Less) Accum. Provision for Depreciation and Amortization (122)		0	0
19	Investments in Associated Companies (123)	222-223	0	0
20	Investments in Subsidiary Companies (123.1)	224-225	0	0
21	(For Cost of Account 123.1 See Footnote Page 224, line 40)			
22	Noncurrent Portion of Allowances		0	0
23	Other Investments (124)	222-223	11,991,542	12,371,315
24	Sinking Funds (125)		0	0
25	Depreciation Fund (126)		0	0
26	Amortization Fund - Federal (127)		0	0
27	Other Special Funds (128)		0	0
28	Long-Term Portion of Derivative Assets (175)		0	0
29	Long-Term Portion of Derivative Assets - Hedges (176)		0	0
30	TOTAL Other Property and Investments (Total of lines 17-20, 22-29)		12,189,506	12,573,345
31	CURRENT AND ACCRUED ASSETS			
32	Cash (131)		6,896,977	3,203,159
33	Special Deposits (132-134)		0	0
34	Working Funds (135)		0	1,150
35	Temporary Cash Investments (136)	222-223	0	0
36	Notes Receivable (141)		0	0
37	Customer Accounts Receivable (142)		15,555,347	10,776,951
38	Other Accounts Receivable (143)		5,086,879	13,165,937
39	(Less) Accum. Provision for Uncollectible Accounts - Credit (144)		513,355	460,922
40	Notes Receivable from Associated Companies (145)		0	0
41	Accounts Receivable from Associated Companies (146)		140,108	129,531
42	Fuel Stock (151)		0	0
43	Fuel Stock Expenses Undistributed (152)		0	0

Comparative Balance Sheet (Assets and Other Debits)(continued)

Line No.	Title of Account (a)	Reference Page Number (b)	Current Year End of Quarter/Year Balance (c)	Prior Year End Balance 12/31 (d)
44	Residuals (Elec) and Extracted Products (Gas) (153)		0	0
45	Plant Materials and Operating Supplies (154)		6,476,402	5,694,283
46	Merchandise (155)		0	0
47	Other Materials and Supplies (156)		0	0
48	Nuclear Materials Held for Sale (157)		0	0
49	Allowances (158.1 and 158.2)		0	0
50	(Less) Noncurrent Portion of Allowances		0	0
51	Stores Expense Undistributed (163)		0	0
52	Gas Stored Underground-Current (164.1)	220	893,659	396,659
53	Liquefied Natural Gas Stored and Held for Processing (164.2 thru 164.3)	220	1,844,137	1,940,549
54	Prepayments (165)	230	5,502,645	4,497,288
55	Advances for Gas (166 thru 167)		0	0
56	Interest and Dividends Receivable (171)		0	0
57	Rents Receivable (172)		0	0
58	Accrued Utility Revenues (173)		32,004,471	25,164,950
59	Miscellaneous Current and Accrued Assets (174)		0	0
60	Derivative Instrument Assets (175)		138,098	0
61	(Less) Long-Term Portion of Derivative Instrument Assets (175)		0	0
62	Derivative Instrument Assets - Hedges (176)		0	0
63	(Less) Long-Term Portion of Derivative Instrument Assets - Hedges (176)		0	0
64	TOTAL Current and Accrued Assets (Total of lines 32 thru 63)		74,025,368	64,509,535
65	DEFERRED DEBITS			
66	Unamortized Debt Expense (181)		2,122,842	1,624,524
67	Extraordinary Property Losses (182.1)	230	0	0
68	Unrecovered Plant and Regulatory Study Costs (182.2)	230	0	0
69	Other Regulatory Assets (182.3)	232	48,264,135	56,168,845
70	Preliminary Survey and Investigation Charges (Electric)(183)		0	0
71	Preliminary Survey and Investigation Charges (Gas)(183.1 and 183.2)		108,101	0
72	Clearing Accounts (184)		45,130	59,785
73	Temporary Facilities (185)		0	0
74	Miscellaneous Deferred Debits (186)	233	85,211,361	79,056,464
75	Deferred Losses from Disposition of Utility Plant (187)		0	0
76	Research, Development, and Demonstration Expend. (188)		0	0
77	Unamortized Loss on Reacquired Debt (189)		703,330	744,300
78	Accumulated Deferred Income Taxes (190)	234-235	8,151,888	17,102,003
79	Unrecovered Purchased Gas Costs (191)		0	0
80	TOTAL Deferred Debits (Total of lines 66 thru 79)		144,606,787	154,755,921
81	TOTAL Assets and Other Debits (Total of lines 10-15,30,64,and 80)		901,814,689	831,188,996

Comparative Balance Sheet (Liabilities and Other Credits)

Line No.	Title of Account (a)	Reference Page Number (b)	Current Year End of Quarter/Year Balance	Prior Year End Balance 12/31 (d)
1	PROPRIETARY CAPITAL			
2	Common Stock Issued (201)	250-251	1,000	1,000
3	Preferred Stock Issued (204)	250-251	0	0
4	Capital Stock Subscribed (202, 205)	252	0	0
5	Stock Liability for Conversion (203, 206)	252	0	0
6	Premium on Capital Stock (207)	252	266,117,553	222,117,553
7	Other Paid-In Capital (208-211)	253	0	0
8	Installments Received on Capital Stock (212)	252	0	0
9	(Less) Discount on Capital Stock (213)	254	0	0
10	(Less) Capital Stock Expense (214)	254	0	0
11	Retained Earnings (215, 215.1, 216)	118-119	40,331,710	34,416,894
12	Unappropriated Undistributed Subsidiary Earnings (216.1)	118-119	0	0
13	(Less) Reacquired Capital Stock (217)	250-251	0	0
14	Accumulated Other Comprehensive Income (219)	117	2,075,442	2,318,457
15	TOTAL Proprietary Capital (Total of lines 2 thru 14)		308,525,705	258,853,904
16	LONG TERM DEBT			
17	Bonds (221)	256-257	0	0
18	(Less) Reacquired Bonds (222)	256-257	0	0
19	Advances from Associated Companies (223)	256-257	0	0
20	Other Long-Term Debt (224)	256-257	353,814,000	268,211,000
21	Unamortized Premium on Long-Term Debt (225)	258-259	0	0
22	(Less) Unamortized Discount on Long-Term Debt-Dr (226)	258-259	0	0
23	(Less) Current Portion of Long-Term Debt		0	0
24	TOTAL Long-Term Debt (Total of lines 17 thru 23)		353,814,000	268,211,000
25	OTHER NONCURRENT LIABILITIES			
26	Obligations Under Capital Leases-Noncurrent (227)		0	0
27	Accumulated Provision for Property Insurance (228.1)		0	0
28	Accumulated Provision for Injuries and Damages (228.2)		10,454,118	13,232,381
29	Accumulated Provision for Pensions and Benefits (228.3)		6,107,472	5,811,780
30	Accumulated Miscellaneous Operating Provisions (228.4)		24,135	24,135
31	Accumulated Provision for Rate Refunds (229)		0	1,558,020

Comparative Balance Sheet (Liabilities and Other Credits)(continued)

Line No.	Title of Account (a)	Reference Page Number (b)	Current Year End of Quarter/Year Balance	Prior Year End Balance 12/31 (d)
32	Long-Term Portion of Derivative Instrument Liabilities		0	0
33	Long-Term Portion of Derivative Instrument Liabilities - Hedges		0	0
34	Asset Retirement Obligations (230)		74,293,817	66,788,046
35	TOTAL Other Noncurrent Liabilities (Total of lines 26 thru 34)		90,879,542	87,414,362
36	CURRENT AND ACCRUED LIABILITIES			
37	Current Portion of Long-Term Debt		0	0
38	Notes Payable (231)		0	0
39	Accounts Payable (232)		44,250,029	66,439,118
40	Notes Payable to Associated Companies (233)		0	0
41	Accounts Payable to Associated Companies (234)		2,644,766	2,007,577
42	Customer Deposits (235)		783,319	893,105
43	Taxes Accrued (236)	262-263	8,825,425	7,285,166
44	Interest Accrued (237)		3,373,380	3,155,341
45	Dividends Declared (238)		2,480,000	2,960,000
46	Matured Long-Term Debt (239)		0	0
47	Matured Interest (240)		0	0
48	Tax Collections Payable (241)		314	1,309
49	Miscellaneous Current and Accrued Liabilities (242)	268	9,592,836	8,958,797
50	Obligations Under Capital Leases-Current (243)		0	0
51	Derivative Instrument Liabilities (244)		0	0
52	(Less) Long-Term Portion of Derivative Instrument Liabilities		0	0
53	Derivative Instrument Liabilities - Hedges (245)		0	0
54	(Less) Long-Term Portion of Derivative Instrument Liabilities - Hedges		0	0
55	TOTAL Current and Accrued Liabilities (Total of lines 37 thru 54)		71,950,069	91,700,413
56	DEFERRED CREDITS			
57	Customer Advances for Construction (252)		4,195,587	4,315,901
58	Accumulated Deferred Investment Tax Credits (255)		201,910	243,929
59	Deferred Gains from Disposition of Utility Plant (256)		0	0
60	Other Deferred Credits (253)	269	(81,595,224)	(31,014,246)
61	Other Regulatory Liabilities (254)	278	58,505,890	62,967,793
62	Unamortized Gain on Reacquired Debt (257)	260	0	0
63	Accumulated Deferred Income Taxes - Accelerated Amortization (281)		0	0
64	Accumulated Deferred Income Taxes - Other Property (282)		57,867,450	53,594,339
65	Accumulated Deferred Income Taxes - Other (283)		37,469,760	34,901,601
66	TOTAL Deferred Credits (Total of lines 57 thru 65)		76,645,373	125,009,317
67	TOTAL Liabilities and Other Credits (Total of lines 15,24,35,55,and 66)		901,814,689	831,188,996

Statement of Income

Quarterly

- Enter in column (d) the balance for the reporting quarter and in column (e) the balance for the same three month period for the prior year.
- Report in column (f) the quarter to date amounts for electric utility function; in column (h) the quarter to date amounts for gas utility, and in (j) the quarter to date amounts for other utility function for the current year quarter.
- Report in column (g) the quarter to date amounts for electric utility function; in column (i) the quarter to date amounts for gas utility, and in (k) the quarter to date amounts for other utility function for the prior year quarter.
- If additional columns are needed place them in a footnote.

Annual or Quarterly, if applicable

- Do not report fourth quarter data in columns (e) and (f)
- Report amounts for accounts 412 and 413, Revenues and Expenses from Utility Plant Leased to Others, in another utility column in a similar manner to a utility department. Spread the amount(s) over lines 2 thru 26 as appropriate. Include these amounts in columns (c) and (d) totals.
- Report amounts in account 414, Other Utility Operating Income, in the same manner as accounts 412 and 413 above.
- Report data for lines 8, 10 and 11 for Natural Gas companies using accounts 404.1, 404.2, 404.3, 407.1 and 407.2.
- Use page 122 for important notes regarding the statement of income for any account thereof.
- Give concise explanations concerning unsettled rate proceedings where a contingency exists such that refunds of a material amount may need to be made to the utility's customers or which may result in material refund to the utility with respect to power or gas purchases. State for each year effected the gross revenues or costs to which the contingency relates and the tax effects together with an explanation of the major factors which affect the rights of the utility to retain such revenues or recover amounts paid with respect to power or gas purchases.
- Give concise explanations concerning significant amounts of any refunds made or received during the year resulting from settlement of any rate proceeding affecting revenues received or costs incurred for power or gas purches, and a summary of the adjustments made to balance sheet, income, and expense accounts.
- If any notes appearing in the report to stockholders are applicable to the Statement of Income, such notes may be included at page 122.
- Enter on page 122 a concise explanation of only those changes in accounting methods made during the year which had an effect on net income, including the basis of allocations and apportionments from those used in the preceding year. Also, give the appropriate dollar effect of such changes.
- Explain in a footnote if the previous year's/quarter's figures are different from that reported in prior reports.
- If the columns are insufficient for reporting additional utility departments, supply the appropriate account titles report the information in a footnote to this schedule.

Line No.	Title of Account (a)	Reference Page Number (b)	Total Current Year to Date Balance for Quarter/Year (c)	Total Prior Year to Date Balance for Quarter/Year (d)	Current Three Months Ended Quarterly Only No Fourth Quarter (e)	Prior Three Months Ended Quarterly Only No Fourth Quarter (f)
1	UTILITY OPERATING INCOME					
2	Gas Operating Revenues (400)	300-301	314,395,576	286,825,673	0	0
3	Operating Expenses					
4	Operation Expenses (401)	317-325	216,441,948	192,939,765	0	0
5	Maintenance Expenses (402)	317-325	8,302,734	8,005,146	0	0
6	Depreciation Expense (403)	336-338	29,230,448	26,303,413	0	0
7	Depreciation Expense for Asset Retirement Costs (403.1)	336-338	0	0	0	0
8	Amortization and Depletion of Utility Plant (404-405)	336-338	3,457,659	3,486,360	0	0
9	Amortization of Utility Plant Acu. Adjustment (406)	336-338	0	0	0	0
10	Amort. of Prop. Losses, Unrecovered Plant and Reg. Study Costs (407.1)		0	0	0	0
11	Amortization of Conversion Expenses (407.2)		0	0	0	0
12	Regulatory Debits (407.3)		0	0	0	0
13	(Less) Regulatory Credits (407.4)		0	0	0	0
14	Taxes Other than Income Taxes (408.1)	262-263	30,542,472	28,430,305	0	0
15	Income Taxes-Federal (409.1)	262-263	(11,525,498)	(5,420,218)	0	0
16	Income Taxes-Other (409.1)	262-263	(941,388)	(461,582)	0	0
17	Provision of Deferred Income Taxes (410.1)	234-235	45,039,725	17,131,551	0	0
18	(Less) Provision for Deferred Income Taxes-Credit (411.1)	234-235	33,563,613	10,752,441	0	0
19	Investment Tax Credit Adjustment-Net (411.4)		(42,019)	(42,184)	0	0
20	(Less) Gains from Disposition of Utility Plant (411.6)		0	0	0	0
21	Losses from Disposition of Utility Plant (411.7)		0	0	0	0
22	(Less) Gains from Disposition of Allowances (411.8)		0	0	0	0
23	Losses from Disposition of Allowances (411.9)		0	0	0	0
24	Accretion Expense (411.10)		0	0	0	0
25	TOTAL Utility Operating Expenses (Total of lines 4 thru 24)		286,942,468	259,620,115	0	0
26	Net Utility Operating Income (Total of lines 2 less 25) (Carry forward to page 116, line 27)		27,453,108	27,205,558	0	0

Statement of Income

Line No.	Elec. Utility Current Year to Date (in dollars) (g)	Elec. Utility Previous Year to Date (in dollars) (h)	Gas Utility Current Year to Date (in dollars) (i)	Gas Utility Previous Year to Date (in dollars) (j)	Other Utility Current Year to Date (in dollars) (k)	Other Utility Previous Year to Date (in dollars) (l)
1						
2	0	0	314,395,576	286,825,673	0	0
3						
4	0	0	216,441,948	192,939,765	0	0
5	0	0	8,302,734	8,005,146	0	0
6	0	0	29,230,448	26,303,413	0	0
7	0	0	0	0	0	0
8	0	0	3,457,659	3,486,360	0	0
9	0	0	0	0	0	0
10	0	0	0	0	0	0
11	0	0	0	0	0	0
12	0	0	0	0	0	0
13	0	0	0	0	0	0
14	0	0	30,542,472	28,430,305	0	0
15	0	0	(11,525,498)	(5,420,218)	0	0
16	0	0	(941,388)	(461,582)	0	0
17	0	0	45,039,725	17,131,551	0	0
18	0	0	33,563,613	10,752,441	0	0
19	0	0	(42,019)	(42,184)	0	0
20	0	0	0	0	0	0
21	0	0	0	0	0	0
22	0	0	0	0	0	0
23	0	0	0	0	0	0
24	0	0	0	0	0	0
25	0	0	286,942,468	259,620,115	0	0
26	0	0	27,453,108	27,205,558	0	0

Statement of Income(continued)

Line No.	Title of Account (a)	Reference Page Number (b)	Total Current Year to Date Balance for Quarter/Year (c)	Total Prior Year to Date Balance for Quarter/Year (d)	Current Three Months Ended Quarterly Only No Fourth Quarter (e)	Prior Three Months Ended Quarterly Only No Fourth Quarter (f)
27	Net Utility Operating Income (Carried forward from page 114)		27,453,108	27,205,558	0	0
28	OTHER INCOME AND DEDUCTIONS					
29	Other Income					
30	Nonutility Operating Income					
31	Revenues form Merchandising, Jobbing and Contract Work (415)		0	0	0	0
32	(Less) Costs and Expense of Merchandising, Job & Contract Work (416)		0	0	0	0
33	Revenues from Nonutility Operations (417)		8,174	8,687	0	0
34	(Less) Expenses of Nonutility Operations (417.1)		0	0	0	0
35	Nonoperating Rental Income (418)		0	0	0	0
36	Equity in Earnings of Subsidiary Companies (418.1)	119	0	0	0	0
37	Interest and Dividend Income (419)		5,013,882	513,668	0	0
38	Allowance for Other Funds Used During Construction (419.1)		(105)	47,519	0	0
39	Miscellaneous Nonoperating Income (421)		4,734	25,876	0	0
40	Gain on Disposition of Property (421.1)		934	0	0	0
41	TOTAL Other Income (Total of lines 31 thru 40)		5,027,619	595,750	0	0
42	Other Income Deductions					
43	Loss on Disposition of Property (421.2)		0	0	0	0
44	Miscellaneous Amortization (425)		0	0	0	0
45	Donations (426.1)	340	251,619	147,336	0	0
46	Life Insurance (426.2)		(783,273)	452,957	0	0
47	Penalties (426.3)		94	51	0	0
48	Expenditures for Certain Civic, Political and Related Activities (426.4)		306,254	165,577	0	0
49	Other Deductions (426.5)		1,556	615,677	0	0
50	TOTAL Other Income Deductions (Total of lines 43 thru 49)	340	(223,750)	1,381,598	0	0
51	Taxes Applic. to Other Income and Deductions					
52	Taxes Other than Income Taxes (408.2)	262-263	1,072	1,145	0	0
53	Income Taxes-Federal (409.2)	262-263	587,143	(244,676)	0	0
54	Income Taxes-Other (409.2)	262-263	(89,093)	(27,118)	0	0
55	Provision for Deferred Income Taxes (410.2)	234-235	762,822	152,659	0	0
56	(Less) Provision for Deferred Income Taxes-Credit (411.2)	234-235	59,042	114,241	0	0
57	Investment Tax Credit Adjustments-Net (411.5)		0	0	0	0
58	(Less) Investment Tax Credits (420)		0	0	0	0
59	TOTAL Taxes on Other Income and Deductions (Total of lines 52-58)		1,202,902	(232,231)	0	0
60	Net Other Income and Deductions (Total of lines 41, 50, 59)		4,048,467	(553,617)	0	0
61	INTEREST CHARGES					
62	Interest on Long-Term Debt (427)		14,202,081	11,687,433	0	0
63	Amortization of Debt Disc. and Expense (428)	258-259	216,975	200,173	0	0
64	Amortization of Loss on Reacquired Debt (428.1)		40,971	40,971	0	0
65	(Less) Amortization of Premium on Debt-Credit (429)	258-259	0	0	0	0
66	(Less) Amortization of Gain on Reacquired Debt-Credit (429.1)		0	0	0	0
67	Interest on Debt to Associated Companies (430)	340	0	0	0	0
68	Other Interest Expense (431)	340	1,362,795	359,840	0	0
69	(Less) Allowance for Borrowed Funds Used During Construction-Credit (432)		649,294	291,153	0	0
70	Net Interest Charges (Total of lines 62 thru 69)		15,173,528	11,997,264	0	0
71	Income Before Extraordinary Items (Total of lines 27,60 and 70)		16,328,047	14,654,677	0	0
72	EXTRAORDINARY ITEMS					
73	Extraordinary Income (434)		0	0	0	0
74	(Less) Extraordinary Deductions (435)		0	0	0	0
75	Net Extraordinary Items (Total of line 73 less line 74)		0	0	0	0
76	Income Taxes-Federal and Other (409.3)	262-263	0	0	0	0
77	Extraordinary Items after Taxes (Total of line 75 less line 76)		0	0	0	0
78	Net Income (Total of lines 71 and 77)		16,328,047	14,654,677	0	0

Name of Respondent Cascade Natural Gas Corporation	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 12/31/2019	Year/Period of Report End of 2019/Q4
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STATEMENT OF INCOME (continued)

Line No.	Elec. Utility Current Year to Date (in dollars) (g)	Elec. Utility Previous Year to Date (in dollars) (h)	Gas Utility Current Year to Date (in dollars) (i)	Gas Utility Previous Year to Date (in dollars) (j)	Other Utility Current Year to Date (in dollars) (k)	Other Utility Previous Year to Date (in dollars) (l)
27	-	-	27,453,108	27,205,558	-	-
28						
29						
30						
31	-	-	-	-	-	-
32	-	-	-	-	-	-
33	-	-	8,174	8,687	-	-
34	-	-	-	-	-	-
35	-	-	-	-	-	-
36	-	-	-	-	-	-
37	-	-	5,013,882	513,668	-	-
38	-	-	(105)	47,519	-	-
39	-	-	4,734	25,876	-	-
40	-	-	934	-	-	-
41	-	-	5,027,619	595,750	-	-
42						
43			-	-		
44			-	-		
45			251,619	147,336		
46			(783,273)	452,957		
47			94	51		
48			306,254	165,577		
49	-	-	1,556	615,677	-	-
50	-	-	(223,750)	1,381,598	-	-
51						
52			1,072	1,145		
53	-	-	587,143	(244,676)	-	-
54	-	-	(89,093)	(27,118)	-	-
55	-	-	762,822	152,659	-	-
56	-	-	(59,042)	(114,241)	-	-
57	-	-	-	-	-	-
58	-	-	-	-	-	-
59	-	-	1,202,902	(232,231)	-	-
60	-	-	4,048,467	(553,617)	-	-
61						
62	-	-	14,202,081	11,687,433	-	-
63	-	-	216,975	200,173	-	-
64	-	-	40,971	40,971	-	-
65	-	-	-	-	-	-
66	-	-	-	-	-	-
67	-	-	-	-	-	-
68	-	-	1,362,795	359,840	-	-
69	-	-	(649,294)	(291,153)	-	-
70	-	-	15,173,528	11,997,264	-	-
71	-	-	16,328,047	14,654,677	-	-
72						
73	-	-	-	-	-	-
74	-	-	-	-	-	-
75	-	-	-	-	-	-
76	-	-	-	-	-	-
77	-	-	-	-	-	-
78	-	-	16,328,047	14,654,677	-	-

Statement of Accumulated Comprehensive Income and Hedging Activities

1. Report in columns (b) (c) and (e) the amounts of accumulated other comprehensive income items, on a net-of-tax basis, where appropriate.
2. Report in columns (f) and (g) the amounts of other categories of other cash flow hedges.
3. For each category of hedges that have been accounted for as "fair value hedges", report the accounts affected and the related amounts in a footnote.

Line No.	Item (a)	Unrealized Gains and Losses on available-for-sale securities (b)	Minimum Pension liability Adjustment (net amount) (c)	Foreign Currency Hedges (d)	Other Adjustments (e)
1	Balance of Account 219 at Beginning of Preceding Year				
2	Preceding Quarter/Year to Date Reclassifications from Account 219 to Net Income				
3	Preceding Quarter/Year to Date Changes in Fair Value		2,318,457		
4	Total (lines 2 and 3)		2,318,457		
5	Balance of Account 219 at End of Preceding Quarter/Year		2,318,457		
6	Balance of Account 219 at Beginning of Current Year		2,318,457		
7	Current Quarter/Year to Date Reclassifications from Account 219 to Net Income				
8	Current Quarter/Year to Date Changes in Fair Value		(243,015)		
9	Total (lines 7 and 8)		(243,015)		
10	Balance of Account 219 at End of Current Quarter/Year		2,075,442		

Statement of Retained Earnings

1. Report all changes in appropriated retained earnings, unappropriated retained earnings, and unappropriated undistributed subsidiary earnings for the year.
2. Each credit and debit during the year should be identified as to the retained earnings account in which recorded (Accounts 433, 436-439 inclusive). Show the contra primary account affected in column (b).
3. State the purpose and amount for each reservation or appropriation of retained earnings.
4. List first Account 439, Adjustments to Retained Earnings, reflecting adjustments to the opening balance of retained earnings. Follow by credit, then debit items, in that order.
5. Show dividends for each class and series of capital stock.

Line No.	Item (a)	Contra Primary Account Affected (b)	Current Quarter Year to Date Balance (c)	Previous Quarter Year to Date Balance (d)
	UNAPPROPRIATED RETAINED EARNINGS			
1	Balance-Beginning of Period		34,416,894	30,688,673
2	Changes (Identify by prescribed retained earnings accounts)			
3	Adjustments to Retained Earnings (Account 439)			
4	TOTAL Credits to Retained Earnings (Account 439) (footnote details)			(273,680)
5	TOTAL Debits to Retained Earnings (Account 439) (footnote details)			
6	Balance Transferred from Income (Acct 433 less Acct 418.1)		16,328,047	14,654,677
7	Appropriations of Retained Earnings (Account 436)			
8	TOTAL Appropriations of Retained Earnings (Account 436) (footnote details)			
9	Dividends Declared-Preferred Stock (Account 437)			
10	TOTAL Dividends Declared-Preferred Stock (Account 437) (footnote details)			
11	Dividends Declared-Common Stock (Account 438)			
12	TOTAL Dividends Declared-Common Stock (Account 438) (footnote details)		10,413,231	10,652,776
13	Transfers from Account 216.1, Unappropriated Undistributed Subsidiary Earnings			
14	Balance-End of Period (Total of lines 1, 4, 5, 6, 8, 10, 12, and 13)		40,331,710	34,416,894
15	APPROPRIATED RETAINED EARNINGS (Account 215)			
16	TOTAL Appropriated Retained Earnings (Account 215) (footnote details)			
17	APPROPRIATED RETAINED EARNINGS-AMORTIZATION RESERVE, FEDERAL (Account			
18	TOTAL Appropriated Retained Earnings-Amortization Reserve, Federal (Account			
19	TOTAL Appropriated Retained Earnings (Accounts 215, 215.1) (Total of lines			
20	TOTAL Retained Earnings (Accounts 215, 215.1, 216) (Total of lines 14 and 1		40,331,710	34,416,894
21	UNAPPROPRIATED UNDISTRIBUTED SUBSIDIARY EARNINGS (Account 216.1)			
	Report only on an Annual Basis no Quarterly			
22	Balance-Beginning of Year (Debit or Credit)			
23	Equity in Earnings for Year (Credit) (Account 418.1)			
24	(Less) Dividends Received (Debit)			
25	Other Changes (Explain)			
26	Balance-End of Year			

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Name of Respondent Cascade Natural Gas Corporation	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 12/31/2019	Year/Period of Report End of 2019/Q4
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Statement of Cash Flows

(1) Codes to be used:(a) Net Proceeds or Payments;(b)Bonds, debentures and other long-term debt; (c) Include commercial paper; and (d) Identify separately such items as investments, fixed assets, intangibles, etc.
(2) Information about noncash investing and financing activities must be provided in the Notes to the Financial statements. Also provide a reconciliation between "Cash and Cash Equivalents at End of Period" with related amounts on the Balance Sheet.
(3) Operating Activities - Other: Include gains and losses pertaining to operating activities only. Gains and losses pertaining to investing and financing activities should be reported in those activities. Show in the Notes to the Financials the amounts of interest paid (net of amount capitalized) and income taxes paid.
(4) Investing Activities: Include at Other (line 25) net cash outflow to acquire other companies. Provide a reconciliation of assets acquired with liabilities assumed in the Notes to the Financial Statements. Do not include on this statement the dollar amount of leases capitalized per the USofA General Instruction 20; instead provide a reconciliation of the dollar amount of leases capitalized with the plant cost.

Line No.	Description (See Instructions for explanation of codes) (a)	Current Year to Date Quarter/Year	Previous Year to Date Quarter/Year
1	Net Cash Flow from Operating Activities		
2	Net Income (Line 78(c) on page 116)	16,328,047	14,654,677
3	Noncash Charges (Credits) to Income:		
4	Depreciation and Depletion	32,688,107	29,789,773
5	Amortization of (Specify) (footnote details): Gas cost changes	(47,723,076)	(31,058,841)
6	Deferred Income Taxes (Net)	12,179,891	6,417,528
7	Investment Tax Credit Adjustments (Net)	(42,019)	(42,184)
8	Net (Increase) Decrease in Receivables	(4,164,376)	(4,695,510)
9	Net (Increase) Decrease in Inventory	(400,589)	481,096
10	Net (Increase) Decrease in Allowances Inventory		
11	Net Increase (Decrease) in Payables and Accrued Expenses	(12,162,567)	26,100,059
12	Net (Increase) Decrease in Other Regulatory Assets		
13	Net Increase (Decrease) in Other Regulatory Liabilities		
14	(Less) Allowance for Other Funds Used During Construction		
15	(Less) Undistributed Earnings from Subsidiary Companies		
16	Other (footnote details): Net change in other deferred balances	(4,561,866)	(9,240,144)
17	Net Cash Provided by (Used in) Operating Activities		
18	(Total of Lines 2 thru 16)	(7,858,448)	32,406,454
19			
20	Cash Flows from Investment Activities:		
21	Construction and Acquisition of Plant (including land):		
22	Gross Additions to Utility Plant (less nuclear fuel)	(104,533,294)	(86,201,261)
23	Gross Additions to Nuclear Fuel		
24	Gross Additions to Common Utility Plant		
25	Gross Additions to Nonutility Plant		
26	(Less) Allowance for Other Funds Used During Construction	(105)	47,519
27	Other (footnote details): Net increase in customer advances for construction	(120,314)	(171,617)
28	Cash Outflows for Plant (Total of lines 22 thru 27)	(104,653,503)	(86,420,397)
29			
30	Acquisition of Other Noncurrent Assets (d)		
31	Proceeds from Disposal of Noncurrent Assets (d)	(1,906,236)	67,301
32			
33	Investments in and Advances to Assoc. and Subsidiary Companies		
34	Contributions and Advances from Assoc. and Subsidiary Companies		
35	Disposition of Investments in (and Advances to)		
36	Associated and Subsidiary Companies	(934)	
37			
38	Purchase of Investment Securities (a)		
39	Proceeds from Sales of Investment Securities (a)		

Statement of Cash Flows (continued)

Line No.	Description (See Instructions for explanation of codes) (a)	Current Year to Date Quarter/Year	Previous Year to Date Quarter/Year
40	Loans Made or Purchased		
41	Collections on Loans		
42			
43	Net (Increase) Decrease in Receivables		
44	Net (Increase) Decrease in Inventory		
45	Net (Increase) Decrease in Allowances Held for Speculation		
46	Net Increase (Decrease) in Payables and Accrued Expenses		
47	Other (footnote details): SERP Assets	104,082	(672,266)
48	Net Cash Provided by (Used in) Investing Activities		
49	(Total of lines 28 thru 47)	(106,456,591)	(87,025,362)
50			
51	Cash Flows from Financing Activities:		
52	Proceeds from Issuance of:		
53	Long-Term Debt (b)	85,034,707	36,550,000
54	Preferred Stock		
55	Common Stock	44,000,000	30,000,000
56	Other (footnote details):		(37,702)
57	Net Increase in Short-term Debt (c)		
58	Other (footnote details):		
59	Cash Provided by Outside Sources (Total of lines 53 thru 58)	129,034,707	66,512,298
60			
61	Payments for Retirement of:		
62	Long-Term Debt (b)	(147,000)	(70,000)
63	Preferred Stock		
64	Common Stock		(397,761)
65	Other (footnote details):		
66	Net Decrease in Short-Term Debt (c)		
67			
68	Dividends on Preferred Stock		
69	Dividends on Common Stock	(10,880,000)	(10,950,000)
70	Net Cash Provided by (Used in) Financing Activities		
71	(Total of lines 59 thru 69)	118,007,707	55,094,537
72			
73	Net Increase (Decrease) in Cash and Cash Equivalents		
74	(Total of line 18, 49 and 71)	3,692,668	475,629
75			
76	Cash and Cash Equivalents at Beginning of Period	3,204,309	2,728,680
77			
78	Cash and Cash Equivalents at End of Period	6,896,977	3,204,309

Name of Respondent Cascade Natural Gas Corporation	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 12/31/2019	Year/Period of Report 2019/Q4
Notes to Financial Statements			

1. Provide important disclosures regarding the Balance Sheet, Statement of Income for the Year, Statement of Retained Earnings for the Year, and Statement of Cash Flow, or any account thereof. Classify the disclosures according to each financial statement, providing a subheading for each statement except where a disclosure is applicable to more than one statement. The disclosures must be on the same subject matters and in the same level of detail that would be required if the respondent issued general purpose financial statements to the public or shareholders.
2. Furnish details as to any significant contingent assets or liabilities existing at year end, and briefly explain any action initiated by the Internal Revenue Service involving possible assessment of additional income taxes of material amount, or a claim for refund of income taxes of a material amount initiated by the utility. Also, briefly explain any dividends in arrears on cumulative preferred stock.
3. Furnish details on the respondent's pension plans, post-retirement benefits other than pensions (PBOP) plans, and post-employment benefit plans as required by instruction no. 1 and, in addition, disclose for each individual plan the current year's cash contributions. Furnish details on the accounting for the plans and any changes in the method of accounting for them. Include details on the accounting for transition obligations or assets, gains or losses, the amounts deferred and the expected recovery periods. Also, disclose any current year's plan or trust curtailments, terminations, transfers, or reversions of assets. Entities that participate in multiemployer postretirement benefit plans (e.g. parent company sponsored pension plans) disclose in addition to the required disclosures for the consolidated plan, (1) the amount of cost recognized in the respondent's financial statements for each plan for the period presented, and (2) the basis for determining the respondent's share of the total plan costs.
4. Furnish details on the respondent's asset retirement obligations (ARO) as required by instruction no. 1 and, in addition, disclose the amounts recovered through rates to settle such obligations. Identify any mechanism or account in which recovered funds are being placed (i.e. trust funds, insurance policies, surety bonds). Furnish details on the accounting for the asset retirement obligations and any changes in the measurement or method of accounting for the obligations. Include details on the accounting for settlement of the obligations and any gains or losses expected or incurred on the settlement.
5. Provide a list of all environmental credits received during the reporting period.
6. Provide a summary of revenues and expenses for each tracked cost and special surcharge.
7. Where Account 189, Unamortized Loss on Reacquired Debt, and 257, Unamortized Gain on Reacquired Debt, are not used, give an explanation, providing the rate treatment given these item. See General Instruction 17 of the Uniform System of Accounts.
8. Explain concisely any retained earnings restrictions and state the amount of retained earnings affected by such restrictions.
9. Disclose details on any significant financial changes during the reporting year to the respondent or the respondent's consolidated group that directly affect the respondent's gas pipeline operations, including: sales, transfers or mergers of affiliates, investments in new partnerships, sales of gas pipeline facilities or the sale of ownership interests in the gas pipeline to limited partnerships, investments in related industries (i.e., production, gathering), major pipeline investments, acquisitions by the parent corporation(s), and distributions of capital.
10. Explain concisely unsettled rate proceedings where a contingency exists such that the company may need to refund a material amount to the utility's customers or that the utility may receive a material refund with respect to power or gas purchases. State for each year affected the gross revenues or costs to which the contingency relates and the tax effects and explain the major factors that affect the rights of the utility to retain such revenues or to recover amounts paid with respect to power and gas purchases.
11. Explain concisely significant amounts of any refunds made or received during the year resulting from settlement of any rate proceeding affecting revenues received or costs incurred for power or gas purchases, and summarize the adjustments made to balance sheet, income, and expense accounts.
12. Explain concisely only those significant changes in accounting methods made during the year which had an effect on net income, including the basis of allocations and apportionments from those used in the preceding year. Also give the approximate dollar effect of such changes.
13. For the 3Q disclosures, respondent must provide in the notes sufficient disclosures so as to make the interim information not misleading. Disclosures which would substantially duplicate the disclosures contained in the most recent FERC Annual Report may be omitted.
14. For the 3Q disclosures, the disclosures shall be provided where events subsequent to the end of the most recent year have occurred which have a material effect on the respondent. Respondent must include in the notes significant changes since the most recently completed year in such items as: accounting principles and practices; estimates inherent in the preparation of the financial statements; status of long-term contracts; capitalization including significant new borrowings or modifications of existing financing agreements; and changes resulting from business combinations or dispositions. However were material contingencies exist, the disclosure of such matters shall be provided even though a significant change since year end may not have occurred.
15. Finally, if the notes to the financial statements relating to the respondent appearing in the annual report to the stockholders are applicable and furnish the data required by the above instructions, such notes may be included herein.

The accompanying notes relate to MDU Energy Capital, LLC and its subsidiary companies, while the financial statements in this FORM 2 Report reflect only the unconsolidated statements of Cascade Natural Gas Corporation. Cascade's subsidiary companies were dissolved as of 12/31/08 and do not have a material effect on the Notes to the Financial Statements.

MDU ENERGY CAPITAL, LLC
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
Years ended December 31, 2019 and 2018

Definitions

The following abbreviations and acronyms used in these Financial Statements and Notes are defined below:

Abbreviation or Acronym

AFUDC	Allowance for funds used during construction
ARO	Asset retirement obligation
ASC	FASB Accounting Standards Codification
ASU	FASB Accounting Standards Update
Big Stone Station	475-MW coal-fired electric generating facility near Big Stone City, South Dakota (22.7 percent ownership)
BSSE	345-kilovolt transmission line from Ellendale, North Dakota, to Big Stone City, South Dakota (50 percent ownership)
Cascade	Cascade Natural Gas Corporation, a direct wholly owned subsidiary of PCEH
Company	MDU Energy Capital, LLC, a direct wholly owned subsidiary of MDU
Coyote Creek	Coyote Creek Mining Company, LLC, a subsidiary of The North American Coal Corporation
Coyote Station	427-MW coal-fired electric generating facility near Beulah, North Dakota (25 percent ownership)
EBITDA	Earnings before interest, taxes, depreciation and amortization
EIN	Employer Identification Number
EPA	U.S. Environmental Protection Agency
FASB	Financial Accounting Standards Board
FERC	Federal Energy Regulatory Commission
FIP	Funding improvement plan
GAAP	Accounting principles generally accepted in the United States of America
Great Plains	Great Plains Natural Gas Co., a public utility division of Montana-Dakota
Holding Company Reorganization	The internal holding company reorganization completed on January 1, 2019, pursuant to the agreement and plan of merger, dated as of December 31, 2018, by and among Montana-Dakota, MDU and MDUR Newco Sub, which resulted in MDU becoming a holding company and owning all of the outstanding capital stock of Montana-Dakota
Intermountain	Intermountain Gas Company, a direct wholly owned subsidiary of PIEH
IPUC	Idaho Public Utilities Commission
MDU	MDU Resources Group, Inc.
MISO	Midcontinent Independent System Operator, Inc.
MNPUC	Minnesota Public Utilities Commission
Montana-Dakota	Montana-Dakota Utilities Co., a direct wholly owned subsidiary of the Company
MTPSC	Montana Public Service Commission

MDU ENERGY CAPITAL, LLC
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
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MW	Megawatt
NDPSC	North Dakota Public Service Commission
OPUC	Oregon Public Utility Commission
PCEH	Prairie Cascade Energy Holdings, LLC, a direct wholly owned subsidiary of the Company
PIEH	Prairie Intermountain Energy Holdings, LLC, a direct wholly owned subsidiary of the Company
PRP	Potentially Responsible Party
RP	Rehabilitation plan
SDPUC	South Dakota Public Utilities Commission
SEC	United States Securities and Exchange Commission
TCJA	Tax Cuts and Jobs Act
Washington DOE	Washington State Department of Ecology
WUTC	Washington Utilities and Transportation Commission
Wygen III	100-MW coal-fired electric generating facility near Gillette, Wyoming (25 percent ownership)
WYPSC	Wyoming Public Service Commission

MDU ENERGY CAPITAL, LLC
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
Years ended December 31, 2019 and 2018

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of presentation

The Company is incorporated under the laws of the state of Delaware and is a direct wholly owned subsidiary of MDU. The Company is parent to the following regulated businesses: Montana-Dakota, and its division Great Plains, PCEH, and its wholly owned subsidiary Cascade, and PIEH, and its wholly owned subsidiary Intermountain. On January 2, 2019, MDU announced the completion of the Holding Company Reorganization, which resulted in Montana-Dakota and Great Plains becoming a subsidiary of the Company.

The Company's natural gas distribution operations sell natural gas at retail and provide natural gas transportation services. Montana-Dakota's electric operation generates, transmits, and distributes electricity. The Company provides service to approximately 143,000 electric and 978,000 residential, commercial and industrial gas customers in 458 communities. The Montana-Dakota service territory consists of towns in Montana, North Dakota, South Dakota, and Wyoming. Great Plains distributes natural gas in western Minnesota and southeastern North Dakota. The Cascade service territory consists of towns in western, southeastern and south-central Washington and central and eastern Oregon. The Intermountain service territory is located solely in southern Idaho, encompassing communities located across the Snake River Plain. Montana-Dakota is subject to regulation by the FERC, NDPSC, MTPSC, SDPUC, and WYPSC. Great Plains is subject to regulation by the MNPUC and the NDPSC. Cascade is subject to regulation by the WUTC and the OPUC. Intermountain is subject to regulation by the IPUC. These markets tend to be seasonal and sales to residential and commercial customers are influenced by fluctuations in temperature, particularly during the winter season for the natural gas operations and during the summer season for the electric operation. Consumption is also influenced by the energy efficiency of customers' appliances, as well as consumer decisions to reduce natural gas and electric usage in response to higher prices.

The consolidated financial statements and disclosures of the Company are presented in accordance with GAAP. Intercompany balances and transactions have been eliminated in consolidation, except for certain transactions that fall under regulatory accounting in accordance with GAAP. The statements also include the ownership interests in the assets, liabilities and expenses of jointly owned electric transmission and generating facilities. The accounting policies followed by the Company's subsidiaries are generally subject to the Uniform System of Accounts of the FERC.

The Company's subsidiaries account for certain income and expense items under the provisions of regulatory accounting, which requires these businesses to defer as regulatory assets or liabilities certain items that would have otherwise been reflected as expense or income, respectively, based on the expected regulatory treatment in future rates. The expected recovery or flowback of these deferred items generally is based on specific ratemaking decisions or precedent for each item. Regulatory assets and liabilities are being amortized consistently with the regulatory treatment established by the FERC and the applicable state public service commissions. See Note 5 for more information regarding the nature and amounts of these regulatory deferrals.

On December 22, 2017, President Trump signed into law the TCJA which includes lower corporate tax rates, disallowance of immediate expensing for regulated utility property and modifying or repealing many other business deductions and credits. The reduction in the corporate tax rate was effective on January 1, 2018. The effects of the change in tax laws or rates must be accounted for in the period of enactment, which resulted in the Company making reasonable estimates of the impact of the reduction in corporate tax rate on the

MDU ENERGY CAPITAL, LLC
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
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Company's net deferred tax liabilities during the fourth quarter of 2017. The SEC issued, and the FASB adopted, rules that allowed for a measurement period of up to one year after the enactment date of the TCJA to finalize the recording of the related tax impacts. At December 31, 2018, the Company finalized the estimates from the fourth quarter of 2017 and no material adjustments were recorded to income from continuing operations during the twelve months ended December 31, 2018.

Effective January 1, 2019, the Company early adopted the requirements of the ASU on leases, as further discussed in this note, as well as in Note 3. As such, results for reporting periods beginning January 1, 2019, are presented under the new guidance, while prior period amounts are not adjusted and continue to be reported in accordance with the historic accounting for leases.

Management has also evaluated the impact of events occurring after December 31, 2019, up to the date of the issuance of these consolidated financial statements on March 30, 2020, that would require recognition or disclosure in the financial statements.

Cash and cash equivalents

The Company considers all highly liquid investments purchased with an original maturity of three months or less to be cash equivalents.

Accounts receivable and allowance for doubtful accounts

Accounts receivable consists primarily of trade receivables from the sale of goods and services which are recorded at the invoiced amount net of allowance for doubtful accounts. The total balance of receivables past due 90 days or more was \$1.6 million and \$1.2 million as of December 31, 2019 and 2018, respectively.

The allowance for doubtful accounts is determined through a review of past due balances and other specific account data. Account balances are written off when management determines the amounts to be uncollectible. The Company's allowance for doubtful accounts at December 31, 2019 and 2018 was \$1.4 million and \$1.5 million, respectively.

Accounts receivable also consists of accrued unbilled revenue representing revenues recognized in excess of amounts billed. Accrued unbilled revenue at the Company was \$100.8 million and \$96.2 million at December 31, 2019 and 2018, respectively.

Inventories and natural gas in storage

Natural gas in storage is valued at lower of cost or market using the last-in, first-out method at Montana-Dakota and Great Plains; and, the lower of cost or net realizable value using the first-in, first-out method at Cascade and the average cost method at Intermountain. The majority of other inventories are valued at lower of cost or net realizable value using the average cost method. The portion of the cost of natural gas in storage expected to be used within 12 months was included in inventories. Inventories at December 31 consisted of:

MDU ENERGY CAPITAL, LLC
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
Years ended December 31, 2019 and 2018

	2019	2018
	(In thousands)	
Natural gas in storage (current) \$	17,019	\$ 16,112
Other	4,559	4,785
Total	\$ 21,578	\$ 20,897

The remainder of natural gas in storage, which largely represents the cost of gas required to maintain pressure levels for normal operating purposes was included in deferred charges and other assets – other and was \$1.6 million and \$1.7 million at December 31, 2019 and 2018, respectively.

Investments

The Company's investments include the cash surrender value of life insurance policies, an insurance contract, and other miscellaneous investments. The Company measures its investment in the insurance contract at fair value with any unrealized gains and losses recorded on the Consolidated Statements of Income. The Company has not elected the fair value option for its other investments. For more information, see Notes 6 and 11.

Property, plant and equipment

Additions to property, plant and equipment are recorded at cost. When regulated assets are retired, or otherwise disposed of in the ordinary course of business, the original cost of the asset is charged to accumulated depreciation. With respect to the retirement or disposal of all other assets, the resulting gains or losses are recognized as a component of income. The Company is permitted to capitalize AFUDC on regulated construction projects and to include such amounts in rate base when the related facilities are placed in service. The amount of AFUDC for the years ended December 31 were as follows:

	2019	2018
	(In thousands)	
AFUDC - borrowed	\$ 2,535	\$ 1,943
AFUDC - equity	\$ 669	\$ 1,074

Property, plant and equipment are depreciated on a straight-line basis over the average useful lives of the assets. The Company collects removal costs for plant assets in regulated utility rates. These amounts are recorded as regulatory liabilities, which are included in deferred credits and other liabilities - other.

MDU ENERGY CAPITAL, LLC
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
Years ended December 31, 2019 and 2018

Property, plant and equipment at December 31 was as follows:

	2019	2018	Weighted Average Depreciable Life in Years
<i>(Dollars in thousands, where applicable)</i>			
Electric:			
Generation	\$ 1,139,059	\$ 1,131,484	48
Distribution	443,780	430,750	46
Transmission	445,485	302,315	65
Construction in progress	66,664	161,893	-
Other	132,157	122,127	15
Natural Gas:			
Distribution	\$ 2,133,249	\$ 1,981,356	47
Transmission	104,401	104,518	52
Storage	31,484	29,111	24
General	191,446	186,478	14
Other	188,037	176,601	14
Construction in progress	39,506	21,028	-
Less: accumulated depreciation and amortization	1,552,325	1,450,961	
Net property, plant and equipment	\$ 3,362,943	\$ 3,196,700	

Impairment of long-lived assets

The Company reviews the carrying values of its long-lived assets, excluding goodwill, whenever events or changes in circumstances indicate that such carrying values may not be recoverable. The determination of whether an impairment has occurred is based on an estimate of undiscounted future cash flows attributable to the assets, compared to the carrying value of the assets. If impairment has occurred, the amount of the impairment recognized is determined by estimating the fair value of the assets and recording a loss if the carrying value is greater than the fair value. No impairment losses were recorded in 2019 and 2018. Unforeseen events and changes in circumstances could require the recognition of impairment losses at some future date.

Leases

Lease liabilities and their corresponding right-of-use assets are recorded based on the present value of lease payments over the expected lease term. The Company recognizes leases with an original lease term of 12 months or less in income on a straight-line basis over the term of the lease and does not recognize a corresponding right-of-use asset or lease liability. The Company determines the lease term based on the non-cancelable and cancelable periods in each contract. The non-cancelable period consists of the term of the contract that is legally enforceable and cannot be canceled by either party without incurring a significant

MDU ENERGY CAPITAL, LLC
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
Years ended December 31, 2019 and 2018

penalty. The cancelable period is determined by various factors that are based on who has the right to cancel a contract. If only the lessor has the right to cancel the contract, the Company will assume the contract will continue. If the lessee is the only party that has the right to cancel the contract, the Company looks to asset, entity and market-based factors. If both the lessor and the lessee have the right to cancel the contract, the Company assumes the contract will not continue.

The discount rate used to calculate the present value of the lease liabilities is based upon the implied rate within each contract. If the rate is unknown or cannot be determined, the Company uses an incremental borrowing rate, which is determined by the length of the contract, asset class and the Company's borrowing rates, as of the commencement date of the contract.

Regulatory assets and liabilities

The Company accounts for certain income and expense items under the provisions of regulatory accounting, which requires the Company to defer as regulatory assets or liabilities certain items that would have otherwise been reflected as expense or income. The Company records regulatory assets or liabilities at the time the Company determines the amounts to be recoverable in current or future rates.

Goodwill

Goodwill represents the excess of the purchase price over the fair value of identifiable net tangible and intangible assets acquired in a business combination. Goodwill is required to be tested for impairment annually, which the Company completes in the fourth quarter, or more frequently if events or changes in circumstances indicate that goodwill may be impaired. The Company has determined that the reporting units for its goodwill impairment test are its operating segments, or components of an operating segment, that constitute a business for which discrete financial information is available and for which segment management regularly reviews the operating results.

Goodwill impairment, if any, is measured by comparing the fair value of each reporting unit to its carrying value. If the fair value of a reporting unit exceeds its carrying value, the goodwill of the reporting unit is not impaired. If the carrying value of a reporting unit exceeds its fair value, the Company must record an impairment loss for the amount that the carrying value of the reporting unit, including goodwill, exceeds the fair value of the reporting unit. For the years ended December 31, 2019 and 2018, there were no impairment losses recorded. At December 31, 2019, the fair value substantially exceeded the carrying value of its reporting units.

Determining the fair value of a reporting unit requires judgment and the use of significant estimates which include assumptions about the Company's future revenue, profitability and cash flows, amount and timing of estimated capital expenditures, inflation rates, risk adjusted capital cost, operational plans, and current and future economic conditions, among others. The fair value of each reporting unit is determined using a weighted combination of income and market approaches. The Company uses a discounted cash flow methodology for its income approach. Under the income approach, the discounted cash flow model determines fair value based on the present value of projected cash flows over a specified period and a residual value related to future cash flows beyond the projection period. Both values are discounted using a rate which reflects the best estimate of the risk adjusted capital cost at each reporting unit. Risk adjusted capital cost of 4.0 percent, and a long-term growth rate projection of 1.7 percent were utilized in the goodwill impairment test performed in the fourth quarter of 2019. Under the market approach, the Company estimates fair value

MDU ENERGY CAPITAL, LLC
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using various multiples derived from enterprise value to EBITDA for comparative peer companies for each respective reporting unit. These multiples are applied to operating data for each reporting unit to arrive at an indication of fair value. In addition, the Company adds a reasonable control premium when calculating the fair value utilizing the peer multiples, which is estimated as the premium that would be received in a sale in an orderly transaction between market participants. The Company believes that the estimates and assumptions used in its impairment assessments are reasonable and based on available market information.

Revenue recognition

Revenue is recognized when a performance obligation is satisfied by transferring control over a product or service to a customer. Revenue is measured based on consideration specified in a contract with a customer, and excludes any sales incentives and amounts collected on behalf of third parties. The Company is considered an agent for certain taxes collected from customers. As such, the Company presents revenues net of these taxes at the time of sale to be remitted to governmental authorities, including sales and use taxes.

The Company generates revenue from the sales of electric and natural gas products and services, which includes retail and transportation services. The Company establishes a customer's retail or transportation service account based on the customer's application/contract for service, which indicates approval of a contract for service. The contract identifies an obligation to provide service in exchange for delivering or standing ready to deliver the identified commodity; and the customer is obligated to pay for the service as provided in the applicable tariff. The product sales are based on a fixed rate that includes a base and per-unit rate, which are included in approved tariffs as determined by state or federal regulatory agencies. The quantity of the commodity consumed or transported determines the total per-unit revenue. The service provided, along with the product consumed or transported, are a single performance obligation because both are required in combination to successfully transfer the contracted product or service to the customer. Revenues are recognized over time as customers receive and consume the products and services. The method of measuring progress toward the completion of the single performance obligation is on a per-unit output method basis, with revenue recognized based on the direct measurement of the value to the customer of the goods or services transferred to date. For contracts governed by the Company's utility tariffs, amounts are billed monthly with the amount due between 15 and 22 days of receipt of the invoice depending on the applicable state's tariff. For other contracts not governed by tariff, payment terms are net 30 days. At this time, the Company has no material obligations for returns, refunds or other similar obligations.

The Company recognizes all other revenues when services are rendered or goods are delivered.

Asset retirement obligations

The Company records the fair value of a liability for an asset retirement obligation in the period in which it is incurred. When the liability is initially recorded, the Company capitalizes a cost by increasing the carrying amount of the related long-lived asset. Over time, the liability is accreted to its present value each period and the capitalized cost is depreciated over the useful life of the related asset. Upon settlement of the liability, the Company either settles the obligation for the recorded amount or incurs a regulatory asset or liability.

Legal costs

The Company expenses external legal fees as they are incurred.

Natural gas costs recoverable or refundable through rate adjustments

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Under the terms of certain orders of the applicable state public service commissions, the Company is deferring natural gas commodity, transportation and storage costs that are greater or less than amounts presently being recovered through its existing rate schedules. Such orders generally provide that these amounts are recoverable or refundable through rate adjustments within a period ranging from 12 to 36 months from the time such costs are paid. Natural gas costs refundable through rate adjustments were \$23.8 million and \$30.0 million at December 31, 2019 and 2018, respectively. Natural gas costs recoverable through rate adjustments were \$89.2 million and \$42.7 million at December 31, 2019 and 2018, respectively.

Income taxes

MDU and its subsidiaries file consolidated federal income tax returns and combined and separate state income tax returns. Pursuant to the tax sharing agreement that exists between MDU and its subsidiaries, federal income taxes paid by MDU, as parent of the consolidated group, are allocated to the individual subsidiaries based on the ratio of the separate company computations of tax. MDU makes a similar allocation for state income taxes paid in connection with combined state filings. The Company provides deferred federal and state income taxes on all temporary differences between the book and tax basis of the Company's assets and liabilities by using enacted tax rates in effect for the year in which the differences are expected to reverse. The effect of a change in tax rates on deferred tax assets and liabilities is recognized in income in the period that includes the enactment date. Excess deferred income tax balances associated with the Company's rate-regulated activities have been recorded as a regulatory liability and are included in deferred credits and other liabilities. These regulatory liabilities are expected to be reflected as a reduction in future rates charged to customers in accordance with applicable regulatory procedures.

Consistent with orders and directives of the IPUC, Intermountain does not provide state deferred income tax expense for certain income tax temporary differences and instead recognizes the tax impact currently (commonly referred to as flow-through accounting) for ratemaking and financial reporting. Therefore, the Company's effective income tax rate is impacted as these differences arise and reverse.

The Company uses the deferral method of accounting for investment tax credits and amortizes the credits on regulated electric and natural gas distribution plant over various periods that conform to the ratemaking treatment prescribed by the applicable state public service commissions.

The Company records uncertain tax positions in accordance with accounting guidance on accounting for income taxes on the basis of a two-step process in which (1) the Company determines whether it is more-likely-than-not that the tax position will be sustained on the basis of the technical merits of the position and (2) for those tax positions that meet the more-likely-than-not recognition threshold, the Company recognizes the largest amount of the tax benefit that is more than 50 percent likely to be realized upon ultimate settlement with the related tax authority. Tax positions that do not meet the more-likely-than-not criteria are reflected as a tax liability. The Company recognizes interest and penalties accrued related to unrecognized tax benefits in income taxes.

Use of estimates

The preparation of financial statements in conformity with GAAP requires the Company to make estimates and assumptions that affect the reported amounts of assets and liabilities, and disclosure of contingent assets and liabilities at the date of the financial statements, as well as the reported amounts of revenues and expenses during the reporting period. Estimates are used for items such as long-lived assets and goodwill; property

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depreciable lives; tax provisions; uncollectible accounts; environmental and other loss contingencies; regulatory assets expected to be recovered in rates charged to customers; unbilled revenues; actuarially determined benefit costs; asset retirement obligations; lease classification; present value of right-of-use assets and lease liabilities; and the valuation of stock-based compensation. As additional information becomes available, or actual amounts are determinable, the recorded estimates are revised. Consequently, operating results can be affected by revisions to prior accounting estimates.

New accounting standards

Recently adopted accounting standards

ASU 2016-02 - Leases In February 2016, the FASB issued this ASU guidance relating to ASC 842 - *Leases*. The guidance required lessees to recognize a lease liability and a right-of-use asset on the balance sheet for operating and financing leases. The guidance remained largely the same for lessors, although some changes were made to better align lessor accounting with the new lessee accounting and to align with the revenue recognition standard. The guidance also required additional disclosures, both quantitative and qualitative, related to operating and financing leases for the lessee and sales-type, direct financing and operating leases for the lessor. The Company early adopted the standard on January 1, 2019.

In July 2018, the FASB issued ASU 2018-11 - *Leases: Targeted Improvements*, an accounting standard update to ASU 2016-02. This ASU provided an entity the option to adopt the guidance using one of two modified retrospective approaches. An entity could adopt the guidance using the modified retrospective transition approach beginning in the earliest year presented in the financial statements. This method of adoption would have required the restatement of prior periods reported and the presentation of lease disclosures under the new guidance for all periods reported. The additional transition method of adoption, introduced by ASU 2018-11, allowed entities the option to apply the guidance on the date of adoption by recognizing a cumulative effect adjustment to retained earnings during the period of adoption and did not require prior comparative periods to be restated.

The Company early adopted the standard on January 1, 2019, utilizing the additional transition method of adoption applied on the date of adoption and the practical expedient that allowed the Company to not reassess whether an expired or existing contract contained a lease, the classification of leases or initial direct costs. The Company did not identify any cumulative effect adjustments. The Company also adopted a short-term leasing policy as the lessee where leases with a term of 12 months or less are not included on the Consolidated Balance Sheet.

As a practical expedient, a lessee may choose not to separate nonlease components from lease components and instead account for lease and nonlease components as a single lease component. The election shall be made by asset class. The Company has elected to adopt the lease/nonlease component practical expedient for all asset classes as the lessee. The Company did not elect the practical expedient to use hindsight when assessing the lease term or impairment of right-of-use assets for the existing leases on the date of adoption. In January 2018, the FASB issued a practical expedient for land easements under the new lease guidance. The practical expedient permits an entity to elect the option to not evaluate land easements under the new guidance if they existed or expired before the adoption of the new lease guidance and were not previously accounted for as leases under the previous lease guidance. Once an entity adopts the new guidance, the entity should apply the new guidance on a prospective basis to all new or modified land easements. The Company has adopted this practical expedient.

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The Company formed a lease implementation team to review and assess existing contracts to identify and evaluate those containing leases. Additionally, the team implemented new and revised existing software to meet the reporting and disclosure requirements of the standard. The Company also assessed the impact the standard had on its processes and internal controls and identified new and updated existing internal controls and processes to ensure compliance with the new lease standard; such modifications were not deemed to be significant. During the assessment phase, the Company used various surveys, reconciliations and analytic methodologies to ensure the completeness of the lease inventory. The Company determined that most of the current operating leases were subject to the guidance and were recognized as operating lease liabilities and right-of-use assets on the Consolidated Balance Sheet upon adoption. On January 1, 2019, the Company recorded \$20.7 million to right-of-use assets and lease liabilities as a result of the initial adoption of the guidance. In addition, the Company evaluated the impact the new guidance had on lease contracts where the Company is the lessor and determined it did not have a significant impact to the Company's financial statements.

ASU 2017-04 - Simplifying the Test for Goodwill Impairment In January 2017, the FASB issued guidance on simplifying the test for goodwill impairment by eliminating Step 2, which required an entity to measure the amount of impairment loss by comparing the implied fair value of reporting unit goodwill with the carrying amount of such goodwill. This guidance requires entities to perform a quantitative impairment test, previously Step 1, to identify both the existence of impairment and the amount of impairment loss by comparing the fair value of a reporting unit to its carrying amount. Entities will continue to have the option of performing a qualitative assessment to determine if the quantitative impairment test is necessary. The guidance also requires additional disclosures if an entity has one or more reporting units with zero or negative carrying amounts of net assets. The Company early adopted the guidance on a prospective basis beginning with the preparation of its 2019 goodwill impairment test in the fourth quarter of 2019. The adoption of the guidance did not have a material impact on its results of operations, financial position, cash flows or disclosures.

ASU 2018-15 - Customer's Accounting for Implementation Costs Incurred in a Cloud Computing Arrangement that is a Service Contract In August 2018, the FASB issued guidance on the accounting for implementation costs of a hosting arrangement that is a service contract. The guidance aligns the requirements for capitalizing implementation costs incurred in a hosting arrangement that is a service contract similar to the costs incurred to develop or obtain internal-use software and such capitalized costs to be expensed over the term of the hosting arrangement. Costs incurred during the preliminary and postimplementation stages should continue to be expensed as activities are performed. The capitalized costs are required to be presented on the balance sheet in the same line the prepayment for the fees associated with the hosting arrangement would be presented. In addition, the expense related to the capitalized implementation costs should be presented in the same line on the income statement as the fees associated with the hosting element of the arrangements. The Company early adopted the guidance on January 1, 2019, on a prospective basis. The adoption of the guidance did not have a material impact on its results of operations, financial position, cash flows or disclosures.

Recently issued accounting standards not yet adopted

ASU 2016-13 - Measurement of Credit Losses on Financial Instruments In June 2016, the FASB issued guidance on the measurement of credit losses on certain financial instruments. The guidance introduces a new

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impairment model known as the current expected credit loss model that will replace the incurred loss impairment methodology currently included under GAAP. This guidance requires entities to present certain investments in debt securities, trade accounts receivable and other financial assets at their net carrying value of the amount expected to be collected on the financial statements. The Company early adopted the guidance on January 1, 2020.

The Company formed an implementation team to review and assess existing financial assets to identify and evaluate the financial assets subject to the new current expected credit loss model. The Company assessed the impact of the guidance on its processes and internal controls and has identified and updated existing internal controls and processes to ensure compliance with the new guidance; such modifications were deemed insignificant. During the assessment phase, the Company completed checklists to identify the complete portfolio of assets subject to the current expected credit loss model. The Company determined the guidance did not have a material impact on its results of operations, financial position, cash flows or disclosures and did not record a material cumulative effect adjustment upon adoption.

ASU 2018-13 - Changes to the Disclosure Requirements for Fair Value Measurement In August 2018, the FASB issued guidance on modifying the disclosure requirements on fair value measurements as part of the disclosure framework project. The guidance modifies, among other things, the disclosures required for Level 3 fair value measurements, including the range and weighted average of significant unobservable inputs. The guidance removes, among other things, the disclosure requirement to disclose transfers between Levels 1 and 2. The guidance will be effective for the Company on January 1, 2020, with early adoption permitted. Level 3 fair value measurement disclosures should be applied prospectively while all other amendments should be applied retrospectively. The Company continues to evaluate the effects the adoption of the new guidance will have on its disclosures.

ASU 2018-14 - Changes to the Disclosure Requirements for Defined Benefit Plans In August 2018, the FASB issued guidance on modifying the disclosure requirements for employers that sponsor defined benefit pension or other postretirement plans as part of the disclosure framework project. The guidance removes disclosures that are no longer considered cost beneficial, clarifies the specific requirements of disclosures and adds disclosure requirements identified as relevant. The guidance adds, among other things, the requirement to include an explanation for significant gains and losses related to changes in benefit obligations for the period. The guidance removes, among other things, the disclosure requirement to disclose the amount of net periodic benefit costs to be amortized over the next fiscal year from accumulated other comprehensive income (loss) and the effects a one percentage point change in assumed health care cost trend rates will have on certain benefit components. The guidance will be effective for the Company on January 1, 2022, and must be applied on a retrospective basis with early adoption permitted. The Company is evaluating the effects the adoption of the new guidance will have on its disclosures.

ASU 2019-12 - Simplifying the Accounting for Income Taxes In December 2019, the FASB issued guidance on simplifying the accounting for income taxes by removing certain exceptions in ASC 740 and providing simplification amendments. The guidance removes exceptions on intraperiod tax allocations and reporting and provides simplification on accounting for franchise taxes, tax basis goodwill and tax law changes. The guidance will be effective for the Company on January 1, 2022, with early adoption permitted. Transition requirements vary among the exceptions and amendments which include retrospective, modified retrospective

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and prospective application. The Company does not expect the guidance to have a material impact on its results of operations, financial position, cash flows and disclosures.

Variable interest entities

The Company evaluates its arrangements and contracts with other entities to determine if they are VIEs and if so, if the Company is the primary beneficiary. GAAP provides a framework for identifying VIEs and determining when a company should include the assets, liabilities, noncontrolling interest and results of activities of a VIE in its consolidated financial statements.

A VIE should be consolidated if a party with an ownership, contractual or other financial interest in the VIE (a variable interest holder) has the power to direct the VIE's most significant activities and the obligation to absorb losses or right to receive benefits of the VIE that could be significant to the VIE. A variable interest holder that consolidates the VIE is called the primary beneficiary. Upon consolidation, the primary beneficiary generally must initially record all of the VIE's assets, liabilities and noncontrolling interests at fair value and subsequently account for the VIE as if it were consolidated.

The Company's evaluation of whether it qualifies as the primary beneficiary of a VIE involves significant judgments, estimates and assumptions and includes a qualitative analysis of the activities that most significantly impact the VIE's economic performance and whether the Company has the power to direct those activities, the design of the entity, the rights of the parties and the purpose of the arrangement.

Accumulated other comprehensive income (loss)

The Company's accumulated other comprehensive income (loss) is comprised of postretirement liability adjustments.

The postretirement liability adjustment in other comprehensive loss was \$7.0 million, net of tax of \$2.4 million, for the year ended December 31, 2019.

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The after-tax changes in the components of accumulated other comprehensive loss were as follows:

	Postretirement Liability Adjustment	Total Accumulated Other Comprehensive Loss
	(In thousands)	
At December 31, 2017	\$ (5,946)	\$ (5,946)
Other comprehensive income before reclassifications	903	903
Amounts reclassified from accumulated other comprehensive loss	1,320	1,320
Net current-period other comprehensive income	2,223	2,223
Reclassification adjustment of prior period tax effects related to TCJA included in accumulated other comprehensive loss	(1,291)	(1,291)
At December 31, 2018	\$ (5,014)	\$ (5,014)
Other comprehensive loss before reclassifications	(2,396)	(2,396)
Amounts reclassified from accumulated other comprehensive loss	448	448
Net current-period other comprehensive loss	(1,948)	(1,948)
At December 31, 2019	\$ (6,962)	\$ (6,962)

NOTE 2 – REVENUE FROM CONTRACTS WITH CUSTOMERS

Revenue is recognized when a performance obligation is satisfied by transferring control over a product or service to a customer. Revenue is measured based on consideration specified in a contract with a customer and excludes any sales incentives and amounts collected on behalf of third parties. The Company is considered an agent for certain taxes collected from customers. As such, the Company presents revenues net of these taxes at the time of sale to be remitted to governmental authorities, including sales and use taxes.

As part of the adoption of ASC 606 - *Revenue from Contracts with Customers*, the Company elected the practical expedient to recognize the incremental costs of obtaining a contract as an expense when incurred if the amortization period of the asset that the Company otherwise would have recognized is 12 months or less.

Disaggregation

In the following table, revenue is disaggregated by the type of customer or service provided. The Company believes this level of disaggregation best depicts how the nature, amount, timing and uncertainty of revenue and cash flows are affected by economic factors. The table also includes a reconciliation of the disaggregated revenue by business lines.

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Year Ended December 31, 2019	Electric	Natural Gas Distribution	Total
		(In thousands)	
Residential utility sales	\$ 125,369	\$ 483,452	\$ 608,821
Commercial utility sales	141,596	296,835	438,431
Industrial utility sales	37,765	26,895	64,660
Other utility sales	7,408	---	7,408
Natural gas transportation	---	45,449	45,449
Other	35,574	12,726	48,300
Revenues from contracts with customers	347,712	865,357	1,213,069
Revenues out of scope	4,013	(135)	3,878
Total external operating revenues	\$ 351,725	\$ 865,222	\$ 1,216,947

Year Ended December 31, 2018	Electric	Natural Gas Distribution	Total
		(In thousands)	
Residential utility sales	\$ 121,477	\$ 457,959	\$ 579,436
Commercial utility sales	136,236	276,716	412,952
Industrial utility sales	34,353	24,603	58,956
Other utility sales	7,556	---	7,556
Natural gas transportation	---	43,238	43,238
Other	31,568	14,579	46,147
Revenues from contracts with customers	331,190	817,095	1,148,285
Revenues out of scope	3,933	6,152	10,085
Total external operating revenues	\$ 335,123	\$ 823,247	\$ 1,158,370

NOTE 3 – LEASES

Most of the leases the Company enters into are for equipment, buildings and easements as part of their ongoing operations. The Company also leases certain equipment to third parties. The Company determines if an arrangement contains a lease at inception of a contract and accounts for all leases in accordance with ASC 842 - *Leases*. For more information on the adoption of ASC 842, see Note 1.

The recognition of leases requires the Company to make estimates and assumptions that affect the lease classification and the assets and liabilities recorded. The accuracy of lease assets and liabilities reported on the Consolidated Financial Statements depends on, among other things, management's estimates of interest rates used to discount the lease assets and liabilities to their present value, as well as the lease terms based on the unique facts and circumstances of each lease.

Lessee accounting

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The leases the Company has entered into as part of its ongoing operations are considered operating leases and are recognized on the Consolidated Balance Sheets as right-of-use assets, current lease liabilities and, if applicable, noncurrent lease liabilities. The corresponding lease costs are included in operation and maintenance expense on the Consolidated Statements of Income.

Generally, the leases for equipment have a term of five years or less and buildings and easements have a longer term of up to 35 years or more. To date, the Company does not have any residual value guarantee amounts probable of being owed to a lessor, financing leases or material agreements with related parties.

The following tables provide information on the Company's operating leases at and for the year ended December 31, 2019:

	(In thousands)
Lease costs:	
Operating lease cost	\$ 1,937
Variable lease cost	383
Short-term lease cost	72
Total lease costs	\$ 2,392

	(Dollars in thousands)
Weighted average remaining lease term	23.94 years
Weighted average discount rate	4.65%
Cash paid for amounts included in the measurement of lease liabilities	\$ 1,937

The reconciliation of the future undiscounted cash flows to the operating lease liabilities presented on the Consolidated Balance Sheet at December 31, 2019, was as follows:

	(In thousands)
2020	\$ 1,884
2021	1,758
2022	1,473
2023	1,396
2024	1,360
Thereafter	26,259
Total	34,130
Less discount	14,079
Total operating lease liabilities	\$ 20,051

The undiscounted annual minimum lease payments due under the Company's leases following the previous lease accounting standard as of December 31, 2018, were as follows:

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	2019	2020	2021	2022	2023	Thereafter
	(In thousands)					
Operating leases	\$ 1,702	\$ 1,638	\$ 1,569	\$ 1,371	\$ 1,338	27,122

Lessor accounting

The Company leases certain equipment to third parties, which are considered operating leases. The Company recognized revenue from operating leases of \$381,000 for the year ended December 31, 2019.

The majority of the Company's operating leases are short-term leases of less than 12 months. At December 31, 2019, the Company had \$3,000 of lease receivables with a majority due within 12 months or less.

NOTE 4 – GOODWILL

The carrying amount of goodwill for the years ended December 31, 2019 and 2018 remained unchanged at \$345.7 million. No impairments of goodwill have been recorded.

NOTE 5 – REGULATORY ASSETS AND LIABILITIES

The following table summarizes the individual components of unamortized regulatory assets and liabilities as of December 31:

	Estimated Recovery Period *	2019	2018
		(In thousands)	
Regulatory assets:			
Pension and postretirement benefits (a)	(e)	\$ 136,341	\$ 145,549
Natural gas costs recoverable through rate adjustments	Up to 3 years	89,204	42,653
Plants to be retired (a)	-	32,931	-
Cost recovery mechanisms (a) (b)	Up to 3 years	19,396	18,122
Asset retirement obligations (a)	Over plant lives	17,317	13,763
Manufactured gas plant sites remediation (a)	-	15,347	17,068
Taxes recoverable from customers (a)	Over plant lives	10,232	10,663
Conservation programs (a) (b)	Up to 3 years	7,405	7,007
Long-term debt refinancing costs (a)	Up to 18 years	4,286	4,898
Costs related to identifying generation development (a)	Up to 7 years	2,052	2,508
Other (a) (b)	Up to 19 years	9,925	9,624
Total regulatory assets		344,436	271,855
Regulatory liabilities:			
Taxes refundable to customers (c) (d)		214,202	241,454
Plant removal and decommissioning costs (c)		166,730	166,849
Natural gas costs refundable through rate adjustments (d)		23,825	29,995
Pension and postretirement benefits (c)		14,446	10,309
Other (c) (d)		25,150	24,680
Total regulatory liabilities		444,353	473,287
Net regulatory position		\$(99,917)	\$(201,432)

* Estimated recovery period for regulatory assets currently being recovered in rates charged to customers.

(a) Included in deferred charges and other assets - other on the Consolidated Balance Sheets.

(b) Included in prepayments and other current assets on the Consolidated Balance Sheets.

(c) Included in deferred credits and other liabilities - other on the Consolidated Balance Sheets.

(d) Included in other accrued liabilities on the Consolidated Balance Sheets.

(e) Recovered as expense is incurred.

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The regulatory assets are expected to be recovered in rates charged to customers. A portion of the Company's regulatory assets are not earning a return; however, these regulatory assets are expected to be recovered from customers in future rates. As of December 31, 2019 and 2018, approximately \$203.5 million and \$245.2 million, respectively, of regulatory assets were not earning a rate of return.

During the first quarter of 2019 and the fourth quarter of 2018, the Company experienced increased natural gas costs in certain jurisdictions where it supplies natural gas. The Company has recorded these natural gas costs as regulatory assets as they are expected to be recovered from customers, as discussed in Note 13.

In February 2019, the Company announced that it intends to retire three aging coal-fired electric generating units in early 2021 and early 2022. The Company has accelerated the depreciation related to these facilities in property, plant and equipment and has recorded the difference between the accelerated depreciation, in accordance with GAAP, and the depreciation approved for rate-making purposes as regulatory assets. The Company expects to recover the regulatory assets related to the plants to be retired in future rates.

If, for any reason, the Company's regulated businesses cease to meet the criteria for application of regulatory accounting for all or part of their operations, the regulatory assets and liabilities relating to those portions ceasing to meet such criteria would be removed from the balance sheet and included in the statement of income or accumulated other comprehensive income (loss) in the period in which the discontinuance of regulatory accounting occurs.

NOTE 6 – FAIR VALUE MEASUREMENTS

The Company measures its investments in certain fixed-income and equity securities at fair value with changes in fair value recognized in income. The Company anticipates using these investments, which consist of an insurance contract, to satisfy its obligations under its unfunded, nonqualified defined benefit plans for executive officers and certain key management employees, and invests in these fixed-income and equity securities for the purpose of earning investment returns and capital appreciation. These investments, which totaled \$26.7 million and \$22.7 million as of December 31, 2019 and 2018, respectively, are classified as investments on the Consolidated Balance Sheets. The net unrealized gains (losses) on these investments for the years ended December 31, 2019 and 2018, were \$4.0 million and (\$1.1 million), respectively. The change in fair value, which is considered part of the cost of the plan, is classified in other income on the Consolidated Statements of Income.

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability (an exit price) in an orderly transaction between market participants at the measurement date. The fair value ASC establishes a hierarchy for grouping assets and liabilities, based on the significance of inputs. The estimated fair values of the Company's assets and liabilities measured on a recurring basis are determined using the market approach. The Company's Level 2 money market funds are valued at the net asset value of shares held at the end of the period, based on published market quotations on active markets, or using other known sources including pricing from outside sources. The estimated fair value of the Company's Level 2 insurance contract is based on contractual cash surrender values that are determined primarily by investments in managed separate accounts of the insurer. These amounts approximate fair value. The managed separate accounts are valued based on other observable inputs or corroborated market data.

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Though the Company believes the methods used to estimate fair value are consistent with those used by other market participants, the use of other methods or assumptions could result in a different estimate of fair value. For the years ended December 31, 2019 and 2018, there were no transfers between Levels 1 and 2.

The Company's assets measured at fair value on a recurring basis were as follows:

	Fair Value Measurements at December 31, 2019, Using			Balance at December 31, 2019
	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	
	<i>(In thousands)</i>			
Assets:				
Money market funds	\$ ---	\$ 1,635	\$---	\$ 1,635
Insurance contract*	---	26,697	---	26,697
Total assets measured at fair value	\$ ---	\$ 28,332	\$---	\$ 28,332

* The insurance contract invests approximately 51 percent in fixed-income investments, 23 percent in common stock of large-cap companies, 12 percent in common stock of mid-cap companies, 10 percent in common stock of small-cap companies, 3 percent in target date investments and 1 percent in cash equivalents.

	Fair Value Measurements at December 31, 2018, Using			Balance at December 31, 2018
	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	
	<i>(In thousands)</i>			
Assets:				
Money market funds	\$ ---	\$ 4,559	\$---	\$ 4,559
Insurance contract*	---	22,656	---	22,656
Total assets measured at fair value	\$ ---	\$ 27,215	\$---	\$ 27,215

* The insurance contract invests approximately 53 percent in fixed-income investments, 21 percent in common stock of large-cap companies, 11 percent in common stock of mid-cap companies, 10 percent in common stock of small-cap companies, 3 percent in target date investments and 2 percent in cash equivalents.

The Company applies the provisions of the fair value measurement standard to its nonrecurring, non-financial measurements, including long-lived asset impairments. These assets are not measured at fair value on an ongoing basis but are subject to fair value adjustments only in certain circumstances. The Company reviews the carrying value of its long-lived assets, excluding goodwill, whenever events or changes in circumstances indicate that such carrying amounts may not be recoverable.

In the second quarter of 2019, the Company reviewed a non-utility investment for impairment. This was a cost-method investment and was written down to zero using the income approach to determine its fair value, requiring the Company to record a write-down of \$2.0 million, before tax. The fair value of this investment was categorized as Level 3 in the fair value hierarchy. The reduction is reflected in investments on the Consolidated Balance Sheet, as well as within other income on the Consolidated Statement of Income.

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The Company's long-term debt is not measured at fair value on the Consolidated Balance Sheets and the fair value is being provided for disclosure purposes only. The fair value was categorized as Level 2 in the fair value hierarchy and was based on discounted future cash flows using current market interest rates. The estimated fair value of the Company's Level 2 long-term debt at December 31 was as follows:

	2019		2018	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
	<i>(In thousands)</i>			
Long-term debt	\$ 1,526,048	\$ 1,671,171	\$ 1,353,981	\$ 1,424,909

The carrying amounts of the Company's remaining financial instruments included in current assets and current liabilities approximate their fair values.

NOTE 7 – DEBT

Certain debt instruments of the Company and its subsidiaries, including those discussed later, contain restrictive and financial covenants and cross-default provisions. In order to borrow under the debt agreements, the Company and its subsidiaries must be in compliance with the applicable covenants and certain other conditions, all of which the Company were in compliance with at December 31, 2019. In the event the Company and its subsidiaries do not comply with the applicable covenants and other conditions, alternative sources of funding may need to be pursued.

The following table summarizes the outstanding revolving credit facilities of the Company's subsidiaries:

Company	Facility	Facility Limit	Amount Outstanding at December 31, 2019	Amount Outstanding at December 31, 2018	Letters of Credit at December 31, 2019	Expiration Date
<i>(in millions)</i>						
Montana-Dakota Utilities Co.	Commercial Paper/Revolving credit agreement	(a) \$175.0	\$ 118.6 (b)	\$ 48.5	\$ ----	12/19/24
Cascade Natural Gas Corporation	Revolving credit agreement	\$100.0 (c)	\$ 64.6	\$ 53.8	\$ 2.2 (d)	6/7/24
Intermountain Gas Company	Revolving credit agreement	\$ 85.0 (e)	\$ 24.5	\$ 56.3	\$ 1.4 (d)	6/7/24

(a) The commercial paper program is supported by a revolving credit agreement with various banks (provisions allow for increased borrowings, at the option of Montana-Dakota on stated conditions, up to a maximum of \$225.0 million). There were no amounts outstanding under the revolving credit agreement at December 31, 2019, and \$48.5 million was outstanding at December 31, 2018.

(b) Amount outstanding under commercial paper program.

(c) Certain provisions allow for increased borrowings, up to a maximum of \$125.0 million.

(d) Outstanding letter(s) of credit reduce the amount available under the credit agreement.

(e) Certain provisions allow for increased borrowings, up to a maximum of \$110.0 million.

Montana-Dakota's commercial paper program is supported by a revolving credit agreement. While the amount of commercial paper outstanding does not reduce available capacity under the revolving credit agreement, Montana-Dakota does not issue commercial paper in an aggregate amount exceeding the available capacity under its credit agreement. The commercial paper borrowings may vary during the period, largely

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the result of fluctuations in working capital requirements due to seasonality of certain operations of the Company's subsidiaries.

The following includes information related to the preceding table.

Long-term debt

Long-term Debt Outstanding Long-term debt outstanding was as follows:

	Weighted Average Interest Rate at December 31, 2019	2019	2018
(In thousands)			
Senior Notes due on dates ranging from October 22, 2022 to November 18, 2059	4.38%	\$ 1,240,000	\$ 915,000
Commercial paper supported by revolving credit agreements	2.03%	118,600	48,500
Term Loan Agreement due on September 3, 2032	2.00%	9,100	209,800
Credit agreements due on June 7, 2024	4.40%	89,050	110,100
Medium-Term Notes due on dates ranging from September 1, 2020 to March 16, 2029	6.68%	50,000	50,000
Other notes due on dates ranging from February 1, 2035 to November 30, 2038	5.26%	24,628	24,786
Less unamortized debt issuance costs		5,330	4,205
Total long-term debt		1,526,048	1,353,981
Less current maturities		15,700	200,711
Net long-term debt	\$	1,510,348	\$1,153,270

Montana-Dakota On January 1, 2019, MDU's revolving credit agreement and commercial paper program became Montana-Dakota's revolving credit agreement and commercial paper program as a result of the Holding Company Reorganization. The outstanding balance of the revolving credit agreement was also transferred to Montana-Dakota. All of the related terms and covenants of the credit agreements remained the same. For more information on the reorganization, see Note 1.

On December 19, 2019, Montana-Dakota amended and restated its revolving credit agreement extending the maturity date to December 19, 2024. Montana-Dakota's revolving credit agreement supports its commercial paper program. Commercial paper borrowings under this agreement are classified as long-term debt as they are intended to be refinanced on a long-term basis through continued commercial paper borrowings.

The credit agreement contains customary covenants and provisions, including covenants of Montana-Dakota not to permit, as of the end of any fiscal quarter, the ratio of funded debt to total capitalization (determined on a consolidated basis) to be greater than 65 percent. Other covenants include limitations on the sale of certain assets and on the making of certain loans and investments.

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On July 24, 2019, Montana-Dakota entered into a \$200.0 million note purchase agreement with maturity dates ranging from October 17, 2039 to November 18, 2059, at a weighted average interest rate of 3.95 percent. The agreement contains customary covenants and provisions, including a covenant of Montana-Dakota not to permit, at any time, the ratio of total debt to total capitalization to be greater than 65 percent.

Montana-Dakota's ratio of total debt to total capitalization at December 31, 2019, was 52 percent.

Cascade On June 7, 2019, Cascade amended its revolving credit agreement to increase the borrowing capacity to \$100.0 million and extend the maturity date to June 7, 2024. Any borrowings under the revolving credit agreement are classified as long-term debt as they are intended to be refinanced on a long-term basis through continued borrowings.

The credit agreement contains customary covenants and provisions, including a covenant of Cascade not to permit, at any time, the ratio of total debt to total capitalization to be greater than 65 percent. Other covenants include restrictions on the sale of certain assets, limitations on indebtedness and the making of certain investments.

On June 13, 2019, Cascade issued \$75.0 million of senior notes with maturity dates ranging from June 13, 2029 to June 13, 2049, at a weighted average interest rate of 3.93 percent. The agreement contains customary covenants and provisions, including a covenant of Cascade not to permit, at any time, the ratio of total debt to total capitalization to be greater than 65 percent.

Cascade's ratio of total debt to total capitalization at December 31, 2019, was 53 percent.

Intermountain On June 7, 2019, Intermountain amended its revolving credit agreement to extend the maturity date to June 7, 2024. Any borrowings under the revolving credit agreement are classified as long-term debt as they are intended to be refinanced on a long-term basis through continued borrowings.

The credit agreement contains customary covenants and provisions, including a covenant of Intermountain not to permit, at any time, the ratio of total debt to total capitalization to be greater than 65 percent. Other covenants include restrictions on the sale of certain assets, limitations on indebtedness and the making of certain investments.

On June 13, 2019, Intermountain issued \$50.0 million of senior notes with maturity dates ranging from June 13, 2029 to June 13, 2049, at a weighted average interest rate of 3.92 percent. The agreement contains customary covenants and provisions, including a covenant of Intermountain not to permit, at any time, the ratio of total debt to total capitalization to be greater than 65 percent.

Intermountain's ratio of total debt to total capitalization at December 31, 2019, was 50 percent.

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Schedule of Debt Maturities Long-term debt maturities, which excludes unamortized debt issuance costs and discount for the five years and thereafter following December 31, 2019, were as follows:

	2020	2021	2022	2023	2024	Thereafter
	(In thousands)					
Long-term debt maturities	\$15,700	\$700	\$12,200	\$47,200	\$268,350	\$1,187,228

NOTE 8 – ASSET RETIREMENT OBLIGATIONS

The Company records obligations related to retirement costs of natural gas distribution mains and lines, decommissioning of certain electric generating facilities, special handling and disposal of hazardous materials at certain electric generating facilities, natural gas distribution facilities and buildings, and certain other obligations as asset retirement obligations.

A reconciliation of the Company's liability for the years ended December 31 was as follows:

	2019	2018
	(In thousands)	
Balance at beginning of year	\$ 296,254	\$ 267,171
Liabilities incurred	20,916	12,302
Liabilities settled	(3,988)	(2,076)
Accretion expense (largely related to regulatory assets)	15,894	14,569
Revisions in estimates	2,821	4,288
Balance at end of year	\$ 331,897	\$296,254

The Company believes that largely all expenses related to asset retirement obligations will be recovered in rates over time and, accordingly, defers such expenses as regulatory assets. For more information on the Company's regulatory assets and liabilities, see Note 5.

NOTE 9 – INCOME TAXES

Income before income taxes for the years ended December 31, 2019 and 2018 was \$83.0 million and \$82.3 million, respectively.

Income tax expense (benefit) for the years ended December 31 was as follows:

	2019	2018
	(In thousands)	
Current:		
Federal	\$ (36,310)	\$ (18,480)
State	(4,896)	(656)
	(41,206)	(19,136)
Deferred:		
Income taxes:		
Federal	24,394	13,237
State	4,469	1,718
Investment tax credit - net	1,099	1,774
	29,962	16,729

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Total income tax benefit	\$ (11,244)	\$ (2,407)
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The Company prepared a one-time revaluation of the Company's regulatory deferred tax assets and liabilities in the fourth quarter of 2017 related to the enactment of the TCJA. The revaluation was deferred under regulatory accounting as the Company worked with the various regulators to determine the amount and timing of amounts to be returned to customers. There were no significant changes between the preliminary estimate and final determination of taxes refundable to or recoverable from customers.

The changes included in the TCJA were broad and complex. The SEC issued rules that allowed for a measurement period of up to one year after the enactment date of the TCJA to finalize the recording of the related tax impacts. The Company reviewed the impacts of the TCJA and completed its assessment of the transitional impacts during the period ending December 31, 2018, of which there were no such material adjustments.

Components of deferred tax assets and deferred tax liabilities at December 31 were as follows:

	2019	2018
	<i>(In thousands)</i>	
Deferred tax assets:		
Postretirement	\$ 19,644	\$ 25,541
Customer advances	7,301	7,704
Compensation-related	9,625	7,553
Federal renewable energy credit	5,343	8,015
Other	9,391	13,244
Total deferred tax assets	51,304	62,057
Deferred tax liabilities:		
Depreciation and basis differences on property, plant and equipment	283,263	270,412
Postretirement	36,626	38,547
Purchased gas adjustment	20,005	9,574
Other	23,963	14,157
Total deferred tax liabilities	363,857	332,690
Net deferred income tax liability	\$ (312,553)	\$ (270,633)

As of December 31, 2019 and 2018, no valuation allowance has been recorded associated with the above deferred tax assets. The federal renewable energy credit carryforward expires in 2040 if not utilized. Changes in tax regulations or assumptions regarding current and future taxable income could require a valuation allowance in the future.

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The following table reconciles the change in the net deferred income tax liability from December 31, 2018, to December 31, 2019, to deferred income tax expense:

	2019
	<i>(In thousands)</i>
Change in net deferred income tax liability from the preceding table	\$ 41,920
Deferred taxes associated with other comprehensive income	646
Deferred taxes associated with TCJA enactment	(11,071)
Other	(1,533)
Deferred income tax expense for the period	\$ 29,962

Total income tax expense differs from the amount computed by applying the statutory federal income tax rate to income before taxes. The reasons for this difference were as follows:

Years ended December 31,	2019		2018	
	Amount	%	Amount	%
	<i>(Dollars in thousands)</i>			
Computed tax at federal statutory rate	\$ 17,437	21.0	\$ 17,288	21.0
Increases (reductions) resulting from:				
State income taxes, net of federal income tax	231	0.3	1,238	1.5
Excess deferred income tax amortization	(11,071)	(13.3)	(9,287)	(11.3)
Federal renewable energy tax credits	(15,843)	(19.1)	(11,759)	(14.3)
Flow-through	448	0.5	(308)	(0.4)
AFUDC equity	284	0.3	123	0.1
Amortization of deferral of investment tax credit	1,037	1.2	1,774	2.2
Resolution of tax matters and uncertain tax positions	(53)	(0.1)	240	0.3
Other	(3,714)	(4.5)	(1,716)	(2.0)
Total income tax expense	\$ (11,244)	(13.7)	\$ (2,407)	(2.9)

The Company and its subsidiaries file income tax returns in the U.S. federal jurisdiction and various state jurisdictions. The Company is no longer subject to U.S. federal income tax examinations by tax authorities for years ending prior to 2015. With few exceptions, as of December 31, 2019, the Company is no longer subject to state and local income tax examinations by tax authorities for years ending prior to 2015.

For the years ended December 31, 2019 and 2018, total reserves for uncertain tax positions were not material. The Company recognizes interest and penalties accrued relative to unrecognized tax benefits in income tax expense.

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NOTE 10 – CASH FLOW INFORMATION

Cash expenditures for interest and income taxes for the years ended December 31 were as follows:

	2019	2018
	<i>(In thousands)</i>	
Interest, net*	\$ 57,025	\$ 55,726
Income taxes paid (refunded), net	\$ (33,654)	\$ (24,740)

* AFUDC - borrowed was \$2,535 and \$1,943 for the years ended December 31, 2019 and 2018, respectively.

Noncash investing transactions at December 31 were as follows:

	2019	2018
	<i>(In thousands)</i>	
Property, plant and equipment additions in accounts payable	\$ 31,640	\$ 31,829
Right-of-use assets obtained in exchange for new operating lease liabilities	\$ 20,051	\$ ---

NOTE 11 – EMPLOYEE BENEFIT PLANS

Pension and other postretirement benefit plans

The Company has noncontributory qualified defined benefit pension plans and other postretirement benefit plans for certain eligible employees. The Company uses a measurement date of December 31 for all of its pension and postretirement benefit plans.

Prior to 2013, all of the Company's defined benefit pension plans were frozen. These employees were eligible to receive additional defined contribution plan benefits. In October 2018, the Company transferred the liability of certain participants in the defined benefit pension plan, who are currently receiving benefits, to an annuity company. The transfer of the benefit payments for these participants reduced the Company's liability and future premiums.

Effective January 1, 2010, eligibility to receive retiree medical benefits was modified. Current employees at Montana-Dakota and Intermountain, and those hired before June 1, 1992 at Cascade, who had attained age 55 with 10 years of continuous service by December 31, 2010, were provided the option to choose between a pre-65 comprehensive medical plan coupled with a Medicare supplement or a specified company funded Retiree Reimbursement Account, regardless of when they retire. All other eligible employees must meet the new eligibility criteria of age 60 and 10 years of continuous service at the time they retire to be eligible for a specified company funded Retiree Reimbursement Account. Employees at Montana-Dakota and Intermountain hired after December 31, 2009, and employees at Cascade hired after June 1, 1992, will not be eligible for retiree medical benefits.

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In 2012, the Company modified health care coverage for certain retirees. Effective January 1, 2013, post-65 coverage was replaced by a fixed-dollar subsidy for retirees and spouses to be used to purchase individual insurance through an exchange.

Changes in benefit obligation and plan assets for the years ended December 31, 2019 and 2018, and amounts recognized in the Consolidated Balance Sheets at December 31, 2019 and 2018, were as follows:

	Pension Benefits		Other Postretirement Benefits	
	2019	2018	2019	2018
	<i>(In thousands)</i>			
Change in benefit obligation:				
Benefit obligation at beginning of year	\$ 273,925	\$ 312,802	\$ 49,532	\$ 57,275
Service cost	---	---	530	694
Interest cost	10,637	10,221	1,830	1,752
Plan participants' contributions	---	---	855	1,070
Actuarial (gain) loss	27,689	(23,251)	1,818	(7,371)
Benefits paid	(19,293)	(25,847)	(3,660)	(3,888)
Benefit obligation at end of year	292,958	273,925	50,905	49,532
Change in net plan assets:				
Fair value of plan assets at beginning of year	218,431	253,102	62,056	68,015
Actual gain (loss) on plan assets	41,486	(15,307)	11,720	(3,352)
Employer contribution	15,452	6,483	29	211
Plan participants' contributions	---	---	855	1,070
Benefits paid	(19,293)	(25,847)	(3,660)	(3,888)
Fair value of net plan assets at end of year	256,076	218,431	71,000	62,056
Funded status – over (under)	\$ (36,882)	\$ (55,494)	\$ 20,095	\$ 12,524
Amounts recognized in the Consolidated Balance Sheets at December 31:				
Other assets (noncurrent)	\$ ---	\$ ---	\$ 20,095	\$ 13,165
Other liabilities (noncurrent)	(36,882)	(55,494)	---	(641)
Net amount recognized	\$ (36,882)	\$ (55,494)	\$ 20,095	\$ 12,524
Amounts recognized in regulatory assets or liabilities:				
Actuarial (gain) loss	\$ 134,756	\$ 139,589	\$ (2,330)	\$ 4,566
Prior service credit	---	---	(7,104)	(8,242)
Total	\$ 134,756	\$ 139,589	\$ (9,434)	\$ (3,676)

Employer contributions and benefits paid in the preceding table include only those amounts contributed directly to, or paid directly from, plan assets. Amounts recognized in regulatory assets or liabilities are expected to be reflected in rates charged to customers over time. For more information on regulatory assets and liabilities see Note 5.

Unrecognized pension actuarial losses in excess of 10 percent of the greater of the projected benefit obligation or the market-related value of assets are amortized over the average life expectancy of plan participants for frozen plans. The market-related value of assets is determined using a five-year average of assets.

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The pension plans all have accumulated benefit obligations in excess of plan assets. The projected benefit obligation, accumulated benefit obligation and fair value of plan assets for these plans at December 31 were as follows:

	2019	2018
	<i>(In thousands)</i>	
Projected benefit obligation	\$ 292,958	\$273,925
Accumulated benefit obligation	\$ 292,958	\$273,925
Fair value of plan assets	\$ 256,076	\$218,431

Components of net periodic benefit cost (credit) for the Company's pension and other postretirement benefit plans for the years ended December 31 were as follows:

	Pension Benefits		Other Postretirement Benefits	
	2019	2018	2019	2018
	<i>(In thousands)</i>			
Components of net periodic benefit cost (credit):				
Service cost	\$ ---	\$ ---	\$ 530	\$ 694
Interest cost	10,637	10,221	1,830	1,752
Expected return on assets	(13,014)	(14,810)	(3,603)	(3,667)
Amortization of prior service credit	---	---	(1,114)	(1,111)
Recognized net actuarial loss	3,879	4,970	243	286
Net periodic benefit cost (credit), including amount capitalized	1,502	381	(2,114)	(2,046)
Less amount capitalized	---	---	113	143
Net periodic benefit cost (credit)	1,502	381	(2,227)	(2,189)
Other changes in plan assets and benefit obligations recognized in regulatory assets or liabilities:				
Net (gain) loss	(745)	6,986	(6,654)	(696)
Amortization of actuarial loss	(4,088)	(4,970)	(243)	(286)
Amortization of prior service credit	---	---	1,139	1,111
Total recognized in regulatory assets or liabilities	(4,833)	2,016	(5,758)	129
Total recognized in net periodic benefit cost (credit) and regulatory assets or liabilities	\$ (3,331)	\$ 2,397	\$ (7,985)	\$ (2,060)

The estimated net loss for the defined benefit pension plans that will be amortized from regulatory assets or liabilities into net periodic benefit cost in 2020 is \$5.0 million. The estimated net loss and prior service credit for the other postretirement benefit plans that will be amortized from regulatory assets or liabilities into net periodic benefit credit in 2020 are \$66,000 and \$1.0 million, respectively. Prior service credit is amortized on a straight-line basis over the average remaining service period of active participants.

Weighted average assumptions used to determine benefit obligations at December 31 were as follows:

	Pension Benefits		Other Postretirement Benefits	
	2019	2018	2019	2018
Discount rate	2.96%	4.02%	2.97%	4.03%
Expected return on plan assets	6.25%	6.75%	5.75%	5.75%

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Weighted average assumptions used to determine net periodic benefit cost (credit) for the years ended December 31 were as follows:

	Pension Benefits		Other Postretirement Benefits	
	2019	2018	2019	2018
Discount rate	4.02%	3.37%	4.03%	3.38%
Expected return on plan assets	6.25%	6.75%	5.75%	5.75%

The expected rate of return on pension plan assets is based on a targeted asset allocation range determined by the funded ratio of the plan. As of December 31, 2019, the expected rate of return on pension plan assets is based on the targeted asset allocation range of 40 percent to 50 percent equity securities and 50 percent to 60 percent fixed-income securities and the expected rate of return from these asset categories. The expected rate of return on other postretirement plan assets is based on the targeted asset allocation of 30 percent equity securities and 70 percent fixed-income securities and the expected rate of return from these asset categories. The expected return on plan assets for other postretirement benefits reflects insurance-related investment costs.

Health care rate assumptions for the Company's other postretirement benefit plans as of December 31 were as follows:

	2019	2018
Health care trend rate assumed for next year	7.4%	7.5% - 8.0%
Health care cost trend rate – ultimate	4.5%	4.5%
Year in which ultimate trend rate achieved	2024	2024

The Company's other postretirement benefit plans include health care and life insurance benefits for certain retirees. The plans underlying these benefits may require contributions by the retiree depending on such retiree's age and years of service at retirement or the date of retirement. The Company contributes a flat dollar amount to the monthly premiums, which is updated annually on January 1.

Assumed health care cost trend rates may have a significant effect on the amounts reported for the health care plans. A one percentage point change in the assumed health care cost trend rates would have had the following effects at December 31, 2019:

	1 Percentage Point Increase	1 Percentage Point Decrease
	<i>(In thousands)</i>	
Effect on total of service and interest cost components	\$ 79	\$ (69)
Effect on postretirement benefit obligation	\$ 1,506	\$ (1,320)

In 2019, the Company contributed an additional \$12.4 million to its defined benefit pension plans, which increased the funded status and decreased future expenses for the plans. The Company does not expect to contribute to its defined benefit pension and postretirement benefit plans in 2020.

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The following benefit payments, which reflect future service, as appropriate, and expected Medicare Part D subsidies at December 31, 2019, are as follows:

Years	Pension Benefits	Other Postretirement Benefits	Expected Medicare Part D Subsidy
		<i>(In thousands)</i>	
2020	16,885	3,322	64
2021	17,023	3,290	60
2022	17,223	3,265	56
2023	17,355	3,232	50
2024	17,449	3,168	45
2025-2029	84,885	15,074	153

Outside investment managers manage the Company's pension and postretirement assets. The Company's investment policy with respect to pension and other postretirement assets is to make investments solely in the interest of the participants and beneficiaries of the plans and for the exclusive purpose of providing benefits accrued and defraying the reasonable expenses of administration. The Company strives to maintain investment diversification to assist in minimizing the risk of large losses. The Company's policy guidelines allow for investment of funds in cash equivalents, fixed-income securities and equity securities. The guidelines prohibit investment in commodities and futures contracts, equity private placement, employer securities, leveraged or derivative securities, options, direct real estate investments, precious metals, venture capital and limited partnerships. The guidelines also prohibit short selling and margin transactions. The Company's practice is to periodically review and rebalance asset categories based on its targeted asset allocation percentage policy.

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability (an exit price) in an orderly transaction between market participants at the measurement date. The fair value ASC establishes a hierarchy for grouping assets and liabilities, based on the significance of inputs. The estimated fair values of the Company's pension plans' assets are determined using the market approach.

The carrying value of the pension plans' Level 2 cash equivalents approximates fair value and is determined using observable inputs in active markets or the net asset value of shares held at year end, which is determined using other observable inputs including pricing from outside sources.

The estimated fair value of the pension plans' Level 1 equity securities is based on the closing price reported on the active market on which the individual securities are traded. The estimated fair value of the pension plans' Level 1 and Level 2 collective and mutual funds are based on the net asset value of shares held at year end, based on either published market quotations on active markets or other known sources including pricing from outside sources. The estimated fair value of the pension plans' Level 2 corporate and municipal bonds is determined using other observable inputs, including benchmark yields, reported trades, broker/dealer quotes, bids, offers, future cash flows and other reference data. The estimated fair value of the pension plans' Level 1 U.S. Government securities are valued based on quoted prices on an active market.

The estimated fair value of the pension plans' Level 2 U.S. Government securities are valued mainly using other observable inputs, including benchmark yields, reported trades, broker/dealer quotes, bids, offers, to be

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announced prices, future cash flows and other reference data. Some of these securities are valued using pricing from outside sources.

Though the Company believes the methods used to estimate fair value are consistent with those used by other market participants, the use of other methods or assumptions could result in a different estimate of fair value. For the years ended December 31, 2019 and 2018, there were no transfers between Levels 1 and 2.

The fair value of the Company's pension plans' assets (excluding cash) by class were as follows:

	Fair Value Measurements at December 31, 2019, Using				
	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Balance at December 31, 2019	
	<i>(In thousands)</i>				
Assets:					
Cash equivalents	\$ ---	\$ 18,344	\$ ---	\$ 18,344	
Equity securities:					
U.S. companies	10,135	---	---	10,135	
International companies	---	658	---	658	
Collective and mutual funds*	112,807	41,289	---	154,096	
Corporate bonds	---	56,624	---	56,624	
Municipal bonds	---	8,292	---	8,292	
U.S. Government securities	5,115	1,460	---	6,575	
Total assets measured at fair value	\$128,057	\$126,667	\$ ---	\$254,724	

* *Collective and mutual funds invest approximately 29 percent in common stock of international companies, 21 percent in common stock of large-cap U.S. companies, 18 percent in U.S. Government securities, 9 percent in corporate bonds, 6 percent in cash equivalents and 17 percent in other investments.*

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	Fair Value Measurements at December 31, 2018, Using			
	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Balance at December 31, 2018
	<i>(In thousands)</i>			
Assets:				
Cash equivalents	\$ ---	\$ 3,498	\$ ---	\$ 3,498
Equity securities:				
U.S. companies	7,833	---	---	7,833
International companies	---	687	---	687
Collective and mutual funds*	103,578	36,617	---	140,195
Corporate bonds	---	51,881	---	51,881
Municipal bonds	---	7,539	---	7,539
U.S. Government securities	340	4,184	---	4,524
Total assets measured at fair value	\$111,751	\$104,406	\$ ---	\$ 216,157

* *Collective and mutual funds invest approximately 27 percent in common stock of international companies, 31 percent in corporate bonds, 18 percent in common stock of large-cap U.S. companies, 5 percent in cash equivalents and 19 percent in other investments.*

The estimated fair values of the Company's other postretirement benefit plans' assets are determined using the market approach.

The estimated fair value of the other postretirement benefit plans' Level 2 cash equivalents is valued at the net asset value of shares held at year end, based on published market quotations on active markets, or using other known sources including pricing from outside sources. The estimated fair value of the other postretirement benefit plans' Level 1 equity securities is based on the closing price reported on the active market on which the individual securities are traded. The estimated fair value of the other postretirement benefit plans' Level 2 insurance contract is based on contractual cash surrender values that are determined primarily by investments in managed separate accounts of the insurer. These amounts approximate fair value. The managed separate accounts are valued based on other observable inputs or corroborated market data.

Though the Company believes the methods used to estimate fair value are consistent with those used by other market participants, the use of other methods or assumptions could result in a different estimate of fair value. For the years ended December 31, 2019 and 2018, there were no transfers between Levels 1 and 2.

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The fair value of the Company's other postretirement benefit plans' assets (excluding cash) by asset class were as follows:

Fair Value Measurements at December 31, 2019, Using				
	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Balance at December 31, 2019
<i>(In thousands)</i>				
Assets:				
Cash equivalents	\$ ---	\$ 3,015	\$ ---	\$ 3,015
Equity securities:				
U.S. companies	1,556	---	---	1,556
International companies	---	1	---	1
Insurance contract*	8	66,420	---	66,428
Total assets measured at fair value	\$ 1,564	\$69,436	\$ ---	\$ 71,000

* The insurance contract invests approximately 50 percent in corporate bonds, 25 percent in common stock of large-cap U.S. companies, 7 percent in U.S. Government securities, 7 percent in common stock of small-cap U.S. companies and 11 percent in other investments.

Fair Value Measurements at December 31, 2018, Using				
	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Balance at December 31, 2018
<i>(In thousands)</i>				
Assets:				
Cash equivalents	\$ ---	\$ 2,915	\$ ---	\$ 2,915
Equity securities:				
U.S. companies	1,401	---	---	1,401
International companies	---	2	---	2
Insurance contract*	1	57,737	---	57,738
Total assets measured at fair value	\$ 1,402	\$60,654	\$ ---	\$ 62,056

* The insurance contract invests approximately 51 percent in corporate bonds, 23 percent in common stock of large-cap U.S. companies, 7 percent in U.S. Government securities, 7 percent in common stock of small-cap U.S. companies and 12 percent in other investments.

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Nonqualified benefit plans

In addition to the qualified defined benefit pension plans reflected in the table at the beginning of this note, the Company also has unfunded, nonqualified defined benefit plans for executive officers and certain key management employees. Montana-Dakota's plan provides for defined benefit payments following the employee's retirement or, upon death, to their beneficiaries for up to a 15-year period. Cascade's plan provides for defined benefit payments following the employee's retirement or, upon death, to their beneficiaries for up to a 10-year period, plus the surviving spouse is entitled to receive a monthly benefit for life equal to one-half of the benefit the participant was entitled to before death. Effective October 1, 2003, the plan was amended so that no new participants will be added to the plan and no additional benefits will accrue for existing participants. Intermountain's plan provides for defined benefit payments following the employee's retirement until death for a minimum of a 20-year period or to their beneficiaries upon pre-retirement death for a 10-year period equal to twice the benefit the participant was entitled to before death. In February 2016, the Company froze the unfunded, nonqualified defined benefit plans to new participants and eliminated benefit increases. Vesting for participants not fully vested was retained.

The projected benefit obligation and accumulated benefit obligation for these plans at December 31 were as follows:

	2019	2018
	(In thousands)	
Projected benefit obligation	\$ 30,367	\$ 29,262
Accumulated benefit obligation	\$ 30,367	\$ 29,262

Components of net periodic benefit cost for these plans for the years ended December 31 were as follows:

	2019	2018
	(In thousands)	
Components of net periodic		
Service cost	\$ 109	\$ 185
Interest cost	1,088	1,004
Recognized net actuarial loss	532	654
Net periodic benefit cost	\$ 1,729	\$ 1,843

Weighted average assumptions used at December 31 were as follows:

	2019	2018
Benefit obligation discount rate	2.76%	3.88%
Benefit obligation rate of compensation increase	N/A	N/A
Net periodic benefit cost discount rate	3.89%	3.22%
Net periodic benefit cost rate of compensation increase	N/A	N/A

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The amount of future benefit payments for the unfunded, nonqualified defined benefit plans at December 31, 2019, are expected to aggregate as follows:

	2020	2021	2022	2023	2024	2025-2029
	(In thousands)					
Nonqualified benefits	\$ 2,696	\$ 2,649	\$ 2,543	\$ 2,562	\$ 2,468	\$ 9,681

In 2012, the Company established a nonqualified defined contribution plan for certain key management employees. Expenses incurred under this plan for 2019 and 2018 were \$227,000 and \$86,000, respectively.

The amount of investments that the Company anticipates using to satisfy obligations under these plans at December 31 was as follows:

	2019	2018
	(In thousands)	
Investments		
Insurance contract*	\$ 26,697	\$ 22,656
Life insurance**	19,115	16,059
Other	1,637	4,567
Total investments	\$ 47,449	\$ 43,282

* For more information on the insurance contract, see Note 6.

**Investments of life insurance are carried on plan participants (payable upon the employee's death).

Defined contribution plans

The Company sponsors various defined contribution plans for eligible employees and the costs incurred under these plans were \$12.5 million in 2019 and \$11.6 million in 2018.

Multiemployer plans

Intermountain contributes to a multiemployer defined benefit pension plan under the terms of a collective-bargaining agreement that covers its union-represented employees. The risks of participating in a multiemployer plan are different from a single-employer plan in the following aspects:

- Assets contributed to the multiemployer plan by one employer may be used to provide benefits to employees of other participating employers
- If a participating employer stops contributing to the plan, the unfunded obligations of the plan may be borne by the remaining participating employers
- If the Company chooses to stop participating in the multiemployer plan, the Company may be required to pay the plan an amount based on the underfunded status of the plan, referred to as a withdrawal liability

The Company's participation in this plan is outlined in the following table. The most recent Pension Protection Act zone status available in 2019 and 2018 is for the plan's year-end at December 31, 2018, and December 31, 2017, respectively. The zone status is based on information that the Company received from the plan and is certified by the plan's actuary. Among other factors, plans in the red zone are generally less

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than 65 percent funded, plans in the yellow zone are between 65 percent and 80 percent funded, and plans in the green zone are at least 80 percent funded.

Pension Fund	EIN/Pension Plan Number	Pension Protection Act Zone Status		FIP/RP Status Pending/ Implemented	Contributions		Surcharge Imposed	Expiration Date of Collective Bargaining Agreement
		2019	2018		2018	2017		
(In thousands)								
Idaho Plumbers and Pipefitters Pension Plan	82-6010346-001	Green as of 5/31/2019	Green as of 5/31/2018	No	\$ 1,307	\$ 1,247	No	03/31/2023

Intermountain was listed in the Idaho Plumbers and Pipefitters Pension Plan's Form 5500 as providing more than 5 percent of the total contributions as of the plan's year-end as of December 31, 2018 and 2017.

NOTE 12 – JOINTLY OWNED FACILITIES

The consolidated financial statements include Montana-Dakota's ownership interests in three coal-fired electric generating facilities (Big Stone Station, Coyote Station and Wygen III) and one major transmission line (BSSE). Each owner of the jointly owned facilities is responsible for financing its investment.

Montana-Dakota's share of the jointly owned facilities operating expenses was reflected in the appropriate categories of operating expenses (electric fuel and purchased power; operation and maintenance; and taxes, other than income) in the Consolidated Statements of Income.

At December 31, Montana-Dakota's share of the cost of utility plant in service, construction work in progress and related accumulated depreciation for the jointly owned facilities was as follows:

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	Ownership Percentage	2019	2018
(In thousands)			
Big Stone Station:	22.7%		
Utility plant in service		\$ 152,836	\$ 156,534
Construction work in progress		518	92
Less accumulated depreciation		46,266	49,345
		\$ 107,088	\$ 107,281
BSSE:	50.0%		
Utility plant in service		\$ 105,767	\$ —
Construction work in progress		—	105,846
Less accumulated depreciation		1,232	—
		\$ 104,535	\$ 105,846
Coyote Station:	25.0%		
Utility plant in service		\$ 160,235	\$ 155,236
Construction work in progress		21	1,920
Less accumulated depreciation		107,638	105,565
		\$ 52,618	\$ 51,591
Wygen III:	25.0%		
Utility plant in service		\$ 67,869	\$ 65,382
Construction work in progress		112	220
Less accumulated depreciation		10,482	9,174
		\$ 57,499	\$ 56,428

NOTE 13 – REGULATORY MATTERS

The Company regularly reviews the need for electric and natural gas rate changes in each of the jurisdictions in which service is provided. The Company files for rate adjustments to seek recovery of operating costs and capital investments, as well as reasonable returns as allowed by regulators. As indicated below, certain regulatory proceedings and cases may also contain recurring mechanisms that can have an annual true-up. Examples of these recurring mechanisms include: infrastructure riders, transmission trackers, renewable resource cost adjustment riders, as well as weather normalization and decoupling mechanisms. The following paragraphs summarize the Company's significant regulatory proceedings and cases by jurisdiction including the status of each open request. The Company is unable to predict the ultimate outcome of these matters, the timing of final decisions of the various regulators and courts, or the effect on the Company's results of operations, financial position or cash flows.

MNPUC

On September 27, 2019, Great Plains filed an application with the MNPUC for a natural gas rate increase of approximately \$2.9 million annually or approximately 12.0 percent above current rates. The requested increase was primarily to recover investments in facilities to enhance safety and reliability and the depreciation and taxes associated with the increase in investment. On November 22, 2019, Great Plains

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received approval to implement an interim rate increase of approximately \$2.6 million or approximately 11.0 percent, subject to refund, effective January 1, 2020. This matter is pending before the MNPUC.

MTPSC

On November 1, 2019, Montana-Dakota submitted an application with the MTPSC requesting the use of deferred accounting for the treatment of costs related to the retirement of Lewis & Clark Station in Sidney, Montana, and units 1 and 2 at the Heskett Station near Mandan, North Dakota. This matter is pending before the MTPSC.

NDPSC

Montana-Dakota has a transmission cost adjustment rider that allows annual updates to rates for actual costs for transmission-related projects and services. On July 19, 2019, Montana-Dakota filed a change to its transmission cost adjustment rates to reflect projected charges for July 2019 through June 2020 assessed to Montana-Dakota for transmission-related services provided by MISO and Southwest Power Pool, along with the projected transmission service revenues or credits received for the same time period. Montana-Dakota also requested recovery of six transmission capital projects. Total revenues of approximately \$9.2 million, which reflects a true-up of the prior period adjustment, were requested resulting in an increase of approximately \$600,000 or approximately 7.2 percent over current rates, which includes approximately \$1.5 million related to transmission capital projects. On October 22, 2019, the NDPSC approved the rates as requested. The rates were effective October 28, 2019.

Montana-Dakota has a renewable resource cost adjustment rate tariff that allows for annual adjustments for recent projected capital costs and related expenses for projects determined to be recoverable under the tariff. On November 1, 2019, Montana-Dakota filed an annual update to its renewable resource cost adjustment requesting to recover a revenue requirement of approximately \$14.7 million annually, not including the prior period true-up adjustment. The update reflects a decrease of approximately \$800,000 from the revenues currently included in rates. On February 19, 2020, the NDPSC approved the increase with rates effective on March 1, 2020.

On August 28, 2019, Montana-Dakota filed an application with the NDPSC for an advanced determination of prudence and a certificate of public convenience and necessity to construct, own and operate Heskett Unit 4, an 88-MW simple-cycle natural gas-fired combustion turbine peaking unit at the existing Heskett Station near Mandan, North Dakota. This matter is pending before the NDPSC.

On September 16, 2019, Montana-Dakota submitted an application with the NDPSC requesting the use of deferred accounting for the treatment of costs related to the retirement of Lewis & Clark Station in Sidney, Montana, and units 1 and 2 at Heskett Station near Mandan, North Dakota. This matter is pending before the NDPSC.

OPUC

On December 29, 2017, Cascade filed a request with the OPUC to use deferred accounting for the 2018 net benefits associated with the implementation of the TCJA. On September 12, 2019, the OPUC approved the request, including a settlement to refund to customers approximately \$1.4 million related to TJCA impacts for the period from January 2018 through March 2019. These refunds will be reflected in customers' rates over a 12-month period beginning November 1, 2019.

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On June 14, 2019, Cascade filed a request with the OPUC to implement a new pipeline safety cost recovery mechanism to recover investments to replace Cascade's highest risk infrastructure which would have required Cascade to file a report annually with the OPUC detailing actual projects undertaken and the related costs incurred. This matter was denied by the OPUC on January 15, 2020.

SDPUC

On November 8, 2019, Montana-Dakota submitted an application with the SDPUC requesting the use of deferred accounting for the treatment of costs related to the retirement of Lewis & Clark Station in Sidney, Montana, and units 1 and 2 at Heskett Station near Mandan, North Dakota. The SDPUC approved the use of deferred accounting treatment as requested on January 7, 2020.

Montana-Dakota has a transmission cost recovery rider that allows annual updates to rates for actual costs for transmission-related projects and services. On February 28, 2020, Montana-Dakota filed a change to its transmission cost recovery rates to reflect projected charges for 2020 assessed to Montana-Dakota for transmission-related services provided by MISO and Southwest Power Pool, along with the projected transmission service revenues or credits received for the same time period. Montana-Dakota also requested recovery of two transmission capital projects. Total revenues of approximately \$764,000, which reflects a true-up of the prior period adjustment, were requested resulting in a decrease of approximately \$15,000 or approximately 1.9 percent under current rates, which includes approximately \$87,000 related to transmission capital projects. This matter is pending before the SDPUC.

Montana-Dakota has an infrastructure rider rate tariff that allows for annual adjustments for recent projected capital costs and related expenses for projects determined to be recoverable under the tariff. On February 28, 2020, Montana-Dakota filed an annual update to its infrastructure rider requesting to recover a revenue requirement of approximately \$1.3 million annually, including the prior period true-up adjustment, an increase of approximately \$300,000 from revenues currently included in rates. This matter is pending before the SDPUC.

WUTC

On March 29, 2019, Cascade filed a natural gas general rate case with the WUTC requesting an increase in annual revenue of \$12.7 million or approximately 5.5 percent. On September 20, 2019, Cascade filed a joint settlement agreement with the WUTC reflecting a revised annual increase of approximately \$6.5 million or approximately 2.8 percent with an effective date of March 1, 2020. A settlement hearing was held on November 5, 2019. On February 3, 2020, the WUTC approved the increase with rates effective on March 1, 2020.

Cascade has a pipeline replacement cost recovery mechanism, which is designed to recover the replacement cost of the Company's most at risk pipelines. The mechanism requires an annual filing on May 31, as well as two update filings for actual costs before the November 1 effective date. On May 31, 2019, Cascade filed its seventh annual update to its pipeline cost recovery mechanism requesting an increase in revenue of approximately \$1.6 million or approximately 0.7 percent. On October 10, 2019, Cascade filed a final update to the cost recovery mechanism with a revised increase in revenue of approximately \$440,000 or approximately 0.2 percent annually. On October 24, 2019, the WUTC approved the increase with rates effective for services provided on or after November 1, 2019.

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Cascade defers the actual cost of gas spent to serve customers and annually records a true-up to their purchased gas adjustment tariff. On September 13, 2019, Cascade filed its annual update to its purchased gas adjustment with the WUTC requesting an annual increase of approximately \$12.8 million or approximately 5.7 percent for a period of three years. The requested increase is primarily due to unrecovered purchased gas costs as a result of the rupture of the Enbridge pipeline in Canada on October 9, 2018, causing increased natural gas costs. On October 24, 2019, the WUTC approved the increase with rates effective for services provided on or after November 1, 2019.

WYPSC

On May 23, 2019, Montana-Dakota filed an application with the WYPSC for a natural gas rate increase of approximately \$1.1 million annually or approximately 7.0 percent above current rates. The requested increase was to recover increased operating expenses and investments in distribution facilities to improve system safety and reliability. On December 17, 2019, Montana-Dakota filed a settlement agreement with the WYPSC. On January 15, 2020, the WYPSC approved the settlement, as adjusted to reflect an annual increase in revenues of approximately \$828,000 or approximately 5.5 percent, with rates effective March 1, 2020.

FERC

On December 9, 2019, MISO accepted Montana-Dakota's annual revenue requirement update to its transmission formula rates under the MISO tariff for its multi-value project for approximately \$13.1 million, which was effective January 1, 2020. The update effective January 1, 2020, reflects the reduced return on equity order issued by the FERC on November 21, 2019.

NOTE 14 – COMMITMENTS AND CONTINGENCIES

Claims and Litigation

The Company is party to claims and lawsuits arising out of its business which may include, but are not limited to, matters involving property damage, personal injury, and environmental, contractual, statutory and regulatory obligations. The Company accrues a liability for those contingencies when the incurrence of a loss is probable and the amount can be reasonably estimated. If a range of amounts can be reasonably estimated and no amount within the range is a better estimate than any other amount, then the minimum of the range is accrued. The Company does not accrue liabilities when the likelihood that the liability has been incurred is probable but the amount cannot be reasonably estimated or when the liability is believed to be only reasonably possible or remote. For contingencies where an unfavorable outcome is probable or reasonably possible and which are material, the Company discloses the nature of the contingency and, in some circumstances, an estimate of the possible loss. Accruals are based on the best information available, but in certain situations management is unable to estimate an amount or range of a reasonably possible loss including, but not limited to when: (1) the damages are unsubstantiated or indeterminate, (2) the proceedings are in the early stages, (3) numerous parties are involved, or (4) the matter involves novel or unsettled legal theories.

At December 31, 2019 and 2018, the Company accrued liabilities, which have not been discounted, of \$11.4 million and \$13.4 million, respectively. The accruals are for contingencies, including litigation and environmental matters. This includes amounts that have been accrued for matters discussed in Environmental matters within this note. The Company will continue to monitor each matter and adjust accruals as might be

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warranted based on new information and further developments. Management believes that the outcomes with respect to probable and reasonably possible losses in excess of the amounts accrued, net of insurance recoveries, while uncertain, either cannot be estimated or will not have a material effect upon the Company's financial position, results of operations or cash flows. Unless otherwise required by GAAP, legal costs are expensed as they are incurred.

Environmental matters

Manufactured Gas Plant Sites

Claims have been made against Cascade for cleanup of environmental contamination at manufactured gas plant sites operated by Cascade's predecessors and a similar claim has been made against Montana-Dakota for a site operated by Montana-Dakota and its predecessors. Any accruals related to these claims are reflected in regulatory assets. For more information, see Note 5.

Demand has been made of Montana-Dakota to participate in investigation and remediation of environmental contamination at a site in Missoula, Montana. The site operated as a former manufactured gas plant from approximately 1907 to 1938 when it was converted to a butane-air plant that operated until 1956. Montana-Dakota or its predecessors owned or controlled the site for a period of the time it operated as a manufactured gas plant and Montana-Dakota operated the butane-air plant from 1940 to 1951, at which time it sold the plant. There are no documented wastes or by-products resulting from the mixing or distribution of butane-air gas. Preliminary assessment of a portion of the site provided a recommended remedial alternative for that portion of approximately \$560,000. However, the recommended remediation would not address any potential contamination to adjacent parcels that may be impacted by contamination from the manufactured gas plant. Montana-Dakota and another party agreed to voluntarily investigate and remediate the site and that Montana-Dakota will pay two-thirds of the costs for further investigation and remediation of the site. Montana-Dakota received notice from a prior insurance carrier that it will participate in payment of defense costs incurred in relation to the claim. Montana-Dakota has accrued \$375,000 for the remediation of this site.

A claim was made against Cascade for contamination at the Bremerton Gasworks Superfund Site in Bremerton, Washington, which was received in 1997. A preliminary investigation has found soil and groundwater at the site contain contaminants requiring further investigation and cleanup. The EPA conducted a Targeted Brownfields Assessment of the site and released a report summarizing the results of that assessment in August 2009. The assessment confirms that contaminants have affected soil and groundwater at the site, as well as sediments in the adjacent Port Washington Narrows. Alternative remediation options have been identified with preliminary cost estimates ranging from \$340,000 to \$6.4 million. Data developed through the assessment and previous investigations indicates the contamination likely derived from multiple different sources and multiple current and former owners of properties and businesses in the vicinity of the site may be responsible for the contamination. In April 2010, the Washington DOE issued notice it considered Cascade a PRP for hazardous substances at the site. In May 2012, the EPA added the site to the National Priorities List of Superfund sites. Cascade has entered into an administrative settlement agreement and consent order with the EPA regarding the scope and schedule for a remedial investigation and feasibility study for the site. Current estimates for the cost to complete the remedial investigation and feasibility study are approximately \$7.6 million of which \$4.4 million has been incurred. Cascade has accrued \$3.2 million for the remedial investigation and feasibility study, as well as \$6.4 million for remediation of this site; however, the accrual for remediation costs will be reviewed and adjusted, if necessary, after completion of the remedial investigation and feasibility study. In April 2010, Cascade filed a petition with the WUTC for authority to

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defer the costs incurred in relation to the environmental remediation of this site. The WUTC approved the petition in September 2010, subject to conditions set forth in the order.

A claim was made against Cascade for contamination at a site in Bellingham, Washington. Cascade received notice from a party in May 2008 that Cascade may be a PRP, along with other parties, for contamination from a manufactured gas plant owned by Cascade and its predecessor from about 1946 to 1962. Other PRPs reached an agreed order and work plan with the Washington DOE for completion of a remedial investigation and feasibility study for the site. A feasibility study prepared for one of the PRPs in March 2018 identifies five cleanup action alternatives for the site with estimated costs ranging from \$8.0 million to \$20.4 million with a selected preferred alternative having an estimated total cost of \$9.3 million. The other PRPs will develop a cleanup action plan and, after public review of the cleanup action plan, develop design documents. Cascade believes its proportional share of any liability will be relatively small in comparison to other PRPs. The plant manufactured gas from coal between approximately 1890 and 1946. In 1946, shortly after Cascade's predecessor acquired the plant, the plant converted to a propane-air gas facility. There are no documented wastes or by-products resulting from the mixing or distribution of propane-air gas. Cascade has recorded an accrual for this site for an amount that is not material.

Cascade has received notices from and entered into agreement with certain of its insurance carriers that they will participate in defense of Cascade for certain of the contamination claims subject to full and complete reservations of rights and defenses to insurance coverage. To the extent these claims are not covered by insurance, Cascade intends to seek recovery of remediation costs through the OPUC and WUTC in its natural gas rates charged to customers.

Purchase commitments

The Company has entered into various commitments, largely consisting of contracts for natural gas and coal supply, purchased power, and natural gas transportation and storage contracts. Certain of these contracts are subject to variability in volume and price. The commitment terms vary in length, up to 41 years.

The commitments under these contracts as of December 31, 2019, were:

	2020	2021	2022	2023	2024	Thereafter
	(In thousands)					
Purchase commitments	\$353,485	\$222,156	\$156,517	\$121,954	\$86,168	\$671,245

These commitments were not reflected in the Company's consolidated financial statements. Amounts purchased under various commitments for the years ended December 31, 2019 and 2018, were \$504.1 million and \$450.1 million, respectively.

Guarantees

Cascade has an outstanding letter of credit to a third party related to a remedial investigation feasibility study, and Intermountain has an outstanding letter of credit to a third party related to gas storage costs. At December 31, 2019, the fixed maximum amount guaranteed under these letters of credit aggregated \$3.6 million, which are scheduled to expire in 2020. There were no amounts outstanding under this letter of credit at December 31, 2019. In the event of default under these letter of credit obligations, the subsidiary

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guaranteeing the letter of credit would be obligated for reimbursement of payments made under the letter of credit.

Variable interest entities

The Company evaluates its arrangements and contracts with other entities to determine if they are VIEs and if so, if the Company is the primary beneficiary.

Fuel Contract

Coyote Station entered into a coal supply agreement with Coyote Creek that provides for the purchase of coal necessary to supply the coal requirements of the Coyote Station for the period May 2016 through December 2040. Coal purchased under the coal supply agreement is reflected in inventories on the Consolidated Balance Sheets and is recovered from customers as a component of electric fuel and purchased power.

The coal supply agreement creates a variable interest in Coyote Creek due to the transfer of all operating and economic risk to the Coyote Station owners, as the agreement is structured so that the price of the coal will cover all costs of operations, as well as future reclamation costs. The Coyote Station owners are also providing a guarantee of the value of the assets of Coyote Creek as they would be required to buy the assets at book value should they terminate the contract prior to the end of the contract term and are providing a guarantee of the value of the equity of Coyote Creek in that they are required to buy the entity at the end of the contract term at equity value. Although the Company has determined that Coyote Creek is a VIE, the Company has concluded that it is not the primary beneficiary of Coyote Creek because the authority to direct the activities of the entity is shared by the four unrelated owners of the Coyote Station, with no primary beneficiary existing. As a result, Coyote Creek is not required to be consolidated in the Company's financial statements.

At December 31, 2019, the Company's exposure to loss as a result of the Company's involvement with the VIE, based on the Company's ownership percentage was \$36.0 million.

NOTE 15 – RELATED-PARTY TRANSACTIONS

MDU provides and receives certain support services to/from the Company. The amount charged for services provided to the Company was \$79.2 million and \$62.2 million for the years ended December 31, 2019 and 2018, respectively and the amount charged for services received from the Company was \$2.0 million and \$5.3 million for the years ended December 31, 2019 and 2018, respectively.

The amounts included in the Consolidated Balance Sheets related to MDU at December 31 were as follows:

	2019	2018
	<i>(In thousands)</i>	
Accounts receivable	\$ 1,327	\$ 1,883
Accounts payable	9,606	16,546
Dividend payable	13,580	4,400
Deferred charges and other assets - other	20,614	19,525
Deferred credits and other liabilities - other	12,856	11,587

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MDU has several stock-based compensation plans in which the Company participates. Total stock-based compensation expense (after tax) was \$3.2 million and \$2.3 million in 2019 and 2018, respectively. As of December 31, 2019, total remaining unrecognized compensation expense related to stock-based compensation was approximately \$4.6 million (before income taxes) which will be amortized over a weighted average period of 1.6 years.

NOTE 16 – SUBSEQUENT EVENTS

In March 2020, the World Health Organization declared the outbreak of COVID-19 a pandemic. Measures put in place by governmental leaders to help limit the spread may have a significant impact on economic activity in the near term. The Company is monitoring the related impacts; however, it will take time before the Company can fully determine the impact of COVID-19 on the Company's results of operations, financial position and cash flows.

Summary of Utility Plant and Accumulated Provisions for Depreciation, Amortization and Depletion

Line No.	Item (a)	Total Company For the Current Quarter/Year
1	UTILITY PLANT	
2	In Service	
3	Plant in Service (Classified)	1,106,136,156
4	Property Under Capital Leases	
5	Plant Purchased or Sold	
6	Completed Construction not Classified	42,079,946
7	Experimental Plant Unclassified	
8	TOTAL Utility Plant (Total of lines 3 thru 7)	1,148,216,102
9	Leased to Others	
10	Held for Future Use	
11	Construction Work in Progress	31,106,072
12	Acquisition Adjustments	
13	TOTAL Utility Plant (Total of lines 8 thru 12)	1,179,322,174
14	Accumulated Provisions for Depreciation, Amortization, & Depletion	508,329,146
15	Net Utility Plant (Total of lines 13 and 14)	670,993,028
16	DETAIL OF ACCUMULATED PROVISIONS FOR DEPRECIATION, AMORTIZATION AND DEPLETION	
17	In Service:	
18	Depreciation	487,657,727
19	Amortization and Depletion of Producing Natural Gas Land and Land Rights	
20	Amortization of Underground Storage Land and Land Rights	
21	Amortization of Other Utility Plant	20,671,419
22	TOTAL In Service (Total of lines 18 thru 21)	508,329,146
23	Leased to Others	
24	Depreciation	
25	Amortization and Depletion	
26	TOTAL Leased to Others (Total of lines 24 and 25)	
27	Held for Future Use	
28	Depreciation	
29	Amortization	
30	TOTAL Held for Future Use (Total of lines 28 and 29)	
31	Abandonment of Leases (Natural Gas)	
32	Amortization of Plant Acquisition Adjustment	
33	TOTAL Accum. Provisions (Should agree with line 14 above)(Total of lines 22, 26, 30, 31, and 32)	508,329,146

Summary of Utility Plant and Accumulated Provisions for Depreciation, Amortization and Depletion (continued)

Line No.	Electric (c)	Gas (d)	Other (specify) (e)	Common (f)
1				
2				
3		1,106,136,156		
4				
5				
6		42,079,946		
7				
8		1,148,216,102		
9				
10				
11		31,106,072		
12				
13		1,179,322,174		
14		508,329,146		
15		670,993,028		
16				
17				
18		487,657,727		
19				
20				
21		20,671,419		
22		508,329,146		
23				
24				
25				
26				
27				
28				
29				
30				
31				
32				
33		508,329,146		

Gas Plant in Service (Accounts 101, 102, 103, and 106)

1. Report below the original cost of gas plant in service according to the prescribed accounts.
 2. In addition to Account 101, Gas Plant in Service (Classified), this page and the next include Account 102, Gas Plant Purchased or Sold, Account 103, Experimental Gas Plant Unclassified, and Account 106, Completed Construction Not Classified-Gas.
 3. Include in column (c) and (d), as appropriate corrections of additions and retirements for the current or preceding year.
 4. Enclose in parenthesis credit adjustments of plant accounts to indicate the negative effect of such accounts.
 5. Classify Account 106 according to prescribed accounts, on an estimated basis if necessary, and include the entries in column (c). Also to be included in column (c) are entries for reversals of tentative distributions of prior year reported in column (b). Likewise, if the respondent has a significant amount of plant retirements which have not been classified to primary accounts at the end of the year, include in column (d) a tentative distribution of such retirements, on an estimated basis, with appropriate contra entry to the account for accumulated depreciation provision. Include also in column (d) reversals of tentative distributions of prior year's unclassified retirements. Attach supplemental statement showing the account distributions of these tentative classifications in columns (c) and (d).

Line No.	Account (a)	Balance at Beginning of Year (b)	Additions (c)
1	INTANGIBLE PLANT		
2	301 Organization	152,066	
3	302 Franchises and Consents	211,825	
4	303 Miscellaneous Intangible Plant	44,171,295	1,915,100
5	TOTAL Intangible Plant (Enter Total of lines 2 thru 4)	44,535,186	1,915,100
6	PRODUCTION PLANT		
7	Natural Gas Production and Gathering Plant		
8	325.1 Producing Lands		
9	325.2 Producing Leaseholds		
10	325.3 Gas Rights		
11	325.4 Rights-of-Way		
12	325.5 Other Land and Land Rights		
13	326 Gas Well Structures		
14	327 Field Compressor Station Structures		
15	328 Field Measuring and Regulating Station Equipment		
16	329 Other Structures		
17	330 Producing Gas Wells-Well Construction		
18	331 Producing Gas Wells-Well Equipment		
19	332 Field Lines		
20	333 Field Compressor Station Equipment		
21	334 Field Measuring and Regulating Station Equipment		
22	335 Drilling and Cleaning Equipment		
23	336 Purification Equipment		
24	337 Other Equipment		
25	338 Unsuccessful Exploration and Development Costs		
26	339 Asset Retirement Costs for Natural Gas Production and		
27	TOTAL Production and Gathering Plant (Enter Total of lines 8		
28	PRODUCTS EXTRACTION PLANT		
29	340 Land and Land Rights		
30	341 Structures and Improvements		
31	342 Extraction and Refining Equipment		
32	343 Pipe Lines		
33	344 Extracted Products Storage Equipment		

Gas Plant in Service (Accounts 101, 102, 103, and 106) (continued)

including the reversals of the prior years tentative account distributions of these amounts. Careful observance of the above instructions and the texts of Account 101 and 106 will avoid serious omissions of respondent's reported amount for plant actually in service at end of year.

6. Show in column (f) reclassifications or transfers within utility plant accounts. Include also in column (f) the additions or reductions of primary account classifications arising from distribution of amounts initially recorded in Account 102. In showing the clearance of Account 102, include in column (e) the amounts with respect to accumulated provision for depreciation, acquisition adjustments, etc., and show in column (f) only the offset to the debits or credits to primary account classifications.

7. For Account 399, state the nature and use of plant included in this account and if substantial in amount submit a supplementary statement showing subaccount classification of such plant conforming to the requirements of these pages.

8. For each amount comprising the reported balance and changes in Account 102, state the property purchased or sold, name of vendor or purchaser, and date of transaction. If proposed journal entries have been filed with the Commission as required by the Uniform System of Accounts, give date of such filing.

Line No.	Retirements (d)	Adjustments (e)	Transfers (f)	Balance at End of Year (g)
1				
2				152,066
3				211,825
4	112,575			45,973,820
5	112,575			46,337,711
6				
7				
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Gas Plant in Service (Accounts 101, 102, 103, and 106) (continued)

Line No.	Account (a)	Balance at Beginning of Year (b)	Additions (c)
34	345 Compressor Equipment		
35	346 Gas Measuring and Regulating Equipment		
36	347 Other Equipment		
37	348 Asset Retirement Costs for Products Extraction Plant		
38	TOTAL Products Extraction Plant (Enter Total of lines 29 thru 37)		
39	TOTAL Natural Gas Production Plant (Enter Total of lines 27 and		
40	Manufactured Gas Production Plant (Submit Supplementary		
41	TOTAL Production Plant (Enter Total of lines 39 and 40)		
42	NATURAL GAS STORAGE AND PROCESSING PLANT		
43	Underground Storage Plant		
44	350.1 Land		
45	350.2 Rights-of-Way		
46	351 Structures and Improvements		
47	352 Wells		
48	352.1 Storage Leaseholds and Rights		
49	352.2 Reservoirs		
50	352.3 Non-recoverable Natural Gas		
51	353 Lines		
52	354 Compressor Station Equipment		
53	355 Other Equipment		
54	356 Purification Equipment		
55	357 Other Equipment		
56	358 Asset Retirement Costs for Underground Storage Plant		
57	TOTAL Underground Storage Plant (Enter Total of lines 44 thru		
58	Other Storage Plant		
59	360 Land and Land Rights		
60	361 Structures and Improvements		
61	362 Gas Holders		
62	363 Purification Equipment		
63	363.1 Liquefaction Equipment		
64	363.2 Vaporizing Equipment		
65	363.3 Compressor Equipment		
66	363.4 Measuring and Regulating Equipment		
67	363.5 Other Equipment		
68	363.6 Asset Retirement Costs for Other Storage Plant		
69	TOTAL Other Storage Plant (Enter Total of lines 58 thru 68)		
70	Base Load Liquefied Natural Gas Terminaling and Processing Plant		
71	364.1 Land and Land Rights		
72	364.2 Structures and Improvements		
73	364.3 LNG Processing Terminal Equipment		
74	364.4 LNG Transportation Equipment		
75	364.5 Measuring and Regulating Equipment		
76	364.6 Compressor Station Equipment		
77	364.7 Communications Equipment		
78	364.8 Other Equipment		
79	364.9 Asset Retirement Costs for Base Load Liquefied Natural Gas		
80	TOTAL Base Load Liquefied Nat'l Gas, Terminaling and Processing		

Gas Plant in Service (Accounts 101, 102, 103, and 106) (continued)

Line No.	Retirements (d)	Adjustments (e)	Transfers (f)	Balance at End of Year (g)
34				
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Gas Plant in Service (Accounts 101, 102, 103, and 106) (continued)

Line No.	Account (a)	Balance at Beginning of Year (b)	Additions (c)
81	TOTAL Nat'l Gas Storage and Processing Plant (Total of lines 57,		
82	TRANSMISSION PLAN		
83	365.1 Land and Land Rights	224,536	
84	365.2 Rights-of-Way	1,026,089	
85	366 Structures and Improvements		
86	367 Mains	22,171,656	
87	368 Compressor Station Equipment		
88	369 Measuring and Regulating Station Equipment	180,823	
89	370 Communication Equipment		
90	371 Other Equipment		
91	372 Asset Retirement Costs for Transmission Plant	87,720	
92	TOTAL Transmission Plant (Enter Totals of lines 83 thru 91)	23,690,824	
93	DISTRIBUTION PLANT		
94	374 Land and Land Rights	2,663,807	(1,069)
95	375 Structures and Improvements	1,465,897	26,722
96	376 Mains	506,416,844	35,945,433
97	377 Compressor Station Equipment	2,097,767	
98	378 Measuring and Regulating Station Equipment-General	33,041,936	3,898,812
99	379 Measuring and Regulating Station Equipment-City Gate		
100	380 Services	249,437,259	20,302,027
101	381 Meters	65,020,482	7,381,151
102	382 Meter Installations	33,655,296	258,770
103	383 House Regulators	11,160,435	747,583
104	384 House Regulator Installations		
105	385 Industrial Measuring and Regulating Station Equipment	11,641,827	606,385
106	386 Other Property on Customers' Premises		
107	387 Other Equipment		
108	388 Asset Retirement Costs for Distribution Plant	22,097,038	4,194,531
109	TOTAL Distribution Plant (Enter Total of lines 94 thru 108)	938,698,588	73,360,345
110	GENERAL PLANT		
111	389 Land and Land Rights	3,468,083	529,808
112	390 Structures and Improvements	20,024,461	2,955,411
113	391 Office Furniture and Equipment	8,287,578	382,123
114	392 Transportation Equipment	17,137,416	2,637,485
115	393 Stores Equipment	66,925	9,277
116	394 Tools, Shop, and Garage Equipment	8,967,475	514,296
117	395 Laboratory Equipment	119,908	
118	396 Power Operated Equipment	4,989,380	2,970,885
119	397 Communication Equipment	7,159,952	445,056
120	398 Miscellaneous Equipment	80,968	
121	Subtotal (Enter Total of lines 111 thru 120)	70,302,146	10,444,341
122	399 Other Tangible Property		
123	399.1 Asset Retirement Costs for General Plant		
124	TOTAL General Plant (Enter Total of lines 121, 122 and 123)	70,302,146	10,444,341
125	TOTAL (Accounts 101 and 106)	1,077,226,744	85,719,786
126	Gas Plant Purchased (See Instruction 8)		
127	(Less) Gas Plant Sold (See Instruction 8)		
128	Experimental Gas Plant Unclassified		
129	TOTAL Gas Plant In Service (Enter Total of lines 125 thru 128)	1,077,226,744	85,719,786

Gas Plant in Service (Accounts 101, 102, 103, and 106) (continued)

Line No.	Retirements (d)	Adjustments (e)	Transfers (f)	Balance at End of Year (g)
81				
82				
83				224,536
84				1,026,089
85				
86	68,126			22,103,530
87				
88				180,823
89				
90				
91	1,083			86,637
92	69,209			23,621,615
93				
94	8,900		57,231	2,711,069
95	4,279			1,488,340
96	460,859			541,901,418
97				2,097,767
98	185,672		(31,426)	36,723,650
99				
100	224,123			269,515,163
101	7,399,688			65,001,945
102	27,453		(39,331)	33,847,282
103	388,253			11,519,765
104				
105	101,506		13,526	12,160,232
106				
107				
108	40,375			26,251,194
109	8,841,108			1,003,217,825
110				
111				3,997,891
112	10,642			22,969,230
113				8,669,701
114	1,481,853			18,293,048
115				76,202
116	90,786			9,390,985
117	30,186			89,722
118	4,094,069			3,866,196
119				7,605,008
120				80,968
121	5,707,536			75,038,951
122				
123				
124	5,707,536			75,038,951
125	14,730,428			1,148,216,102
126				
127				
128				
129	14,730,428			1,148,216,102

Gas Property and Capacity Leased from Others

1. Report below the information called for concerning gas property and capacity leased from others for gas operations.
2. For all leases in which the average annual lease payment over the initial term of the lease exceeds \$500,000, describe in column (c), if applicable: the property or capacity leased. Designate associated companies with an asterisk in column (b).

Line No.	Name of Lessor (a)	* (b)	Description of Lease (c)	Lease Payments for Current Year (d)
1	None			
2				
3				
4				
5				
6				
7				
8				
9				
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11				
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44				
45	Total			

Gas Property and Capacity Leased to Others

1. For all leases in which the average lease income over the initial term of the lease exceeds \$500,000 provide in column (c), a description of each facility or leased capacity that is classified as gas plant in service, and is leased to others for gas operations.
2. In column (d) provide the lease payments received from others.
3. Designate associated companies with an asterisk in column (b).

Line No.	Name of Lessor (a)	* (b)	Description of Lease (c)	Lease Payments for Current Year (d)
1	None			
2				
3				
4				
5				
6				
7				
8				
9				
10				
11				
12				
13				
14				
15				
16				
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44				
45	Total			

Gas Plant Held for Future Use (Account 105)

1. Report separately each property held for future use at end of the year having an original cost of \$1,000,000 or more. Group other items of property held for future use.
2. For property having an original cost of \$1,000,000 or more previously used in utility operations, now held for future use, give in column (a), in addition to other required information, the date that utility use of such property was discontinued, and the date the original cost was transferred to Account 105.

Line No.	Description and Location of Property (a)	Date Originally Included in this Account (b)	Date Expected to be Used in Utility Service (c)	Balance at End of Year (d)
1	None			
2				
3				
4				
5				
6				
7				
8				
9				
10				
11				
12				
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41				
42				
43				
44				
45	Total			

Construction Work in Progress-Gas (Account 107)

1. Report below descriptions and balances at end of year of projects in process of construction (Account 107).
2. Show items relating to "research, development, and demonstration" projects last, under a caption Research, Development, and Demonstration (see Account 107 of the Uniform System of Accounts).
3. Minor projects (less than \$1,000,000) may be grouped.

Line No.	Description of Project (a)	Construction Work in Progress-Gas (Account 107) (b)	Estimated Additional Cost of Project (c)
1	Reinforce 12" main form new Wallula Gate in Burbank, WA	7,816,137	
2	Construct Wallula gate station	5,577,632	
3	Upgrade Willaim's facilities at Othello, WA lateral	2,510,544	
4	Reinforce 6" main in Arlington, WA	2,426,962	
5	Anacortes lateral upgrade and main replacement	2,363,557	
6			
7			
8	Minor distribution system/general Plant projects each under \$1 million	10,411,240	
9			
10			
11			
12			
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31			
32			
33			
34			
35			
36			
37			
38			
39			
40			
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42			
43			
44			
45	Total	31,106,072	

Non-Traditional Rate Treatment Afforded New Projects

1. The Commission's Certificate Policy Statement provides a threshold requirement for existing pipelines proposing new projects is that the pipeline must be prepared to financially support the project without relying on subsidization from its existing customers. See Certification of New Interstate Natural Gas Pipeline Facilities, 88 FERC P61,227 (1999); order clarifying policy, 90 FERC P61,128 (2000); order clarifying policy, 92 FERC P61,094 (2000) (Policy Statement). In column a, list the name of the facility granted non-traditional rate treatment.
2. In column b, list the CP Docket Number where the Commission authorized the facility.
3. In column c, indicate the type of rate treatment approved by the Commission (e.g. incremental, at risk)
4. In column d, list the amount in Account 101, Gas Plant in Service, associated with the facility.
5. In column e, list the amount in Account 108, Accumulated Provision for Depreciation of Gas Utility Plant, associated with the facility.

Line No.	Name of Facility (a)	CP Docket No. (b)	Type of Rate Treatment (c)	Gas Plant in Service (d)
1	None			
2				
3				
4				
5				
6				
7				
8				
9				
10				
11				
12				
13				
14				
15				
16				
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32				
33				
34				
35				
36				
	Total			0

Non-Traditional Rate Treatment Afforded New Projects (continued)

- 6. In column f, list the amount in Account 190, Accumulated Deferred Income Tax; Account 281, Accumulated Deferred Income Taxes – Accelerated Amortization Property; Account 282, Accumulated Deferred Income Taxes – Other Property; Account 283, Accumulated Deferred Income Taxes – Other, associated with the facility.
- 7. In column g, report the total amount included in the gas operations expense accounts during the year related to the facility (Account 401, Operation Expense).
- 8. In column h, report the total amount included in the gas maintenance expense accounts during the year related to the facility.
- 9. In column i, report the amount of depreciation expense accrued on the facility during the year.
- 10. In column j, list any other expenses(including taxes) allocated to the facility.
- 11. In column k, report the incremental revenues associated with the facility.
- 12. Identify the volumes received and used for any incremental project that has a separate fuel rate for that project.
- 13. Provide the total amounts for each column.

Line No.	Accumulated Depreciation (e)	Accumulated Deferred Income Taxes (f)	Operating Expense (g)	Maintenance Expense (h)	Depreciation Expense (i)	Other Expenses (including taxes) (j)	Incremental Revenues (k)
1							
2							
3							
4							
5							
6							
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8							
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Name of Respondent Cascade Natural Gas Corporation	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 12/31/2019	Year/Period of Report 2019/Q4
General Description of Construction Overhead Procedure			

1. For each construction overhead explain: (a) the nature and extent of work, etc., the overhead charges are intended to cover, (b) the general procedure for determining the amount capitalized, (c) the method of distribution to construction jobs, (d) whether different rates are applied to different types of construction, (e) basis of differentiation in rates for different types of construction, and (f) whether the overhead is directly or indirectly assigned.

2. Show below the computation of allowance for funds used during construction rates, in accordance with the provisions of Gas Plant Instructions 3 (17) of the Uniform System of Accounts.

3. Where a net-of-tax rate for borrowed funds is used, show the appropriate tax effect adjustment to the computations below in a manner that clearly indicates the amount of reduction in the gross rate for tax effects.

1. Engineering & Supervision and General & Administrative overhead:

Engineer & Supervision (ES) overhead consists of employees' time in preparation of work orders, mapping, determining feasibility, and other Engineering/construction based supervisory costs related to new construction which are not identified with a specific project, along with the associated payroll taxes and employee benefit costs.

General & Administrative (GA) overhead consists of employees' time in processing A/P, A/R, receiving orders, and other administrative functions which are not identified with a specific project, along with the associated payroll taxes and employee benefit costs.

Both ES & GA (ES/GA) are accumulated in pools from which a portion is allocated each month. The allocation is based on a rate determined by the Fixed Asset Accounting Analyst and approved by the Controller which is then applied to the current month activity for all applicable work orders to determine how much should be transferred from the ES/GA pools to the affected work orders. This is accomplished via a system (PowerPlan) batch operation. An applicable work order is one that is capital installation/purchase, and not a preliminary survey or investigative in nature. Note that purchase projects only receive GA overhead, not ES. Construction projects receive both.

2. ALLOWANCE FOR BORROWED FUNDS USED DURING CONSTRUCTION (AFUDC):

The formula on page 218a is used.

General Description of Construction Overhead Procedure (continued)

COMPUTATION OF ALLOWANCE FOR FUNDS USED DURING CONSTRUCTION RATES

1. For line (5), column (d) below, enter the rate granted in the last rate proceeding. If not available, use the average rate earned during the preceding 3 years.
2. Identify, in a footnote, the specific entity used as the source for the capital structure figures.
3. Indicate, in a footnote, if the reported rate of return is one that has been approved in a rate case, black-box settlement rate, or an actual three-year average rate.

1. Components of Formula (Derived from actual book balances and actual cost rates):

Line No.	Title (a)	Amount (b)	Capitalization Ratio (percent) (c)	Cost Rate Percentage (d)
	(1) Average Short-Term Debt	S 72,533,718		
	(2) Short-Term Interest			s 3.96
	(3) Long-Term Debt	D 214,361,000	45.30	d 5.27
	(4) Preferred Stock	P		p
	(5) Common Equity	C 258,853,904	54.70	c 9.40
	(6) Total Capitalization	473,214,904	100.00	
	(7) Average Construction Work In Progress Balance	W 18,920,510		

2. Gross Rate for Borrowed Funds $s(S/W) + d[(D/(D+P+C)) (1-(S/W))]$ 3.96

3. Rate for Other Funds $[1-(S/W)] [p(P/(D+P+C)) + c(C/(D+P+C))]$

4. Weighted Average Rate Actually Used for the Year:

- a. Rate for Borrowed Funds - 3.96
- b. Rate for Other Funds -

Accumulated Provision for Depreciation of Gas Utility Plant (Account 108)

1. Explain in a footnote any important adjustments during year.
2. Explain in a footnote any difference between the amount for book cost of plant retired, line 10, column (c), and that reported for gas plant in service, page 204-209, column (d), excluding retirements of nondepreciable property.
3. The provisions of Account 108 in the Uniform System of Accounts require that retirements of depreciable plant be recorded when such plant is removed from service. If the respondent has a significant amount of plant retired at year end which has not been recorded and/or classified to the various reserve functional classifications, make preliminary closing entries to tentatively functionalize the book cost of the plant retired. In addition, include all costs included in retirement work in progress at year end in the appropriate functional classifications.
4. Show separately interest credits under a sinking fund or similar method of depreciation accounting.
5. At lines 7 and 14, add rows as necessary to report all data. Additional rows should be numbered in sequence, e.g., 7.01, 7.02, etc.

Line No.	Item (a)	Total (c+d+e) (b)	Gas Plant in Service (c)	Gas Plant Held for Future Use (d)	Gas Plant Leased to Others (e)
	Section A. BALANCES AND CHANGES DURING YEAR				
1	Balance Beginning of Year	(473,404,421)	(473,404,421)		
2	Depreciation Provisions for Year, Charged to				
3	(403) Depreciation Expense	(29,230,448)	(29,230,448)		
4	(403.1) Depreciation Expense for Asset Retirement Costs				
5	(413) Expense of Gas Plant Leased to Others				
6	Transportation Expenses - Clearing	(1,225,783)	(1,225,783)		
7	Other Clearing Accounts				
8	Other Clearing (Specify) (footnote details):	(325,524)	(325,524)		
9					
10	TOTAL Deprec. Prov. for Year (Total of lines 3 thru 8)	(30,781,755)	(30,781,755)		
11	Net Charges for Plant Retired:				
12	Book Cost of Plant Retired	14,617,853	14,617,853		
13	Cost of Removal	1,734,434	1,734,434		
14	Salvage (Credit)	3,670,523	3,670,523		
15	TOTAL Net Chrgs for Plant Ret. (Total of lines 12 thru 14)	12,681,764	12,681,764		
16	Other Debit or Credit Items (Describe) (footnote details):	3,846,686	3,846,686		
17					
18	Book Cost of Asset Retirement Costs				
19	Balance End of Year (Total of lines 1,10,15,16 and 18)	(487,657,726)	(487,657,726)		
	Section B. BALANCES AT END OF YEAR ACCORDING TO FUNCTIONAL CLASSIFICATIONS				
21	Productions-Manufactured Gas				
22	Production and Gathering-Natural Gas				
23	Products Extraction-Natural Gas				
24	Underground Gas Storage				
25	Other Storage Plant				
26	Base Load LNG Terminating and Processing Plant				
27	Transmission	(16,055,235)	(16,055,235)		
28	Distribution	(445,691,515)	(445,691,515)		
29	General	(25,910,976)	(25,910,976)		
30	TOTAL (Total of lines 21 thru 29)	(487,657,726)	(487,657,726)		

Name of Respondent Cascade Natural Gas Corporation	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 12/31/2019	Year/Period of Report End of <u>2019/Q4</u>
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Gas Stored (Accounts 117.1, 117.2, 117.3, 117.4, 164.1, 164.2, and 164.3)

1. If during the year adjustments were made to the stored gas inventory reported in columns (d), (f), (g), and (h) (such as to correct cumulative inaccuracies of gas measurements), explain in a footnote the reason for the adjustments, the Dth and dollar amount of adjustment, and account charged or credited.

2. Report in column (e) all encroachments during the year upon the volumes designated as base gas, column (b), and system balancing gas, column (c), and gas property recordable in the plant accounts.

3. State in a footnote the basis of segregation of inventory between current and noncurrent portions. Also, state in a footnote the method used to report storage (i.e., fixed asset method or inventory method).

Line No.	Description (a)	(Account 117.1) (b)	(Account 117.2) (c)	Noncurrent (Account 117.3) (d)	(Account 117.4) (e)	Current (Account 164.1) (f)	LNG (Account 164.2) (g)	LNG (Account 164.3) (h)	Total (i)
1	Balance at Beginning of					396,659	1,940,549		2,337,208
2	Gas Delivered to Storage						2,167,637		2,167,637
3	Gas Withdrawn from						2,264,049		2,264,049
4	Other Debits and Credits					497,000			497,000
5	Balance at End of Year					893,659	1,844,137		2,737,796
6	Dth					226,482	575,503		801,985
7	Amount Per Dth					3.9458	3.2044		3.4138

Investments (Account 123, 124, and 136)

1. Report below investments in Accounts 123, Investments in Associated Companies, 124, Other Investments, and 136, Temporary Cash Investments.
2. Provide a subheading for each account and list thereunder the information called for:
 - (a) Investment in Securities-List and describe each security owned, giving name of issuer, date acquired and date of maturity. For bonds, also give principal amount, date of issue, maturity, and interest rate. For capital stock (including capital stock of respondent reacquired under a definite plan for resale pursuant to authorization by the Board of Directors, and included in Account 124, Other Investments) state number of shares, class, and series of stock. Minor investments may be grouped by classes. Investments included in Account 136, Temporary Cash Investments, also may be grouped by classes.
 - (b) Investment Advances-Report separately for each person or company the amounts of loans or investment advances that are properly includable in Account 123. Include advances subject to current repayment in Account 145 and 146. With respect to each advance, show whether the advance is a note or open account.

Line No.	Description of Investment (a)	*	Book Cost at Beginning of Year (If book cost is different from cost to respondent, give cost to respondent in a footnote and explain difference) (c)	Purchases or Additions During the Year (d)
		(b)		
1				
2	Account 124			
3	Oregon weatherization loans			
4	Customer Note Receivable			
5	SERP Plan Assets		12,232,178	894,631
6	SISP Plan Assets		139,137	
7				
8				
9				
10				
11	Account 136			
12	Short-term deposits of cash in interest			
13	bearing accounts (cash management accts)			
14				
15	Short-term deposits of cash in interest			
16	bearing accounts (Exec Deferred Compensation)			
17				
18				
19				
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Investments (Account 123, 124, and 136) (continued)

List each note, giving date of issuance, maturity date, and specifying whether note is a renewal. Designate any advances due from officers, directors, stockholders, or employees.
 3. Designate with an asterisk in column (b) any securities, notes or accounts that were pledged, and in a footnote state the name of pledges and purpose of the pledge.
 4. If Commission approval was required for any advance made or security acquired, designate such fact in a footnote and cite Commission, date of authorization, and case or docket number.
 5. Report in column (h) interest and dividend revenues from investments including such revenues from securities disposed of during the year.
 6. In column (i) report for each investment disposed of during the year the gain or loss represented by the difference between cost of the investment (or the other amount at which carried in the books of account if different from cost) and the selling price thereof, not including any dividend or interest adjustment includible in column (h).

Line No.	Sales or Other Dispositions During Year (e)	Principal Amount or No. of Shares at End of Year (f)	Book Cost at End of Year (If book cost is different from cost to respondent, give cost to respondent in a footnote and explain difference) (g)	Revenues for Year (h)	Gain or Loss from Investment Disposed of (i)
1					
2					
3					
4					
5	1,135,267		11,991,542	894,631	
6	139,137				
7					
8					
9					
10					
11					
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Investments in Subsidiary Companies (Account 123.1)

1. Report below investments in Account 123.1, Investments in Subsidiary Companies.
2. Provide a subheading for each company and list thereunder the information called for below. Sub-total by company and give a total in columns (e), (f), (g) and (h).
 - (a) Investment in Securities-List and describe each security owned. For bonds give also principal amount, date of issue, maturity, and interest rate.
 - (b) Investment Advances - Report separately the amounts of loans or investment advances which are subject to repayment, but which are not subject to current settlement. With respect to each advance show whether the advance is a note or open account. List each note giving date of issuance, maturity date, and specifying whether note is a renewal.
3. Report separately the equity in undistributed subsidiary earnings since acquisition. The total in column (e) should equal the amount entered for Account 418.1.

Line No.	Description of Investment (a)	Date Acquired (b)	Date of Maturity (c)	Amount of Investment at Beginning of Year (d)
1	None			
2				
3				
4				
5				
6				
7				
8				
9				
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39				
40	TOTAL Cost of Account 123.1 \$		TOTAL	

Investments in Subsidiary Companies (Account 123.1) (continued)

4. Designate in a footnote, any securities, notes, or accounts that were pledged, and state the name of pledgee and purpose of the pledge.
5. If Commission approval was required for any advance made or security acquired, designate such fact in a footnote and give name of Commission, date of authorization, and case or docket number.
6. Report in column (f) interest and dividend revenues from investments, including such revenues from securities disposed of during the year.
7. In column (h) report for each investment disposed of during the year, the gain or loss represented by the difference between cost of the investment (or the other amount at which carried in the books of account if different from cost), and the selling price thereof, not including interest adjustments includible in column (f).
8. Report on Line 40, column (a) the total cost of Account 123.1.

Line No.	Equity in Subsidiary Earnings for Year (e)	Revenues for Year (f)	Amount of Investment at End of Year (g)	Gain or Loss from Investment Disposed of (h)
1				
2				
3				
4				
5				
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Name of Respondent

Cascade Natural Gas Corporation

This Report Is:

(1) An Original

(2) A Resubmission

Date of Report
(Mo, Da, Yr)

12/31/2019

Year/Period of Report

End of 2019/Q4

Prepayments (Acct 165), Extraordinary Property Losses (Acct 182.1), Unrecovered Plant and Regulatory Study Costs (Acct 182.2)

PREPAYMENTS (ACCOUNT 165)

1. Report below the particulars (details) on each prepayment.

Line No.	Nature of Payment (a)	Balance at End of Year (in dollars) (b)
1	Prepaid Insurance	138,018
2	Prepaid Rents	3,853,771
3	Prepaid Taxes	969,544
4	Prepaid Interest	
5	Miscellaneous Prepayments	541,312
6	TOTAL	5,502,645

Prepayments (Acct 165), Extraordinary Property Losses (Acct 182.1), Unrecovered Plant and Regulatory Study Costs (Acct 182.2)
 (continued)

EXTRAORDINARY PROPERTY LOSSES (ACCOUNT 182.1)

Line No.	Description of Extraordinary Loss [include the date of loss, the date of Commission authorization to use Account 182.1 and period of amortization (mo, yr, to mo, yr)] Add rows as necessary to report all data. (a)	Balance at Beginning of Year (b)	Total Amount of Loss (c)	Losses Recognized During Year (d)	Written off During Year Account Charged (e)	Written off During Year Amount (f)	Balance at End of Year (g)
7	None						
8							
9							
10							
11							
12							
13							
14							
15	Total						

Prepayments (Acct 165), Extraordinary Property Losses (Acct 182.1), Unrecovered Plant and Regulatory Study Costs (Acct 182.2)
 (continued)

UNRECOVERED PLANT AND REGULATORY STUDY COSTS (ACCOUNT 182.2)

Line No.	Description of Unrecovered Plant and Regulatory Study Costs [Include in the description of costs, the date of Commission authorization to use Account 182.2 and period of amortization (mo, yr, to mo, yr)] Add rows as necessary to report all data. Number rows in sequence beginning with the next row number after the last row number used for extraordinary property losses. (a)	Balance at Beginning of Year (b)	Total Amount of Charges (c)	Costs Recognized During Year (d)	Written off During Year Account Charged (e)	Written off During Year Amount (f)	Balance at End of Year (g)
16	None						
17							
18							
19							
20							
21							
22							
23							
24							
25							
26	Total						

Name of Respondent Cascade Natural Gas Corporation	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 12/31/2019	Year/Period of Report End of <u>2019/Q4</u>
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Other Regulatory Assets (Account 182.3)

1. Report below the details called for concerning other regulatory assets which are created through the ratemaking actions of regulatory agencies (and not includable in other accounts).
2. For regulatory assets being amortized, show period of amortization in column (a).
3. Minor items (5% of the Balance at End of Year for Account 182.3 or amounts less than \$250,000, whichever is less) may be grouped by classes.
4. Report separately any "Deferred Regulatory Commission Expenses" that are also reported on pages 350-351, Regulatory Commission Expenses.
5. Provide in a footnote, for each line item, the regulatory citation where authorization for the regulatory asset has been granted (e.g. Commission Order, state commission order, court decision).

Line No.	Description and Purpose of Other Regulatory Assets (a)	Balance at Beginning Current Quarter/Year (b)	Debits (c)	Written off During Quarter/Year Account Charged (d)	Written off During Period Amount Recovered (e)	Written off During Period Amount Deemed Unrecoverable (f)	Balance at End of Current Quarter/Year (g)
1							
2	FAS158 Regulatory Asset	48,588,659	(7,129,974)				41,458,685
3	(Total system asset)						
4							
5	OR MAOP Regulatory Asset	572,923	(572,923)				
6	(OR regulatory asset)						
7							
8	WA Conservation	7,007,263	(201,813)				6,805,450
9	(WA regulatory asset)						
10							
11							
12							
13							
14							
15							
16							
17							
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39							
40	Total	56,168,845	(7,904,710)		0	0	48,264,135

Miscellaneous Deferred Debits (Account 186)

1. Report below the details called for concerning miscellaneous deferred debits.
2. For any deferred debit being amortized, show period of amortization in column (a).
3. Minor items (less than \$250,000) may be grouped by classes.

Line No.	Description of Miscellaneous Deferred Debits (a)	Balance at Beginning of Year (b)	Debits (c)	Credits Account Charged (d)	Credits Amount (e)	Balance at End of Year (f)
1	WA Bremerton Manufactured Gas Plant	14,082,715	114,067	9230	1,604,646	12,592,136
2	Remediation					
3						
4	WA Bellingham Manufactured Gas Plant	466,500		9230		466,500
5						
6	WA Decoupling Adjustment	(4,075,396)	10,310,883	4800-4813	9,228,416	(2,992,929)
7						
8	WA MAOP Deferred Costs	10,629,138	2,585,914	9230	544,889	12,670,163
9						
10	WA Over Refunded Temp FIT		277,480			277,480
11						
12	OR Conservation Programs	(444,461)	5,986,637	4800-4813	7,326,747	(1,784,571)
13				4890		
14	OR Eugene Manufactured Gas Plant	1,954,226	266,270	9230,4890	1,006,036	1,214,460
15	Remediation			4800-4813		
16						
17	OR Intervenor Funding	42,167	226,353	4800-4813	175,656	92,864
18				4890		
19	OR MAOP		583,275		145,819	437,456
20						
21	I/C Asset - Net Benefit Funds	4,405,213	709,004			5,114,217
22						
23	Post Retirement FAS 158	2,988,574	1,571,540	9260	81,721	4,478,393
24						
25	ARO	49,007,788	4,077,136		439,732	52,645,192
26						
27						
28						
29						
30						
31						
32						
33						
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35						
36						
37						
38						
39	Miscellaneous Work in Progress					
40	Total	79,056,464	26,708,559		20,553,662	85,211,361

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[Next page is 234]

Accumulated Deferred Income Taxes (Account 190)

1. Report the information called for below concerning the respondent's accounting for deferred income taxes.
2. At Other (Specify), include deferrals relating to other income and deductions.
3. Provide in a footnote a summary of the type and amount of deferred income taxes reported in the beginning-of-year and end-of-year balances for deferred income taxes that the respondent estimates could be included in the development of jurisdictional recourse rates.

Line No.	Account Subdivisions (a)	Balance at Beginning of Year (b)	Changes During Year	Changes During Year
			Amounts Debited to Account 410.1 (c)	Amounts Credited to Account 411.1 (d)
1	Account 190			
2	Electric			
3	Gas	17,102,003	12,657,011	11,570,300
4	Other (Define) (footnote details)			
5	Total (Total of lines 2 thru 4)	17,102,003	12,657,011	11,570,300
6	Other (Specify) (footnote details)			
7	TOTAL Account 190 (Total of lines 5 thru 6)	17,102,003	12,657,011	11,570,300
8	Classification of TOTAL			
9	Federal Income Tax	15,725,604	11,672,828	10,669,511
10	State Income Tax	1,376,399	984,183	900,789
11	Local Income Tax			

Accumulated Deferred Income Taxes (Account 190) (continued)

Line No.	Changes During Year	Changes During Year	Adjustments	Adjustments	Adjustments	Adjustments	Balance at End of Year
	Amounts Debited to Account 410.2	Amounts Credited to Account 411.2	Debits	Debits	Credits	Credits	
	(e)	(f)	Account No. (g)	Amount (h)	Account No. (i)	Amount (j)	
1							
2							
3	762,822	59,042	footnote	(1,019,871)	footnote	(8,179,495)	8,151,888
4							
5	762,822	59,042		(1,019,871)		(8,179,495)	8,151,888
6							
7	762,822	59,042		(1,019,871)		(8,179,495)	8,151,888
8							
9	702,510	55,372		(1,007,569)		(7,586,907)	7,495,811
10	60,312	3,670		(12,302)		(592,588)	656,077
11							

Capital Stock (Accounts 201 and 204)

1. Report below the details called for concerning common and preferred stock at end of year, distinguishing separate series of any general class. Show separate totals for common and preferred stock.
2. Entries in column (b) should represent the number of shares authorized by the articles of incorporation as amended to end of year.
3. Give details concerning shares of any class and series of stock authorized to be issued by a regulatory commission which have not yet been issued.

Line No.	Class and Series of Stock and Name of Stock Exchange (a)	Number of Shares Authorized by Charter (b)	Par or Stated Value per Share (c)	Call Price at End of Year (d)
1	Account 201			
2	Common stock - not publicly traded	1,000	1.00	
3				
4				
5				
6				
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Capital Stock (Accounts 201 and 204)

4. The identification of each class of preferred stock should show the dividend rate and whether the dividends are cumulative or noncumulative.
 5. State in a footnote if any capital stock that has been nominally issued is nominally outstanding at end of year.
 6. Give particulars (details) in column (a) of any nominally issued capital stock, reacquired stock, or stock in sinking and other funds which is pledged, stating name of pledgee and purpose of pledge.

Line No.	Outstanding per Bal. Sheet (total amt outstanding without reduction for amts held by respondent) Shares (e)	Outstanding per Bal. Sheet Amount (f)	Held by Respondent As Reacquired Stock (Acct 217) Shares (g)	Held by Respondent As Reacquired Stock (Acct 217) Cost (h)	Held by Respondent In Sinking and Other Funds Shares (i)	Held by Respondent In Sinking and Other Funds Amount (j)
1						
2	1,000	1,000				
3						
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Capital Stock: Subscribed, Liability for Conversion, Premium on, and Installments Received on (Accts 202, 203, 205, 206, 207, and 212)

1. Show for each of the above accounts the amounts applying to each class and series of capital stock.
2. For Account 202, Common Stock Subscribed, and Account 205, Preferred Stock Subscribed, show the subscription price and the balance due on each class at the end of year.
3. Describe in a footnote the agreement and transactions under which a conversion liability existed under Account 203, Common Stock Liability for Conversion, or Account 206, Preferred Stock Liability for Conversion, at the end of year.
4. For Premium on Account 207, Capital Stock, designate with an asterisk in column (b), any amounts representing the excess of consideration received over stated values of stocks without par value.

Line No.	Name of Account and Description of Item (a)	* (b)	Number of Shares (c)	Amount (d)
1	Account 207			
2	Premium on Capital Stock - Common		1,000	266,117,553
3				
4	Represents excess received over \$1.00 par value			
5	of common stock			
6				
7				
8				
9				
10				
11				
12				
13				
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39				
40	Total		1,000	266,117,553

Other Paid-In Capital (Accounts 208-211)

1. Report below the balance at the end of the year and the information specified below for the respective other paid-in capital accounts. Provide a subheading for each account and show a total for the account, as well as a total of all accounts for reconciliation with the balance sheet, page 112. Explain changes made in any account during the year and give the accounting entries effecting such change.

(a) Donations Received from Stockholders (Account 208) - State amount and briefly explain the origin and purpose of each donation.

(b) Reduction in Par or Stated Value of Capital Stock (Account 209) - State amount and briefly explain the capital changes that gave rise to amounts reported under this caption including identification with the class and series of stock to which related.

(c) Gain or Resale or Cancellation of Reacquired Capital Stock (Account 210) - Report balance at beginning of year, credits, debits, and balance at end of year with a designation of the nature of each credit and debit identified by the class and series of stock to which related.

(d) Miscellaneous Paid-In Capital (Account 211) - Classify amounts included in this account according to captions that, together with brief explanations, disclose the general nature of the transactions that gave rise to the reported amounts.

Line No.	Item (a)	Amount (b)
1	None	
2		
3		
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39		
40	Total	0

DISCOUNT ON CAPITAL STOCK (ACCOUNT 213)

1. Report the balance at end of year of discount on capital stock for each class and series of capital stock. Use as many rows as necessary to report all data.
2. If any change occurred during the year in the balance with respect to any class or series of stock, attach a statement giving details of the change. State the reason for any charge-off during the year and specify the account charged.

Line No.	Class and Series of Stock (a)	Balance at End of Year (b)
1	None	
2		
3		
4		
5		
6		
7		
8		
9		
10		
11		
12		
13		
14		
TOTAL		

CAPITAL STOCK EXPENSE (ACCOUNT 214)

1. Report the balance at end of year of capital stock expenses for each class and series of capital stock. Use as many rows as necessary to report all data. Number the rows in sequence starting from the last row number used for Discount on Capital Stock above.
2. If any change occurred during the year in the balance with respect to any class or series of stock, attach a statement giving details of the change. State the reason for any charge-off of capital stock expense and specify the account charged.

Line No.	Class and Series of Stock (a)	Balance at End of Year (b)
16	None	
17		
18		
19		
20		
21		
22		
23		
24		
25		
26		
27		
28		
TOTAL		

Name of Respondent	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 12/31/2019	Year/Period of Report 2019/Q4
Cascade Natural Gas Corporation			
Securities Issued or Assumed and Securities Refunded or Retired During the Year			

1. Furnish a supplemental statement briefly describing security financing and refinancing transactions during the year and the accounting for the securities, discounts, premiums, expenses, and related gains or losses. Identify as to Commission authorization numbers and dates.
2. Provide details showing the full accounting for the total principal amount, par value, or stated value of each class and series of security issued, assumed, retired, or refunded and the accounting for premiums, discounts, expenses, and gains or losses relating to the securities. Set forth the facts of the accounting clearly with regard to redemption premiums, unamortized discounts, expenses, and gain or losses relating to securities retired or refunded, including the accounting for such amounts carried in the respondent's accounts at the date of the refunding or refinancing transactions with respect to securities previously refunded or retired.
3. Include in the identification of each class and series of security, as appropriate, the interest or dividend rate, nominal date of issuance, maturity date, aggregate principal amount, par value or stated value, and number of shares. Give also the issuance of redemption price and name of the principal underwriting firm through which the security transactions were consummated.
4. Where the accounting for amounts relating to securities refunded or retired is other than that specified in General Instruction 17 of the Uniform System of Accounts, cite the Commission authorization for the different accounting and state the accounting method.
5. For securities assumed, give the name of the company for which the liability on the securities was assumed as well as details of the transactions whereby the respondent undertook to pay obligations of another company. If any unamortized discount, premiums, expenses, and gains or losses were taken over onto the respondent's books, furnish details of these amounts with amounts relating to refunded securities clearly earmarked.

None

Long-Term Debt (Accounts 221, 222, 223, and 224)

1. Report by Balance Sheet Account the details concerning long-term debt included in Account 221, Bonds, 222, Reacquired Bonds, 223, Advances from Associated Companies, and 224, Other Long-Term Debt.
2. For bonds assumed by the respondent, include in column (a) the name of the issuing company as well as a description of the bonds.
3. For Advances from Associated Companies, report separately advances on notes and advances on open accounts. Designate demand notes as such. Include in column (a) names of associated companies from which advances were received.
4. For receivers' certificates, show in column (a) the name of the court and date of court order under which such certificates were issued.

Line No.	Class and Series of Obligation and Name of Stock Exchange (a)	Nominal Date of Issue (b)	Date of Maturity (c)	Outstanding (Total amount outstanding without reduction for amts held by respondent) (d)
1	Account 224			
2				
3	Other Long Term Debt:			
4				
5	Medium Term Notes	09/15/1997	09/15/2027	20,000,000
6	Medium Term Notes	03/16/1999	03/16/2029	15,000,000
7	Insured Quarterly Notes	02/01/2005	02/01/2035	24,214,000
8	Notes	09/01/2005	09/01/2020	15,000,000
9	Senior Notes	03/08/2007	03/08/2037	40,000,000
10	Senior Notes (Series A)	08/23/2013	08/23/2025	25,000,000
11	Senior Notes (Series B)	08/23/2013	08/23/2028	25,000,000
12	Senior Notes (Series A)	11/24/2014	11/24/2044	12,500,000
13	Senior Notes (Series B)	11/24/2014	11/24/2054	12,500,000
14	Senior Notes (Series C)	01/15/2015	01/15/2045	12,500,000
15	Senior Notes (Series D)	01/15/2015	01/15/2055	12,500,000
16	Senior Notes	06/13/2019	06/13/2028	25,000,000
17	Senior Notes	06/13/2019	06/13/2034	20,000,000
18	Senior Notes	06/13/2019	06/13/2049	30,000,000
19				
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39				
40	TOTAL			289,214,000

Long-Term Debt (Accounts 221, 222, 223, and 224)

5. In a supplemental statement, give explanatory details for Accounts 223 and 224 of net changes during the year. With respect to long-term advances, show for each company: (a) principal advanced during year (b) interest added to principal amount, and (c) principal repaid during year. Give Commission authorization numbers and dates.
6. If the respondent has pledged any of its long-term debt securities, give particulars (details) in a footnote, including name of the pledgee and purpose of the pledge.
7. If the respondent has any long-term securities that have been nominally issued and are nominally outstanding at end of year, describe such securities in a footnote.
8. If interest expense was incurred during the year on any obligations retired or reacquired before end of year, include such interest expense in column (f). Explain in a footnote any difference between the total of column (f) and the total Account 427, Interest on Long-Term Debt and Account 430, Interest on Debt to Associated Companies.
9. Give details concerning any long-term debt authorized by a regulatory commission but not yet issued.

Line No.	Interest for Year Rate (in %) (e)	Interest for Year Amount (f)	Held by Respondent Reacquired Bonds (Acct 222) (g)	Held by Respondent Sinking and Other Funds (h)	Redemption Price per \$100 at End of Year (i)
1					
2					
3					
4					
5	7.480	1,496,000			
6	7.100	1,064,700			
7	5.250	956,196			
8	5.210	781,500			
9	5.790	2,316,000			
10	4.110	1,027,500			
11	4.360	1,090,000			
12	4.090	511,250			
13	4.240	530,000			
14	4.090	511,250			
15	4.240	530,000			
16	3.620	527,917			
17	3.820	445,667			
18	4.260	745,500			
19					
20					
21					
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26					
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38					
39					
40		12,533,480			

Unamortized Debt Expense, Premium and Discount on Long-Term Debt (Accounts 181, 225, 226)

1. Report under separate subheadings for Unamortized Debt Expense, Unamortized Premium on Long-Term Debt and Unamortized Discount on Long-Term Debt, details of expense, premium or discount applicable to each class and series of long-term debt.
2. Show premium amounts by enclosing the figures in parentheses.
3. In column (b) show the principal amount of bonds or other long-term debt originally issued.
4. In column (c) show the expense, premium or discount with respect to the amount of bonds or other long-term debt originally issued.

Line No.	Designation of Long-Term Debt	Principal Amount of Debt Issued	Total Expense Premium or Discount	Amortization Period	Amortization Period
	(a)			(b)	(c)
1	Unamortized Debt Expense (Account 181)				
2					
3	Medium Term Notes 7.48%	20,000,000	201,406	09/15/1997	09/15/2027
4	Medium Term Notes 7.10%	15,000,000	151,056	03/16/1999	03/16/2029
5	Insured Quarterly Notes 5.25%	30,000,000	1,947,598	02/01/2005	02/01/2035
6	Notes 5.21%	15,000,000	238,755	09/01/2005	09/01/2020
7	Senior Notes 5.79%	40,000,000	232,781	03/08/2007	03/08/2037
8	Senior Notes (Series A) 4.11%	25,000,000	151,810	08/23/2013	08/23/2025
9	Senior Notes (Series B) 4.36%	25,000,000	151,810	08/23/2013	08/23/2028
10	Revolving Credit Agreement		236,967	04/25/2017	04/24/2020
11	Senior Notes (Series A) 4.09%	12,500,000	62,455	11/24/2014	11/24/2044
12	Senior Notes (Series B) 4.24%	12,500,000	61,105	11/24/2014	11/24/2054
13	Senior Notes (Series C) 4.09%	12,500,000	62,455	01/15/2015	01/15/2045
14	Senior Notes (Series D) 4.24%	12,500,000	61,105	01/15/2015	01/15/2055
15	Senior Notes 3.62%	25,000,000	128,459	06/13/2019	06/13/2028
16	Senior Notes 3.82%	20,000,000	102,768	06/13/2019	06/13/2034
17	Senior Notes 4.26%	30,000,000	154,151	06/13/2019	06/13/2049
18					
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Unamortized Debt Expense, Premium and Discount on Long-Term Debt (Accounts 181, 225, 226)

5. Furnish in a footnote details regarding the treatment of unamortized debt expense, premium or discount associated with issues redeemed during the year. Also, give in a footnote the date of the Commission's authorization of treatment other than as specified by the Uniform System of Accounts.
6. Identify separately undisposed amounts applicable to issues which were redeemed in prior years.
7. Explain any debits and credits other than amortization debited to Account 428, Amortization of Debt Discount and Expense, or credited to Account 429, Amortization of Premium on Debt-Credit.

Line No.	Balance at Beginning of Year (f)	Debits During Year (g)	Credits During Year (h)	Balance at End of Year (i)
1				
2				
3	58,464		6,714	51,750
4	51,190		5,035	46,155
5	852,667		57,841	794,826
6	25,296		16,176	9,120
7	141,205		7,770	133,435
8	82,845		12,584	70,261
9	96,477		10,067	86,410
10	98,736	395,739	144,906	349,569
11	53,781		2,082	51,699
12	54,740		1,527	53,213
13	54,128		2,082	52,046
14	54,995		1,528	53,467
15		158,379	37,413	120,966
16		126,748	27,977	98,771
17		175,495	24,341	151,154
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Unamortized Loss and Gain on Reacquired Debt (Accounts 189, 257)

1. Report under separate subheadings for Unamortized Loss and Unamortized Gain on Reacquired Debt, details of gain and loss, including maturity date, on reacquisition applicable to each class and series of long-term debt. If gain or loss resulted from a refunding transaction, include also the maturity date of the new issue.
2. In column (c) show the principal amount of bonds or other long-term debt reacquired.
3. In column (d) show the net gain or net loss realized on each debt reacquisition as computed in accordance with General Instruction 17 of the Uniform Systems of Accounts.
4. Show loss amounts by enclosing the figures in parentheses.
5. Explain in a footnote any debits and credits other than amortization debited to Account 428.1, Amortization of Loss on Reacquired Debt, or credited to Account 429.1, Amortization of Gain on Reacquired Debt-Credit.

Line No.	Designation of Long-Term Debt (a)	Date Reacquired (b)	Principal of Debt Reacquired (c)	Net Gain or Loss (d)	Balance at Beginning of Year (e)	Balance at End of Year (f)
1	Unamortized Loss on					
2	Reacquired Debt (Acct 189)					
3						
4						
5	7.50% Notes					
6	Due 11/15/2031 (1)	11/15/2001	39,729,000	(1,229,120)	744,300	703,330
7						
8	See footnote					
9						
10						
11						
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Reconciliation of Reported Net Income with Taxable Income for Feder Income Taxes

1. Report the reconciliation of reported net income for the year with taxable income used in computing Federal Income Tax accruals and show computation of such tax accruals. Include in the reconciliation, as far as practicable, the same detail as furnished on Schedule M-1 of the tax return for the year. Submit a reconciliation even though there is no taxable income for the year. Indicate clearly the nature of each reconciling amount.

2. If the utility is a member of a group that files consolidated Federal tax return, reconcile reported net income with taxable net income as if a separate return were to be filed, indicating, however, intercompany amounts to be eliminated in such a consolidated return. State names of group members, tax assigned to each group member, and basis of allocation, assignments, or sharing of the consolidated tax among the group members.

Line No.	Details (a)	Amount (b)
1	Net Income for the Year (Page 116)	16,328,047
2	Reconciling Items for the Year	
3		
4	Taxable Income Not Reported on Books	
5	Section 174 costs	4,458,050
6	CIAC	1,031,570
7	see footnote	480,991
8	TOTAL	5,970,611
9	Deductions Recorded on Books Not Deducted for Return	
10	see footnote	39,831,921
11		
12		
13	TOTAL	39,831,921
14	Income Recorded on Books Not Included in Return	
15	see footnote	(4,335,799)
16		
17		
18	TOTAL	(4,335,799)
19	Deductions on Return Not Charged Against Book Income	
20	see footnote	(100,550,267)
21		
22		
23		
24		
25		
26	TOTAL	(100,550,267)
27	Federal Tax Net Income	(42,755,488)
28	Show Computation of Tax:	
29	Rate - 21.00%	
30	Estimated Tax Return Federal Income Tax	(8,978,652)
31	Adjustments: (see footnote)	(1,959,703)
32	Provision for Current Federal Income Tax (see footnote)	(10,938,355)
33	Oregon State Tax Calculation (see footnote)	(1,030,481)
34		
35		

Taxes Accrued, Prepaid and Charged During Year, Distribution of Taxes Charged (Show utility dept where applicable and acct charged)

1. Give details of the combined prepaid and accrued tax accounts and show the total taxes charged to operations and other accounts during the year. Do not include gasoline and other sales taxes which have been charged to the accounts to which the taxed material was charged. If the actual or estimated amounts of such taxes are known, show the amounts in a footnote and designate whether estimated or actual amounts.
2. Include on this page, taxes paid during the year and charged direct to final accounts, (not charged to prepaid or accrued taxes). Enter the amounts in both columns (d) and (e). The balancing of this page is not affected by the inclusion of these taxes.
3. Include in column (d) taxes charged during the year, taxes charged to operations and other accounts through (a) accruals credited to taxes accrued, (b) amounts credited to the portion of prepaid taxes charged to current year, and (c) taxes paid and charged direct to operations or accounts other than accrued and prepaid tax accounts.
4. List the aggregate of each kind of tax in such manner that the total tax for each State and subdivision can readily be ascertained.

Line No.	Kind of Tax (See Instruction 5) (a)	Balance at Beg. of Year Taxes Accrued (b)	Balance at Beg. of Year Prepaid Taxes (c)
1	Income Tax		
2	Oregon Accrued		810,941
3	Federal Accrued		10,266,423
4	Fin 48 - current		(71,714)
5	Gross Revenue		
6	Washington	460,551	
7	Oregon		
8	Dept of Energy - Oregon		34,488
9	City Franchise & Occupation		
10	Washington	1,459,325	
11	Oregon	709,456	
12	Property		
13	Washington	2,609,583	
14	Oregon		843,102
15	Payroll Taxes	318,833	
16	State Excise - Washington	1,727,418	
17			
18	Miscellaneous		
19			
20			
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TOTAL		7,285,166	11,883,240

Taxes Accrued, Prepaid and Charged During Year, Distribution of Taxes Charged (Show utility dept where applicable and acct charged)

1. Give details of the combined prepaid and accrued tax accounts and show the total taxes charged to operations and other accounts during the year. Do not include gasoline and other sales taxes which have been charged to the accounts to which the taxed material was charged. If the actual or estimated amounts of such taxes are known, show the amounts in a footnote and designate whether estimated or actual amounts.
2. Include on this page, taxes paid during the year and charged direct to final accounts, (not charged to prepaid or accrued taxes). Enter the amounts in both columns (d) and (e). The balancing of this page is not affected by the inclusion of these taxes.
3. Include in column (d) taxes charged during the year, taxes charged to operations and other accounts through (a) accruals credited to taxes accrued, (b) amounts credited to the portion of prepaid taxes charged to current year, and (c) taxes paid and charged direct to operations or accounts other than accrued and prepaid tax accounts.
4. List the aggregate of each kind of tax in such manner that the total tax for each State and subdivision can readily be ascertained.

DISTRIBUTION OF TAXES CHARGED (Show utility department where applicable and account charged.)

Line No.	Electric (Account 408.1, 409.1) (i)	Gas (Account 408.1, 409.1) (j)	Other Utility Dept. (Account 408.1, 409.1) (k)	Other Income and Deductions (Account 408.2, 409.2) (l)
1				
2		(941,388)		(89,093)
3		(11,554,498)		587,143
4		29,000		
5				
6		467,666		
7		187,024		
8		78,672		
9				
10		10,763,808		
11				
12				
13		2,357,061		
14				
15				
16				
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39				
TOTAL		1,387,345		498,050

Taxes Accrued, Prepaid and Charged During Year, Distribution of Taxes Charged (Show utility dept where applicable and acct charged)
(continued)

5. If any tax (exclude Federal and State income taxes) covers more than one year, show the required information separately for each tax year, identifying the year in column (a).
6. Enter all adjustments of the accrued and prepaid tax accounts in column (f) and explain each adjustment in a footnote. Designate debit adjustments by parentheses.
7. Do not include on this page entries with respect to deferred income taxes or taxes collected through payroll deductions or otherwise pending transmittal of such taxes to the taxing authority.
8. Show in columns (i) thru (p) how the taxes accounts were distributed. Show both the utility department and number of account charged. For taxes charged to utility plant, show the number of the appropriate balance sheet plant account or subaccount.
9. For any tax apportioned to more than one utility department or account, state in a footnote the basis (necessity) of apportioning such tax.
10. Items under \$250,000 may be grouped.
11. Report in column (q) the applicable effective state income tax rate.

Line No.	Taxes Charged During Year (d)	Taxes Paid During Year (e)	Adjustments (f)	Balance at End of Year Taxes Accrued (Account 236) (g)	Balance at End of Year Prepaid Taxes (Included in Acct 165) (h)
1					
2	(1,030,481)	(1,559,406)			282,016
3	(10,967,355)	(17,871,127)			3,362,651
4	32,227				(103,941)
5					
6	467,666	448,919		479,297	
7	187,024	187,023			(1)
8	78,672	74,573			30,389
9					
10	10,763,808	10,302,282		1,920,851	
11		(210,836)		920,292	
12					
13	2,357,061	2,173,658		2,792,986	
14		96,054			939,156
15	(173,860)	(273,837)		418,810	
16	(9,881)	(575,652)		2,293,189	
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39					
TOTAL	1,704,881	(7,208,349)		8,825,425	4,510,270

Taxes Accrued, Prepaid and Charged During Year, Distribution of Taxes Charged (Show utility dept where applicable and acct charged)
(continued)

5. If any tax (exclude Federal and State income taxes) covers more than one year, show the required information separately for each tax year, identifying the year in column (a).
6. Enter all adjustments of the accrued and prepaid tax accounts in column (f) and explain each adjustment in a footnote. Designate debit adjustments by parentheses.
7. Do not include on this page entries with respect to deferred income taxes or taxes collected through payroll deductions or otherwise pending transmittal of such taxes to the taxing authority.
8. Show in columns (i) thru (p) how the taxes accounts were distributed. Show both the utility department and number of account charged. For taxes charged to utility plant, show the number of the appropriate balance sheet plant account or subaccount.
9. For any tax apportioned to more than one utility department or account, state in a footnote the basis (necessity) of apportioning such tax.
10. Items under \$250,000 may be grouped.
11. Report in column (q) the applicable effective state income tax rate.

DISTRIBUTION OF TAXES CHARGED (Show utility department where applicable and account charged.)

Line No.	Extraordinary Items (Account 409.3) (m)	Other Utility Opn. Income (Account 408.1, 409.1) (n)	Adjustment to Ret. Earnings (Account 439) (o)	Other (p)	State/Local Income Tax Rate (q)
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39					
TOTAL					

Miscellaneous Current and Accrued Liabilities (Account 242)

1. Describe and report the amount of other current and accrued liabilities at the end of year.
2. Minor items (less than \$250,000) may be grouped under appropriate title.

Line No.	Item (a)	Balance at End of Year (b)
1	Vacation Payable	2,137,261
2	Wages Payable	1,925,851
3	Variable Pay Incentive	1,697,134
4	Accrued 401K Defined Contributions	1,244,918
5	Oregon Weatherization Liability	1,017,469
6	Washington Low Income Bill Assistance	617,037
7	SERP Defined Contributions	554,325
8	Energy Trust of Oregon Liability	532,108
9	Oregon Conservation Achievement Tariff	(490,972)
10	Other Misc Current Liabilities (aggregate)	357,705
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44		
45	Total	9,592,836

Other Deferred Credits (Account 253)

1. Report below the details called for concerning other deferred credits.
2. For any deferred credit being amortized, show the period of amortization.
3. Minor items (less than \$250,000) may be grouped by classes.

Line No.	Description of Other Deferred Credits (a)	Balance at Beginning of Year (b)	Debit Contra Account (c)	Debit Amount (d)	Credits (e)	Balance at End of Year (f)
1	WA Deferred Gas Costs	(40,887,967)	805.1	194,602,426	151,402,919	(84,087,474)
2	(ammortization period 11/11-present)					
3						
4	OR Deferred Gas Costs	(593,187)	805.1	29,544,849	25,159,378	(4,978,658)
5	(ammortization period 11/11-present)					
6						
7	SGL Deposit	48,270	134/288.4	24,135		24,135
8	Customer Unclaimed Credits	(122)	131	100,946	383	(100,685)
9	MDUR Interco Pension	974,030	228.3/182	43,279	114,859	1,045,610
10	Pension Contribution	9,444,730	various	3,101,351	356,388	6,699,767
11	MDUR Inerco Post-Retirment		228.3/182	197,919		(197,919)
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45	Total	(31,014,246)		227,614,905	177,033,927	(81,595,224)

Accumulated Deferred Income Taxes-Other Property (Account 282)

1. Report the information called for below concerning the respondent's accounting for deferred income taxes relating to property not subject to accelerated amortization.
2. At Other (Specify), include deferrals relating to other income and deductions.

Line No.	Account Subdivisions (a)	Balance at Beginning of Year (b)	Amounts Debited to Account 410.1 (c)	Amounts Credited to Account 411.1 (d)
1	Account 282			
2	Electric			
3	Gas	(53,594,339)	(4,691,709)	(2,939,172)
4	Other (Define) (footnote details)			
5	Total (Enter Total of lines 2 thru 4)	(53,594,339)	(4,691,709)	(2,939,172)
6	Other (Specify) (footnote details)			
7	TOTAL Account 282 (Enter Total of lines 5 thr	(53,594,339)	(4,691,709)	(2,939,172)
8	Classification of TOTAL			
9	Federal Income Tax	(49,763,427)	(4,173,671)	(2,778,836)
10	State Income Tax	(3,830,912)	(518,038)	(160,336)
11	Local Income Tax			

Accumulated Deferred Income Taxes-Other Property (Account 282) (continued)

3. Provide in a footnote a summary of the type and amount of deferred income taxes reported in the beginning-of-year and end-of-year balances for deferred income taxes that the respondent estimates could be included in the development of jurisdictional recourse rates.

Line No.	Changes during Year Amounts Debited to Account 410.2 (e)	Changes during Year Amounts Credited to Account 411.2 (f)	Adjustments Debits Acct. No. (g)	Adjustments Debits Amount (h)	Adjustments Credits Account No. (i)	Adjustments Credits Amount (j)	Balance at End of Year (k)
1							
2							
3			182.3&254	102,647,993	182.3&254	105,168,567	(57,867,450)
4							
5				102,647,993		105,168,567	(57,867,450)
6							
7				102,647,993		105,168,567	(57,867,450)
8							
9			254	102,570,773	254	105,096,084	(53,683,573)
10			182.3	77,220	182.3	72,483	(4,183,877)
11							

Accumulated Deferred Income Taxes-Other (Account 283)

1. Report the information called for below concerning the respondent's accounting for deferred income taxes relating to amounts recorded in Account 283.
2. At Other (Specify), include deferrals relating to other income and deductions.

Line No.	Account Subdivisions (a)	Balance at Beginning of Year (b)	Changes During Year Amounts Debited to Account 410.1 (c)	Changes During Year Amounts Credited to Account 411.1 (d)
1	Account 283			
2	Electric			
3	Gas	(34,901,601)	(27,691,005)	(19,054,142)
4	Other (Define) (footnote details)			
5	Total (Total of lines 2 thru 4)	(34,901,601)	(27,691,005)	(19,054,142)
6	Other (Specify) (footnote details)			
7	TOTAL Account 283 (Total of lines 5 thru 6)	(34,901,601)	(27,691,005)	(19,054,142)
8	Classification of TOTAL			
9	Federal Income Tax	(31,839,495)	(25,500,861)	(17,658,724)
10	State Income Tax	(3,062,106)	(2,190,144)	(1,395,418)
11	Local Income Tax			

Accumulated Deferred Income Taxes-Other (Account 283) (continued)

3. Provide in a footnote a summary of the type and amount of deferred income taxes reported in the beginning-of-year and end-of-year balances for deferred income taxes that the respondent estimates could be included in the development of jurisdictional recourse rates.

Line No.	Changes during Year Amounts Debited to Account 410.2 (e)	Changes during Year Amounts Credited to Account 411.2 (f)	Adjustments Debits Acct. No. (g)	Adjustments Debits Amount (h)	Adjustments Credits Account No. (i)	Adjustments Credits Amount (j)	Balance at End of Year (k)
1							
2							
3			footnote	7,699,041	footnote	1,630,337	(37,469,760)
4							
5				7,699,041		1,630,337	(37,469,760)
6							
7				7,699,041		1,630,337	(37,469,760)
8							
9				7,080,815		1,600,148	(34,200,965)
10				618,226		30,189	(3,268,795)
11							

Name of Respondent Cascade Natural Gas Corporation	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 12/31/2019	Year/Period of Report End of <u>2019/Q4</u>
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Other Regulatory Liabilities (Account 254)

1. Report below the details called for concerning other regulatory liabilities which are created through the ratemaking actions of regulatory agencies (and not includable in other amounts).
2. For regulatory liabilities being amortized, show period of amortization in column (a).
3. Minor items (5% of the Balance at End of Year for Account 254 or amounts less than \$250,000, whichever is less) may be grouped by classes.
4. Provide in a footnote, for each line item, the regulatory citation where the respondent was directed to refund the regulatory liability (e.g. Commission Order, state commission order, court decision).

Line No.	Description and Purpose of Other Regulatory Liabilities (a)	Balance at Beginning of Current Quarter/Year (b)	Written off during Quarter/Period Account Credited (c)	Written off During Period Amount Refunded (d)	Written off During Period Amount Deemed Non-Refundable (e)	Credits (f)	Balance at End of Current Quarter/Year (g)
1	Oregon Unbilled Ammortization	(151,305)	4009			(27,933)	(179,238)
2	Washington Unbilled Ammortization	(934,952)	4009			745,548	(189,404)
3	SFAS109 Regulatory Liability	49,624,465	282			(2,520,574)	47,103,891
4	Oregon Tax Rate Change	9,124,558	282			(1,161,173)	7,963,385
5	Regulatory Liability - Post Ret FAS158	2,706,980	186			(2,706,980)	
6	WA Protected - Plus EDIT	1,000,748	4962	1,499,413		1,513,156	1,014,491
7	WA Protected - Plus EDIT grossup	274,816	4962	483,643		437,437	228,610
8	WA Unprotected EDIT	463,561	4962	669,848		657,046	450,759
9	WA Unprotected EDIT grossup	126,337	4962	216,889		189,945	99,393
10	WA Temp Fed Income Tax Credit	863,200	4962	1,040,739		177,539	
11	WA Temp Fed Income Tax Credit grossup	236,936	4962	336,877		99,941	
12	WA Diff Temp Fed Income Tax Credit	(367,551)	4962			367,551	
13	OR Unprotected EDIT		4962	162,031		1,004,662	842,631
14	OR Temp Fed Income Tax Credit		4962	228,628		1,400,000	1,171,372
15							
16							
17							
18							
19							
20							
21							
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41							
42							
43							
44							
45	Total	62,967,793		4,638,068	0	176,165	58,505,890

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Gas Operating Revenues

1. Report below natural gas operating revenues for each prescribed account total. The amounts must be consistent with the detailed data on succeeding pages.
2. Revenues in columns (b) and (c) include transition costs from upstream pipelines.
3. Other Revenues in columns (f) and (g) include reservation charges received by the pipeline plus usage charges, less revenues reflected in columns (b) through (e). Include in columns (f) and (g) revenues for Accounts 480-495.

Line No.	Title of Account (a)	Revenues for Transition Costs and Take-or-Pay	Revenues for Transition Costs and Take-or-Pay	Revenues for GRI and ACA	Revenues for GRI and ACA
		Amount for Current Year (b)	Amount for Previous Year (c)	Amount for Current Year (d)	Amount for Previous Year (e)
1	480 Residential Sales				
2	481 Commercial and Industrial Sales				
3	482 Other Sales to Public Authorities				
4	483 Sales for Resale				
5	484 Interdepartmental Sales				
6	485 Intracompany Transfers				
7	487 Forfeited Discounts				
8	488 Miscellaneous Service Revenues				
9	489.1 Revenues from Transportation of Gas of Others Through Gathering Facilities				
10	489.2 Revenues from Transportation of Gas of Others Through Transmission Facilities				
11	489.3 Revenues from Transportation of Gas of Others Through Distribution Facilities				
12	489.4 Revenues from Storing Gas of Others				
13	490 Sales of Prod. Ext. from Natural Gas				
14	491 Revenues from Natural Gas Proc. by Others				
15	492 Incidental Gasoline and Oil Sales				
16	493 Rent from Gas Property				
17	494 Interdepartmental Rents				
18	495 Other Gas Revenues				
19	Subtotal:				
20	496 (Less) Provision for Rate Refunds				
21	TOTAL:				

Gas Operating Revenues

4. If increases or decreases from previous year are not derived from previously reported figures, explain any inconsistencies in a footnote.
5. On Page 108, include information on major changes during the year, new service, and important rate increases or decreases.
6. Report the revenue from transportation services that are bundled with storage services as transportation service revenue.

Line No.	Other Revenues	Other Revenues	Total Operating Revenues	Total Operating Revenues	Dekatherm of Natural Gas	Dekatherm of Natural Gas
	Amount for Current Year (f)	Amount for Previous Year (g)	Amount for Current Year (h)	Amount for Previous Year (i)	Amount for Current Year (j)	Amount for Previous Year (k)
1	172,399,518	161,603,290	172,399,518	161,603,290	18,083,127	16,285,884
2	111,750,808	100,897,968	111,750,808	100,897,968	17,273,373	15,106,021
3						
4						
5						
6						
7						
8	697,653	925,187	697,653	925,187		
9						
10						
11	28,526,904	27,132,008	28,526,904	27,132,008	108,892,465	94,156,657
12						
13						
14						
15						
16	182,208	125,412	182,208	125,412		
17						
18	104,949	124,553	104,949	124,553		
19	313,662,040	290,808,418	313,662,040	290,808,418		
20	(733,536)	3,982,745	(733,536)	3,982,745		
21	314,395,576	286,825,673	314,395,576	286,825,673		

Revenues from Transportation of Gas of Others Through Gathering Facilities (Account 489.1)

1. Report revenues and Dth of gas delivered through gathering facilities by zone of receipt (i.e. state in which gas enters respondent's system).
2. Revenues for penalties including penalties for unauthorized overruns must be reported on page 308.

Line No.	Rate Schedule and Zone of Receipt (a)	Revenues for Transition Costs and Take-or-Pay	Revenues for Transaction Costs and Take-or-Pay	Revenues for GRI and ACA	Revenues for GRI and ACA
		Amount for Current Year (b)	Amount for Previous Year (c)	Amount for Current Year (d)	Amount for Current Year (d)
1	N/A				
2					
3					
4					
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Revenues from Transportation of Gas of Others Through Gathering Facilities (Account 489.1)

3. Other Revenues in columns (f) and (g) include reservation charges received by the pipeline plus usage charges, less revenues reflected in columns (b) through (e).
 4. Delivered Dth of gas must not be adjusted for discounting.

Line No.	Other Revenues	Other Revenues	Total Operating Revenues	Total Operating Revenues	Dekatherm of Natural Gas	Dekatherm of Natural Gas
	Amount for Current Year (f)	Amount for Previous Year (g)	Amount for Current Year (h)	Amount for Previous Year (i)	Amount for Current Year (j)	Amount for Previous Year (k)
1						
2						
3						
4						
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Revenues from Transportation of Gas of Others Through Transmission Facilities (Account 489.2)

1. Report revenues and Dth of gas delivered by Zone of Delivery by Rate Schedule. Total by Zone of Delivery and for all zones. If respondent does not have separate zones, provide totals by rate schedule.
2. Revenues for penalties including penalties for unauthorized overruns must be reported on page 308.
3. Other Revenues in columns (f) and (g) include reservation charges received by the pipeline plus usage charges for transportation and hub services, less revenues reflected in columns (b) through (e).

Line No.	Zone of Delivery, Rate Schedule (a)	Revenues for Transition Costs and Take-or-Pay	Revenues for Transition Costs and Take-or-Pay	Revenues for GRI and ACA	Revenues for GRI and ACA
		Amount for Current Year (b)	Amount for Previous Year (c)	Amount for Current Year (d)	Amount for Previous Year (e)
1	N/A				
2					
3					
4					
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Revenues from Transportation of Gas of Others Through Transmission Facilities (Account 489.2)

- 4. Delivered Dth of gas must not be adjusted for discounting.
- 5. Each incremental rate schedule and each individually certificated rate schedule must be separately reported.
- 6. Where transportation services are bundled with storage services, report total revenues but only transportation Dth.

Line No.	Other Revenues	Other Revenues	Total Operating Revenues	Total Operating Revenues	Dekatherm of Natural Gas	Dekatherm of Natural Gas
	Amount for Current Year (f)	Amount for Previous Year (g)	Amount for Current Year (h)	Amount for Previous Year (i)	Amount for Current Year (j)	Amount for Previous Year (k)
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2						
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Revenues from Storing Gas of Others (Account 489.4)

1. Report revenues and Dth of gas withdrawn from storage by Rate Schedule and in total.
2. Revenues for penalties including penalties for unauthorized overruns must be reported on page 308.
3. Other revenues in columns (f) and (g) include reservation charges, deliverability charges, injection and withdrawal charges, less revenues reflected in columns (b) through (e).

Line No.	Rate Schedule (a)	Revenues for Transition Costs and Take-or-Pay	Revenues for Transaction Costs and Take-or-Pay	Revenues for GRI and ACA	Revenues for GRI and ACA
		Amount for Current Year (b)	Amount for Previous Year (c)	Amount for Current Year (d)	Amount for Previous Year (e)
1	N/A				
2					
3					
4					
5					
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Revenues from Storing Gas of Others (Account 489.4)

4. Dth of gas withdrawn from storage must not be adjusted for discounting.
 5. Where transportation services are bundled with storage services, report only Dth withdrawn from storage.

Line No.	Other Revenues	Other Revenues	Total Operating Revenues	Total Operating Revenues	Dekatherm of Natural Gas	Dekatherm of Natural Gas
	Amount for Current Year (f)	Amount for Previous Year (g)	Amount for Current Year (h)	Amount for Previous Year (i)	Amount for Current Year (j)	Amount for Previous Year (k)
1						
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Other Gas Revenues (Account 495)

Report below transactions of \$250,000 or more included in Account 495, Other Gas Revenues. Group all transactions below \$250,000 in one amount and provide the number of items.

Line No.	Description of Transaction (a)	Amount (in dollars) (b)
1	Commissions on Sale or Distribution of Gas of Others	
2	Compensation for Minor or Incidental Services Provided for Others	
3	Profit or Loss on Sale of Material and Supplies not Ordinarily Purchased for Resale	
4	Sales of Stream, Water, or Electricity, including Sales or Transfers to Other Departments	
5	Miscellaneous Royalties	
6	Revenues from Dehydration and Other Processing of Gas of Others except as provided for in the Instructions to Account 495	
7	Revenues for Right and/or Benefits Received from Others which are Realized Through Research, Development, and Demonstration Ventures	
8	Gains on Settlements of Imbalance Receivables and Payables	
9	Revenues from Penalties earned Pursuant to Tariff Provisions, including Penalties Associated with Cash-out Settlements	
10	Revenues from Shipper Supplied Gas	
11	Other revenues (Specify):	
12	Miscellaneous Sales	104,949
13		
14		
15		
16		
17		
18		
19		
20		
21		
22		
23		
24		
25		
26		
27		
28		
29		
30		
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37		
38		
39		
	Total	104,949

Discounted Rate Services and Negotiated Rate Services

1. In column b, report the revenues from discounted rate services.
2. In column c, report the volumes of discounted rate services.
3. In column d, report the revenues from negotiated rate services.
4. In column e, report the volumes of negotiated rate services.

Line No.	Account (a)	Discounted Rate Services	Discounted Rate Services	Negotiated Rate Services	Negotiated Rate Services
		Revenue (b)	Volumes (c)	Revenue (d)	Volumes (e)
1	Account 489.1, Revenues from transportation of gas of others through gathering facilities.				
2	Account 489.2, Revenues from transportation of gas of others through transmission facilities.				
3	Account 489.4, Revenues from storing gas of others.				
4	Account 495, Other gas revenues.				
5					
6					
7					
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37					
38					
39					
	Total				

Gas Operation and Maintenance Expenses

Line No.	Account (a)	Amount for Current Year (b)	Amount for Previous Year (c)
1	1. PRODUCTION EXPENSES		
2	A. Manufactured Gas Production		
3	Manufactured Gas Production (Submit Supplemental Statement)	0	0
4	B. Natural Gas Production		
5	B1. Natural Gas Production and Gathering		
6	Operation		
7	750 Operation Supervision and Engineering	0	0
8	751 Production Maps and Records	0	0
9	752 Gas Well Expenses	0	0
10	753 Field Lines Expenses	0	0
11	754 Field Compressor Station Expenses	0	0
12	755 Field Compressor Station Fuel and Power	0	0
13	756 Field Measuring and Regulating Station Expenses	0	0
14	757 Purification Expenses	0	0
15	758 Gas Well Royalties	0	0
16	759 Other Expenses	0	0
17	760 Rents	0	0
18	TOTAL Operation (Total of lines 7 thru 17)	0	0
19	Maintenance		
20	761 Maintenance Supervision and Engineering	0	0
21	762 Maintenance of Structures and Improvements	0	0
22	763 Maintenance of Producing Gas Wells	0	0
23	764 Maintenance of Field Lines	0	0
24	765 Maintenance of Field Compressor Station Equipment	0	0
25	766 Maintenance of Field Measuring and Regulating Station Equipment	0	0
26	767 Maintenance of Purification Equipment	0	0
27	768 Maintenance of Drilling and Cleaning Equipment	0	0
28	769 Maintenance of Other Equipment	0	0
29	TOTAL Maintenance (Total of lines 20 thru 28)	0	0
30	TOTAL Natural Gas Production and Gathering (Total of lines 18 and 29)	0	0

Gas Operation and Maintenance Expenses(continued)

Line No.	Account (a)	Amount for Current Year (b)	Amount for Previous Year (c)
31	B2. Products Extraction		
32	Operation		
33	770 Operation Supervision and Engineering	0	0
34	771 Operation Labor	0	0
35	772 Gas Shrinkage	0	0
36	773 Fuel	0	0
37	774 Power	0	0
38	775 Materials	0	0
39	776 Operation Supplies and Expenses	0	0
40	777 Gas Processed by Others	0	0
41	778 Royalties on Products Extracted	0	0
42	779 Marketing Expenses	0	0
43	780 Products Purchased for Resale	0	0
44	781 Variation in Products Inventory	0	0
45	(Less) 782 Extracted Products Used by the Utility-Credit	0	0
46	783 Rents	0	0
47	TOTAL Operation (Total of lines 33 thru 46)	0	0
48	Maintenance		
49	784 Maintenance Supervision and Engineering	0	0
50	785 Maintenance of Structures and Improvements	0	0
51	786 Maintenance of Extraction and Refining Equipment	0	0
52	787 Maintenance of Pipe Lines	0	0
53	788 Maintenance of Extracted Products Storage Equipment	0	0
54	789 Maintenance of Compressor Equipment	0	0
55	790 Maintenance of Gas Measuring and Regulating Equipment	0	0
56	791 Maintenance of Other Equipment	0	0
57	TOTAL Maintenance (Total of lines 49 thru 56)	0	0
58	TOTAL Products Extraction (Total of lines 47 and 57)	0	0

Gas Operation and Maintenance Expenses(continued)

Line No.	Account (a)	Amount for Current Year (b)	Amount for Previous Year (c)
59	C. Exploration and Development		
60	Operation		
61	795 Delay Rentals	0	0
62	796 Nonproductive Well Drilling	0	0
63	797 Abandoned Leases	0	0
64	798 Other Exploration	0	0
65	TOTAL Exploration and Development (Total of lines 61 thru 64)	0	0
66	D. Other Gas Supply Expenses		
67	Operation		
68	800 Natural Gas Well Head Purchases	0	0
69	800.1 Natural Gas Well Head Purchases, Intracompany Transfers	0	0
70	801 Natural Gas Field Line Purchases	0	0
71	802 Natural Gas Gasoline Plant Outlet Purchases	0	0
72	803 Natural Gas Transmission Line Purchases	0	0
73	804 Natural Gas City Gate Purchases	221,421,972	177,359,949
74	804.1 Liquefied Natural Gas Purchases	0	0
75	805 Other Gas Purchases	0	0
76	(Less) 805.1 Purchases Gas Cost Adjustments	63,979,796	37,057,421
77	TOTAL Purchased Gas (Total of lines 68 thru 76)	157,442,176	140,302,528
78	806 Exchange Gas	0	0
79	Purchased Gas Expenses		
80	807.1 Well Expense-Purchased Gas	0	0
81	807.2 Operation of Purchased Gas Measuring Stations	0	0
82	807.3 Maintenance of Purchased Gas Measuring Stations	0	0
83	807.4 Purchased Gas Calculations Expenses	0	0
84	807.5 Other Purchased Gas Expenses	0	0
85	TOTAL Purchased Gas Expenses (Total of lines 80 thru 84)	0	0

Gas Operation and Maintenance Expenses(continued)

Line No.	Account (a)	Amount for Current Year (b)	Amount for Previous Year (c)
86	808.1 Gas Withdrawn from Storage-Debit	7,301,670	4,132,771
87	(Less) 808.2 Gas Delivered to Storage-Credit	8,003,476	4,963,076
88	809.1 Withdrawals of Liquefied Natural Gas for Processing-Debit	0	0
89	(Less) 809.2 Deliveries of Natural Gas for Processing-Credit	0	0
90	Gas used in Utility Operation-Credit		
91	810 Gas Used for Compressor Station Fuel-Credit	0	0
92	811 Gas Used for Products Extraction-Credit	0	0
93	812 Gas Used for Other Utility Operations-Credit	85,398	59,074
94	TOTAL Gas Used in Utility Operations-Credit (Total of lines 91 thru 93)	85,398	59,074
95	813 Other Gas Supply Expenses	431,005	329,878
96	TOTAL Other Gas Supply Exp. (Total of lines 77,78,85,86 thru 89,94,95)	157,085,977	139,743,027
97	TOTAL Production Expenses (Total of lines 3, 30, 58, 65, and 96)	157,085,977	139,743,027
98	2. NATURAL GAS STORAGE, TERMINALING AND PROCESSING EXPENSES		
99	A. Underground Storage Expenses		
100	Operation		
101	814 Operation Supervision and Engineering	0	0
102	815 Maps and Records	0	0
103	816 Wells Expenses	0	0
104	817 Lines Expense	0	0
105	818 Compressor Station Expenses	0	0
106	819 Compressor Station Fuel and Power	0	0
107	820 Measuring and Regulating Station Expenses	0	0
108	821 Purification Expenses	0	0
109	822 Exploration and Development	0	0
110	823 Gas Losses	0	0
111	824 Other Expenses	0	0
112	825 Storage Well Royalties	0	0
113	826 Rents	0	0
114	TOTAL Operation (Total of lines of 101 thru 113)	0	0

Gas Operation and Maintenance Expenses(continued)

Line No.	Account (a)	Amount for Current Year (b)	Amount for Previous Year (c)
115	Maintenance		
116	830 Maintenance Supervision and Engineering	0	0
117	831 Maintenance of Structures and Improvements	0	0
118	832 Maintenance of Reservoirs and Wells	0	0
119	833 Maintenance of Lines	0	0
120	834 Maintenance of Compressor Station Equipment	0	0
121	835 Maintenance of Measuring and Regulating Station Equipment	0	0
122	836 Maintenance of Purification Equipment	0	0
123	837 Maintenance of Other Equipment	0	0
124	TOTAL Maintenance (Total of lines 116 thru 123)	0	0
125	TOTAL Underground Storage Expenses (Total of lines 114 and 124)	0	0
126	B. Other Storage Expenses		
127	Operation		
128	840 Operation Supervision and Engineering	0	0
129	841 Operation Labor and Expenses	0	0
130	842 Rents	0	0
131	842.1 Fuel	0	0
132	842.2 Power	0	0
133	842.3 Gas Losses	0	0
134	TOTAL Operation (Total of lines 128 thru 133)	0	0
135	Maintenance		
136	843.1 Maintenance Supervision and Engineering	0	0
137	843.2 Maintenance of Structures	0	0
138	843.3 Maintenance of Gas Holders	0	0
139	843.4 Maintenance of Purification Equipment	0	0
140	843.5 Maintenance of Liquefaction Equipment	0	0
141	843.6 Maintenance of Vaporizing Equipment	0	0
142	843.7 Maintenance of Compressor Equipment	0	0
143	843.8 Maintenance of Measuring and Regulating Equipment	0	0
144	843.9 Maintenance of Other Equipment	0	0
145	TOTAL Maintenance (Total of lines 136 thru 144)	0	0
146	TOTAL Other Storage Expenses (Total of lines 134 and 145)	0	0

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Gas Operation and Maintenance Expenses(continued)

Line No.	Account (a)	Amount for Current Year (b)	Amount for Previous Year (c)
147	C. Liquefied Natural Gas Terminaling and Processing Expenses		
148	Operation		
149	844.1 Operation Supervision and Engineering	0	0
150	844.2 LNG Processing Terminal Labor and Expenses	0	0
151	844.3 Liquefaction Processing Labor and Expenses	0	0
152	844.4 Liquefaction Transportation Labor and Expenses	0	0
153	844.5 Measuring and Regulating Labor and Expenses	0	0
154	844.6 Compressor Station Labor and Expenses	0	0
155	844.7 Communication System Expenses	0	0
156	844.8 System Control and Load Dispatching	0	0
157	845.1 Fuel	0	0
158	845.2 Power	0	0
159	845.3 Rents	0	0
160	845.4 Demurrage Charges	0	0
161	(less) 845.5 Wharfage Receipts-Credit	0	0
162	845.6 Processing Liquefied or Vaporized Gas by Others	0	0
163	846.1 Gas Losses	0	0
164	846.2 Other Expenses	0	0
165	TOTAL Operation (Total of lines 149 thru 164)	0	0
166	Maintenance		
167	847.1 Maintenance Supervision and Engineering	0	0
168	847.2 Maintenance of Structures and Improvements	0	0
169	847.3 Maintenance of LNG Processing Terminal Equipment	0	0
170	847.4 Maintenance of LNG Transportation Equipment	0	0
171	847.5 Maintenance of Measuring and Regulating Equipment	0	0
172	847.6 Maintenance of Compressor Station Equipment	0	0
173	847.7 Maintenance of Communication Equipment	0	0
174	847.8 Maintenance of Other Equipment	0	0
175	TOTAL Maintenance (Total of lines 167 thru 174)	0	0
176	TOTAL Liquefied Nat Gas Terminaling and Proc Exp (Total of lines 165 and 175)	0	0
177	TOTAL Natural Gas Storage (Total of lines 125, 146, and 176)	0	0

Gas Operation and Maintenance Expenses(continued)

Line No.	Account (a)	Amount for Current Year (b)	Amount for Previous Year (c)
178	3. TRANSMISSION EXPENSES		
179	Operation		
180	850 Operation Supervision and Engineering	0	0
181	851 System Control and Load Dispatching	0	0
182	852 Communication System Expenses	0	0
183	853 Compressor Station Labor and Expenses	0	0
184	854 Gas for Compressor Station Fuel	0	0
185	855 Other Fuel and Power for Compressor Stations	0	0
186	856 Mains Expenses	0	0
187	857 Measuring and Regulating Station Expenses	0	0
188	858 Transmission and Compression of Gas by Others	0	0
189	859 Other Expenses	0	0
190	860 Rents	0	0
191	TOTAL Operation (Total of lines 180 thru 190)	0	0
192	Maintenance		
193	861 Maintenance Supervision and Engineering	0	0
194	862 Maintenance of Structures and Improvements	0	0
195	863 Maintenance of Mains	0	0
196	864 Maintenance of Compressor Station Equipment	0	0
197	865 Maintenance of Measuring and Regulating Station Equipment	0	0
198	866 Maintenance of Communication Equipment	0	0
199	867 Maintenance of Other Equipment	0	0
200	TOTAL Maintenance (Total of lines 193 thru 199)	0	0
201	TOTAL Transmission Expenses (Total of lines 191 and 200)	0	0
202	4. DISTRIBUTION EXPENSES		
203	Operation		
204	870 Operation Supervision and Engineering	2,922,135	3,119,233
205	871 Distribution Load Dispatching	397,129	378,468
206	872 Compressor Station Labor and Expenses	37,041	70,484
207	873 Compressor Station Fuel and Power	0	0

Gas Operation and Maintenance Expenses(continued)

Line No.	Account (a)	Amount for Current Year (b)	Amount for Previous Year (c)
208	874 Mains and Services Expenses	5,473,338	5,290,540
209	875 Measuring and Regulating Station Expenses-General	571,593	644,834
210	876 Measuring and Regulating Station Expenses-Industrial	157,467	201,756
211	877 Measuring and Regulating Station Expenses-City Gas Check Station	0	0
212	878 Meter and House Regulator Expenses	1,310,032	1,297,445
213	879 Customer Installations Expenses	895,735	1,004,698
214	880 Other Expenses	6,924,705	6,062,842
215	881 Rents	131,335	149,387
216	TOTAL Operation (Total of lines 204 thru 215)	18,820,510	18,219,687
217	Maintenance		
218	885 Maintenance Supervision and Engineering	1,342,630	1,207,024
219	886 Maintenance of Structures and Improvements	1,106	21,819
220	887 Maintenance of Mains	1,936,835	1,850,162
221	888 Maintenance of Compressor Station Equipment	73,765	56,633
222	889 Maintenance of Measuring and Regulating Station Equipment-General	457,161	539,529
223	890 Maintenance of Meas. and Reg. Station Equipment-Industrial	65,334	47,779
224	891 Maintenance of Meas. and Reg. Station Equip-City Gate Check Station	0	0
225	892 Maintenance of Services	1,627,916	1,774,738
226	893 Maintenance of Meters and House Regulators	1,244,278	1,266,814
227	894 Maintenance of Other Equipment	1,496,435	1,203,286
228	TOTAL Maintenance (Total of lines 218 thru 227)	8,245,460	7,967,784
229	TOTAL Distribution Expenses (Total of lines 216 and 228)	27,065,970	26,187,471
230	5. CUSTOMER ACCOUNTS EXPENSES		
231	Operation		
232	901 Supervision	145,763	141,146
233	902 Meter Reading Expenses	795,972	796,415
234	903 Customer Records and Collection Expenses	5,478,654	5,489,472

Gas Operation and Maintenance Expenses(continued)

Line No.	Account (a)	Amount for Current Year (b)	Amount for Previous Year (c)
235	904 Uncollectible Accounts	1,209,258	866,122
236	905 Miscellaneous Customer Accounts Expenses	131,810	7
237	TOTAL Customer Accounts Expenses (Total of lines 232 thru 236)	7,761,457	7,293,162
238	6. CUSTOMER SERVICE AND INFORMATIONAL EXPENSES		
239	Operation		
240	907 Supervision	0	0
241	908 Customer Assistance Expenses	7,080,082	4,222,388
242	909 Informational and Instructional Expenses	180,176	30,583
243	910 Miscellaneous Customer Service and Informational Expenses	359,135	342,654
244	TOTAL Customer Service and Information Expenses (Total of lines 240 thru 243)	7,619,393	4,595,625
245	7. SALES EXPENSES		
246	Operation		
247	911 Supervision	0	0
248	912 Demonstrating and Selling Expenses	4,232	0
249	913 Advertising Expenses	3,250	2,839
250	916 Miscellaneous Sales Expenses	0	0
251	TOTAL Sales Expenses (Total of lines 247 thru 250)	7,482	2,839
252	8. ADMINISTRATIVE AND GENERAL EXPENSES		
253	Operation		
254	920 Administrative and General Salaries	8,804,332	7,483,551
255	921 Office Supplies and Expenses	4,523,492	4,162,213
256	(Less) 922 Administrative Expenses Transferred-Credit	415,349	357,025
257	923 Outside Services Employed	783,986	1,591,557
258	924 Property Insurance	110,370	81,986
259	925 Injuries and Damages	1,661,441	1,572,433
260	926 Employee Pensions and Benefits	6,951,421	5,779,296
261	927 Franchise Requirements	0	0
262	928 Regulatory Commission Expenses	214,339	0
263	(Less) 929 Duplicate Charges-Credit	0	0
264	930.1 General Advertising Expenses	35,333	30,629
265	930.2 Miscellaneous General Expenses	1,032,639	1,171,419
266	931 Rents	1,445,125	1,569,366
267	TOTAL Operation (Total of lines 254 thru 266)	25,147,129	23,085,425
268	Maintenance		
269	932 Maintenance of General Plant	57,274	37,362
270	TOTAL Administrative and General Expenses (Total of lines 267 and 269)	25,204,403	23,122,787
271	TOTAL Gas O&M Expenses (Total of lines 97,177,201,229,237,244,251, and 270)	224,744,682	200,944,911

Exchange and Imbalance Transactions

1. Report below details by zone and rate schedule concerning the gas quantities and related dollar amount of imbalances associated with system balancing and no-notice service. Also, report certificated natural gas exchange transactions during the year. Provide subtotals for imbalance and no-notice quantities for exchanges. If respondent does not have separate zones, provide totals by rate schedule. Minor exchange transactions (less than 100,000 Dth) may be grouped.

Line No.	Zone/Rate Schedule (a)	Gas Received from Others	Gas Received from Others	Gas Delivered to Others	Gas Delivered to Others
		Amount (b)	Dth (c)	Amount (d)	Dth (e)
1	None				
2					
3					
4					
5					
6					
7					
8					
9					
10					
11					
12					
13					
14					
15					
16					
17					
18					
19					
20					
21					
22					
23					
24					
25	Total	0	0	0	0

Gas Used in Utility Operations

1. Report below details of credits during the year to Accounts 810, 811, and 812.
2. If any natural gas was used by the respondent for which a charge was not made to the appropriate operating expense or other account, list separately in column (c) the Dth of gas used, omitting entries in column (d).

Line No.	Purpose for Which Gas Was Used (a)	Account Charged (b)	Natural Gas Gas Used Dth (c)	Natural Gas Amount of Credit (in dollars) (d)	Natural Gas Amount of Credit (in dollars) (d)	Natural Gas Amount of Credit (in dollars) (d)
1	810 Gas Used for Compressor Station Fuel - Credit					
2	811 Gas Used for Products Extraction - Credit					
3	Gas Shrinkage and Other Usage in Respondent's Own Processing					
4	Gas Shrinkage, etc. for Respondent's Gas Processed by Others					
5	812 Gas Used for Other Utility Operations - Credit (Report separately for each principal use. Group minor uses.)	812	37,101	85,398		
6						
7						
8						
9						
10						
11						
12						
13						
14						
15						
16						
17						
18						
19						
20						
21						
22						
23						
24						
25	Total		37,101	85,398		

Transmission and Compression of Gas by Others (Account 858)

1. Report below details concerning gas transported or compressed for respondent by others equalling more than 1,000,000 Dth and amounts of payments for such services during the year. Minor items (less than 1,000,000) Dth may be grouped. Also, include in column (c) amounts paid as transition costs to an upstream pipeline.
2. In column (a) give name of companies, points of delivery and receipt of gas. Designate points of delivery and receipt so that they can be identified readily on a map of respondent's pipeline system.
3. Designate associated companies with an asterisk in column (b).

Line No.	Name of Company and Description of Service Performed (a)	* (b)	Amount of Payment (in dollars) (c)	Dth of Gas Delivered (d)
1	None			
2				
3				
4				
5				
6				
7				
8				
9				
10				
11				
12				
13				
14				
15				
16				
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22				
23				
24				
25	Total			

Other Gas Supply Expenses (Account 813)

1. Report other gas supply expenses by descriptive titles that clearly indicate the nature of such expenses. Show maintenance expenses, revaluation of monthly encroachments recorded in Account 117.4, and losses on settlements of imbalances and gas losses not associated with storage separately. Indicate the functional classification and purpose of property to which any expenses relate. List separately items of \$250,000 or more.

Line No.	Description (a)	Amount (in dollars) (b)
1	Labor expenses and applicable overhead charges	308,840
2	Puget Sound Energy - Fredonia	85,011
3	Training materials	53,623
4	Lodging	16,614
5	Software Maintenance	14,311
6	Meals & Entertainment	8,404
7	Commercial air service	8,358
8	Vehicle mileage	957
9	Office supplies	144
10	Other advertising	84
11		
12		
13		
14		
15		
16		
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18		
19		
20		
21		
22		
23		
24		
25	Total	496,346

Miscellaneous General Expenses (Account 930.2)

1. Provide the information requested below on miscellaneous general expenses.
2. For Other Expenses, show the (a) purpose, (b) recipient and (c) amount of such items. List separately amounts of \$250,000 or more however, amounts less than \$250,000 may be grouped if the number of items of so grouped is shown.

Line No.	Description (a)	Amount (in dollars) (b)
1	Industry association dues.	284,608
2	Experimental and general research expenses.	
	a. Gas Research Institute (GRI)	
	b. Other	
3	Publishing and distributing information and reports to stockholders, trustee, registrar, and transfer agent fees and expenses, and other expenses of servicing outstanding securities of the respondent	
4	Other expenses	
5	Director's fees (paid to MDU for CNGC's share of director's expenses)	451,891
6	Miscellaneous under \$250,000	296,140
7	2,418 items	
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23		
24		
25	Total	1,032,639

Depreciation, Depletion and Amortization of Gas Plant (Accts 403, 404.1, 404.2, 404.3, 405) (Except Amortization of Acquisition Adjustments)

1. Report in Section A the amounts of depreciation expense, depletion and amortization for the accounts indicated and classified according to the plant functional groups shown.
2. Report in Section B, column (b) all depreciable or amortizable plant balances to which rates are applied and show a composite total. (If more desirable, report by plant account, subaccount or functional classifications other than those pre-printed in column (a). Indicate in a footnote the manner in which column (b) balances are

Section A. Summary of Depreciation, Depletion, and Amortization Charges

Line No.	Functional Classification (a)	Depreciation Expense (Account 403) (b)	Amortization Expense for Asset Retirement Costs (Account 403.1) (c)	Amortization and Depletion of Producing Natural Gas Land and Land Rights (Account 404.1) (d)	Amortization of Underground Storage Land and Land Rights (Account 404.2) (e)
1	Intangible plant				3,457,659
2	Production plant, manufactured gas				
3	Production and gathering plant, natural gas				
4	Products extraction plant				
5	Underground gas storage plant				
6	Other storage plant				
7	Base load LNG terminaling and processing plant				
8	Transmission plant	420,168			
9	Distribution plant	27,346,458			
10	General plant	1,463,822			
11	Common plant-gas				
12	TOTAL	29,230,448			3,457,659

Depreciation, Depletion and Amortization of Gas Plant (Accts 403, 404.1, 404.2, 404.3, 405) (Except Amortization of Acquisition Adjustments) (continued)

obtained. If average balances are used, state the method of averaging used. For column (c) report available information for each plant functional classification listed in column (a). If composite depreciation accounting is used, report available information called for in columns (b) and (c) on this basis. Where the unit-of-production method is used to determine depreciation charges, show in a footnote any revisions made to estimated gas reserves.

3. If provisions for depreciation were made during the year in addition to depreciation provided by application of reported rates, state in a footnote the amounts and nature of the provisions and the plant items to which related.

Section A. Summary of Depreciation, Depletion, and Amortization Charges

Line No.	Amortization of Other Limited-term Gas Plant (Account 404.3) (f)	Amortization of Other Gas Plant (Account 405) (g)	Total (b to g) (h)	Functional Classification (a)
1			3,457,659	Intangible plant
2				Production plant, manufactured gas
3				Production and gathering plant, natural gas
4				Products extraction plant
5				Underground gas storage plant
6				Other storage plant
7				Base load LNG terminaling and processing plant
8			420,168	Transmission plant
9			27,346,458	Distribution plant
10			1,463,822	General plant
11				Common plant-gas
12			32,688,107	TOTAL

Depreciation, Depletion and Amortization of Gas Plant (Accts 403, 404.1, 404.2, 404.3, 405) (Except Amortization of Acquisition Adjustments) (continued)

4. Add rows as necessary to completely report all data. Number the additional rows in sequence as 2.01, 2.02, 3.01, 3.02, etc.

Section B. Factors Used in Estimating Depreciation Charges

Line No.	Functional Classification (a)	Plant Bases (in thousands) (b)	Applied Depreciation or Amortization Rates (percent) (c)
1	Production and Gathering Plant		
2	Offshore (footnote details)		
3	Onshore (footnote details)		
4	Underground Gas Storage Plant (footnote details)		
5	Transmission Plant		
6	Offshore (footnote details)		
7	Onshore (footnote details)		
8	General Plant (footnote details)		
9	see footnote		
10			
11			
12			
13			
14			
15			

Particulars Concerning Certain Income Deductions and Interest Charges Accounts

Report the information specified below, in the order given, for the respective income deduction and interest charges accounts.

(a) Miscellaneous Amortization (Account 425)-Describe the nature of items included in this account, the contra account charged, the total of amortization charges for the year, and the period of amortization.

(b) Miscellaneous Income Deductions-Report the nature, payee, and amount of other income deductions for the year as required by Accounts 426.1, Donations; 426.2, Life Insurance; 426.3, Penalties; 426.4, Expenditures for Certain Civic, Political and Related Activities; and 426.5, Other Deductions, of the Uniform System of Accounts. Amounts of less than \$250,000 may be grouped by classes within the above accounts.

(c) Interest on Debt to Associated Companies (Account 430)-For each associated company that incurred interest on debt during the year, indicate the amount and interest rate respectively for (a) advances on notes, (b) advances on open account, (c) notes payable, (d) accounts payable, and (e) other debt, and total interest. Explain the nature of other debt on which interest was incurred during the year.

(d) Other Interest Expense (Account 431) - Report details including the amount and interest rate for other interest charges incurred during the year.

Line No.	Item (a)	Amount (b)
1	(a) Miscellaneous Amortization (Account 425)	
2		
3	(b) Miscellaneous Income Deductions (Account 426)	
4	Donations (Account 426.1)	251,619
5	Life Insurance (Account 426.2)	
6	Penalties (Account 426.3)	94
7	Expenditures for Certain Civic, Political and Related Activities	
8	(Account 426.4)	306,254
9	Other Deductions (Account 426.5)	1,556
10	Total Miscellaneous Income Deductions (Account 426)	559,523
11		
12	(c) Interest on Debt to Associated Companies (Account 430)	
13		
14	(d) Other Interest Expense (Account 431)	
15		
16	Customer Deposits-OR Various	4,568
17	Customer Deposits-WA Various	16,600
18	Deferral Accounts-OR ***	92,378
19	Deferral Accounts-WA FERC Interest Rate	296,643
20	Interest on Short-Term Debt Various	916,126
21	Other Various	36,480
22	Total Other Interest Expense (Account 431)	1,362,795
23		
24	***Accounts not amortizing-7.284% (Jan-Mar) and 7.270%(Apr-Dec);	
25	Accounts amortizing-2.92% (Jan-Oct) and 3.74% (Nov-Dec),	
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Regulatory Commission Expenses (Account 928)

1. Report below details of regulatory commission expenses incurred during the current year (or in previous years, if being amortized) relating to formal cases before a regulatory body, or cases in which such a body was a party.
2. In column (b) and (c), indicate whether the expenses were assessed by a regulatory body or were otherwise incurred by the utility.

Line No.	Description (Furnish name of regulatory commission or body, the docket number, and a description of the case.) (a)	Assessed by Regulatory Commission (b)	Expenses of Utility (c)	Total Expenses to Date (d)	Deferred in Account 182.3 at Beginning of Year (e)
1	None				
2					
3					
4					
5					
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7					
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12					
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23					
24					
25	Total				

Regulatory Commission Expenses (Account 928)

3. Show in column (k) any expenses incurred in prior years that are being amortized. List in column (a) the period of amortization.
4. Identify separately all annual charge adjustments (ACA).
5. List in column (f), (g), and (h) expenses incurred during year which were charges currently to income, plant, or other accounts.
6. Minor items (less than \$250,000) may be grouped.

Line No.	Expenses Incurred During Year Charged Currently To Department (f)	Expenses Incurred During Year Charged Currently To Account No. (g)	Expenses Incurred During Year Charged Currently To Amount (h)	Expenses Incurred During Year Deferred to Account 182.3 (i)	Amortized During Year Contra Account (j)	Amortized During Year Amount (k)	Deferred in Account 182.3 End of Year (l)
1							
2							
3							
4							
5							
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25							

Employee Pensions and Benefits (Account 926)

1. Report below the items contained in Account 926, Employee Pensions and Benefits.

Line No.	Expense (a)	Amount (b)
1	Pensions – defined benefit plans	167,211
2	Pensions – other	1,959,406
3	Post-retirement benefits other than pensions (PBOP)	(169,774)
4	Post- employment benefit plans	
5	Other (Specify)	
6	Medical/Dental	3,072,649
7	Various	167,539
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9		
10		
11		
12		
13		
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39		
	Total	5,197,031

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Distribution of Salaries and Wages

Report below the distribution of total salaries and wages for the year. Segregate amounts originally charged to clearing accounts to Utility Departments, Construction, Plant Removals and Other Accounts, and enter such amounts in the appropriate lines and columns provided. Salaries and wages billed to the Respondent by an affiliated company must be assigned to the particular operating function(s) relating to the expenses.

In determining this segregation of salaries and wages originally charged to clearing accounts, a method of approximation giving substantially correct results may be used. When reporting detail of other accounts, enter as many rows as necessary numbered sequentially starting with 75.01, 75.02, etc.

Line No.	Classification (a)	Direct Payroll Distribution (b)	Payroll Billed by Affiliated Companies (c)	Allocation of Payroll Charged for Clearing Accounts (d)	Total (e)
1	Electric				
2	Operation				
3	Production				
4	Transmission				
5	Distribution				
6	Customer Accounts				
7	Customer Service and Informational				
8	Sales				
9	Administrative and General				
10	TOTAL Operation (Total of lines 3 thru 9)				
11	Maintenance				
12	Production				
13	Transmission				
14	Distribution				
15	Administrative and General				
16	TOTAL Maintenance (Total of lines 12 thru 15)				
17	Total Operation and Maintenance				
18	Production (Total of lines 3 and 12)				
19	Transmission (Total of lines 4 and 13)				
20	Distribution (Total of lines 5 and 14)				
21	Customer Accounts (line 6)				
22	Customer Service and Informational (line 7)				
23	Sales (line 8)				
24	Administrative and General (Total of lines 9 and 15)				
25	TOTAL Operation and Maintenance (Total of lines 18 thru 24)				
26	Gas				
27	Operation				
28	Production - Manufactured Gas				
29	Production - Natural Gas(Including Exploration and Development)				
30	Other Gas Supply				
31	Storage, LNG Terminaling and Processing				
32	Transmission				
33	Distribution	12,443,276			12,443,276
34	Customer Accounts	3,990,039			3,990,039
35	Customer Service and Informational	859,885			859,885
36	Sales	3,785			3,785
37	Administrative and General	6,030,175			6,030,175
38	TOTAL Operation (Total of lines 28 thru 37)	23,327,160			23,327,160
39	Maintenance				
40	Production - Manufactured Gas				
41	Production - Natural Gas(Including Exploration and Development)				
42	Other Gas Supply				
43	Storage, LNG Terminaling and Processing				
44	Transmission				
45	Distribution	5,195,942			5,195,942

Distribution of Salaries and Wages (continued)

Line No.	Classification (a)	Direct Payroll Distribution (b)	Payroll Billed by Affiliated Companies (c)	Allocation of Payroll Charged for Clearing Accounts (d)	Total (e)
46	Administrative and General				
47	TOTAL Maintenance (Total of lines 40 thru 46)	5,195,942			5,195,942
48	Gas (Continued)				
49	Total Operation and Maintenance				
50	Production - Manufactured Gas (Total of lines 28 and 40)				
51	Production - Natural Gas (Including Expl. and Dev.)(ll. 29 and 41)				
52	Other Gas Supply (Total of lines 30 and 42)				
53	Storage, LNG Terminaling and Processing (Total of ll. 31 and 43)				
54	Transmission (Total of lines 32 and 44)				
55	Distribution (Total of lines 33 and 45)	17,639,218			17,639,218
56	Customer Accounts (Total of line 34)	3,990,039			3,990,039
57	Customer Service and Informational (Total of line 35)	859,885			859,885
58	Sales (Total of line 36)	3,785			3,785
59	Administrative and General (Total of lines 37 and 46)	6,030,175			6,030,175
60	Total Operation and Maintenance (Total of lines 50 thru 59)	28,523,102			28,523,102
61	Other Utility Departments				
62	Operation and Maintenance				
63	TOTAL ALL Utility Dept. (Total of lines 25, 60, and 62)	28,523,102			28,523,102
64	Utility Plant				
65	Construction (By Utility Departments)				
66	Electric Plant				
67	Gas Plant	7,636,223			7,636,223
68	Other				
69	TOTAL Construction (Total of lines 66 thru 68)	7,636,223			7,636,223
70	Plant Removal (By Utility Departments)				
71	Electric Plant				
72	Gas Plant	711,998			711,998
73	Other				
74	TOTAL Plant Removal (Total of lines 71 thru 73)	711,998			711,998
75	Other Accounts (Specify) (footnote details)	1,697,135			1,697,135
76	TOTAL Other Accounts	1,697,135			1,697,135
77	TOTAL SALARIES AND WAGES	38,568,458			38,568,458

Charges for Outside Professional and Other Consultative Services

1. Report the information specified below for all charges made during the year included in any account (including plant accounts) for outside consultative and other professional services. These services include rate, management, construction, engineering, research, financial, valuation, legal, accounting, purchasing, advertising, labor relations, and public relations, rendered for the respondent under written or oral arrangement, for which aggregate payments were made during the year to any corporation partnership, organization of any kind, or individual (other than for services as an employee or for payments made for medical and related services) amounting to more than \$250,000, including payments for legislative services, except those which should be reported in Account 426.4 Expenditures for Certain Civic, Political and Related Activities.

(a) Name of person or organization rendering services.
(b) Total charges for the year.

2. Sum under a description "Other", all of the aforementioned services amounting to \$250,000 or less.

3. Total under a description "Total", the total of all of the aforementioned services.

4. Charges for outside professional and other consultative services provided by associated (affiliated) companies should be excluded from this schedule and be reported on Page 358, according to the instructions for that schedule.

Line No.	Description (a)	Amount (in dollars) (b)
1	Michels Corporation	34,006,160
2	Brothers Pipeline Corp.	7,982,855
3	Infrasource Construction, LLC	5,244,613
4	Gas Transmission NW Corp.	5,200,000
5	Southern Cross	2,829,981
6	Northwest Metal Fab	2,771,405
7	Hanging H Companies, LLC	2,600,084
8	Northwest Pipeline, LLC	2,500,000
9	Mackay & Sposito, Inc.	1,340,703
10	Parametrix, Inc.	1,137,413
11	Mistras Group, Inc.	883,839
12	Lockheed Martin Energy	773,659
13	Eugene Water & Electric Board	743,205
14	Five Rivers Construction, Inc.	718,904
15	Anchor QEA	675,648
16	Mesa Products	632,581
17	NW Pipeline, LLC	498,600
18	Aspect Consulting, LLC	481,260
19	Snyder Gas Consulting, LLC	478,297
20	Infrasource Services, LLC	397,320
21	Northwest Inspection, Inc.	303,345
22	Deloitte & Touche	276,126
23	JUB Engineers, Inc.	257,748
24	Other	1,729,052
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Transactions with Associated (Affiliated) Companies

1. Report below the information called for concerning all goods or services received from or provided to associated (affiliated) companies amounting to more than \$250,000.
2. Sum under a description "Other", all of the aforementioned goods and services amounting to \$250,000 or less.
3. Total under a description "Total", the total of all of the aforementioned goods and services.
4. Where amounts billed to or received from the associated (affiliated) company are based on an allocation process, explain in a footnote the basis of the allocation.

Line No.	Description of the Good or Service (a)	Name of Associated/Affiliated Company (b)	Account(s) Charged or Credited (c)	Amount Charged or Credited (d)
1	Goods or Services Provided by Affiliated Company			
2		IGC/MDU/MDU RESOURCES	107	2,130,631
3			426.1	211,302
4			426.2	(569,914)
5			426.4	306,254
6			426.5	1,556
7			813	172,370
8			870	1,236,084
9			874	465,129
10			875	115,170
11			878	
12			880	1,235,529
13			881	69,876
14			885	80,218
15			887	619,344
16			887.1	7,141
17			892	200
18			894	48,297
19			901	44,898
20	Goods or Services Provided for Affiliated Company			
21			902	211,446
22			903	5,336,032
23			904	1,209,258
24			908	279,237
25			909	166,830
26			920	7,255,805
27			921	3,391,431
28			922	(245,018)
29			923	267,373
30			925	9,351
31			926	28,351
32			930.1	30,962
33			930.2	753,502
34			931	1,384,279
35			932	2,101
36			Various	
37				
38				
39				
40				

Compressor Stations

1. Report below details concerning compressor stations. Use the following subheadings: field compressor stations, products extraction compressor stations, underground storage compressor stations, transmission compressor stations, distribution compressor stations, and other compressor stations.
 2. For column (a), indicate the production areas where such stations are used. Group relatively small field compressor stations by production areas. Show the number of stations grouped. Identify any station held under a title other than full ownership. State in a footnote the name of owner or co-owner, the nature of respondent's title, and percent of ownership if jointly owned.

Line No.	Name of Station and Location (a)	Number of Units at Station (b)	Certificated Horsepower for Each Station (c)	Plant Cost (d)
1	Compressor Station at Burlington, WA	1	1,350	2,000,731
2	Placed in Service: August 2001			
3				
4				
5				
6				
7				
8				
9				
10				
11				
12				
13				
14				
15				
16				
17				
18				
19				
20				
21				
22				
23				
24				
25				

Compressor Stations

Designate any station that was not operated during the past year. State in a footnote whether the book cost of such station has been retired in the books of account, or what disposition of the station and its book cost are contemplated. Designate any compressor units in transmission compressor stations installed and put into operation during the year and show in a footnote each unit's size and the date the unit was placed in operation.

3. For column (e), include the type of fuel or power, if other than natural gas. If two types of fuel or power are used, show separate entries for natural gas and the other fuel or power.

Line No.	Expenses (except depreciation and taxes)	Expenses (except depreciation and taxes)	Expenses (except depreciation and taxes)	Gas for Compressor Fuel in Dth (h)	Electricity for Compressor Station in kWh (i)	Operational Data Total Compressor Hours of Operation During Year (j)	Operational Data Number of Compressors Operated at Time of Station Peak (k)	Date of Station Peak (l)
	Fuel (e)	Power (f)	Other (g)					
1	4,926		126,657				1	
2								
3								
4								
5								
6								
7								
8								
9								
10								
11								
12								
13								
14								
15								
16								
17								
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19								
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21								
22								
23								
24								
25								

Gas Storage Projects

1. Report injections and withdrawals of gas for all storage projects used by respondent.

Line No.	Item (a)	Gas Belonging to Respondent (Dth) (b)	Gas Belonging to Others (Dth) (c)	Total Amount (Dth) (d)
	STORAGE OPERATIONS (in Dth)			
1	Gas Delivered to Storage			
2	January			
3	February			
4	March			
5	April			
6	May			
7	June			
8	July			
9	August			
10	September			
11	October			
12	November			
13	December			
14	TOTAL (Total of lines 2 thru 13)			
15	Gas Withdrawn from Storage			
16	January			
17	February			
18	March			
19	April			
20	May			
21	June			
22	July			
23	August			
24	September			
25	October			
26	November			
27	December			
28	TOTAL (Total of lines 16 thru 27)			

Gas Storage Projects

1. On line 4, enter the total storage capacity certificated by FERC.
2. Report total amount in Dth or other unit, as applicable on lines 2, 3, 4, 7. If quantity is converted from Mcf to Dth, provide conversion factor in a footnote.

Line No.	Item (a)	Total Amount (b)
	STORAGE OPERATIONS	
1	Top or Working Gas End of Year	
2	Cushion Gas (Including Native Gas)	
3	Total Gas in Reservoir (Total of line 1 and 2)	
4	Certificated Storage Capacity	
5	Number of Injection - Withdrawal Wells	
6	Number of Observation Wells	
7	Maximum Days' Withdrawal from Storage	
8	Date of Maximum Days' Withdrawal	
9	LNG Terminal Companies (in Dth)	
10	Number of Tanks	
11	Capacity of Tanks	
12	LNG Volume	
13	Received at "Ship Rail"	
14	Transferred to Tanks	
15	Withdrawn from Tanks	
16	"Boil Off" Vaporization Loss	

Transmission Lines

1. Report below, by state, the total miles of transmission lines of each transmission system operated by respondent at end of year.
2. Report separately any lines held under a title other than full ownership. Designate such lines with an asterisk, in column (b) and in a footnote state the name of owner, or co-owner, nature of respondent's title, and percent ownership if jointly owned.
3. Report separately any line that was not operated during the past year. Enter in a footnote the details and state whether the book cost of such a line, or any portion thereof, has been retired in the books of account, or what disposition of the line and its book costs are contemplated.
4. Report the number of miles of pipe to one decimal point.

Line No.	Designation (Identification) of Line or Group of Lines (a)	* (b)	Total Miles of Pipe (c)
1	None		
2			
3			
4			
5			
6			
7			
8			
9			
10			
11			
12			
13			
14			
15			
16			
17			
18			
19			
20			
21			
22			
23			
24			
25			

Transmission System Peak Deliveries

1. Report below the total transmission system deliveries of gas (in Dth), excluding deliveries to storage, for the period of system peak deliveries indicated below, during the 12 months embracing the heating season overlapping the year's end for which this report is submitted. The season's peak normally will be reached before the due date of this report, April 30, which permits inclusion of the peak information required on this page. Add rows as necessary to report all data. Number additional rows 6.01, 6.02, etc.

Line No.	Description	Dth of Gas Delivered to Interstate Pipelines (b)	Dth of Gas Delivered to Others (c)	Total (b) + (c) (d)
	SECTION A: SINGLE DAY PEAK DELIVERIES			
1	Date:			
2	Volumes of Gas Transported			
3	No-Notice Transportation			
4	Other Firm Transportation			
5	Interruptible Transportation			
6	Other (Describe) (footnote details)			
7	TOTAL			
8	Volumes of gas Withdrawn form Storage under Storage Contract			
9	No-Notice Storage			
10	Other Firm Storage			
11	Interruptible Storage			
12	Other (Describe) (footnote details)			
13	TOTAL			
14	Other Operational Activities			
15	Gas Withdrawn from Storage for System Operations			
16	Reduction in Line Pack			
17	Other (Describe) (footnote details)			
18	TOTAL			
19	SECTION B: CONSECUTIVE THREE-DAY PEAK DELIVERIES			
20	Dates:			
21	Volumes of Gas Transported			
22	No-Notice Transportation			
23	Other Firm Transportation			
24	Interruptible Transportation			
25	Other (Describe) (footnote details)			
26	TOTAL			
27	Volumes of Gas Withdrawn from Storage under Storage Contract			
28	No-Notice Storage			
29	Other Firm Storage			
30	Interruptible Storage			
31	Other (Describe) (footnote details)			
32	TOTAL			
33	Other Operational Activities			
34	Gas Withdrawn from Storage for System Operations			
35	Reduction in Line Pack			
36	Other (Describe) (footnote details)			
37	TOTAL			

Auxiliary Peaking Facilities

1. Report below auxiliary facilities of the respondent for meeting seasonal peak demands on the respondent's system, such as underground storage projects, liquefied petroleum gas installations, gas liquefaction plants, oil gas sets, etc.
2. For column (c), for underground storage projects, report the delivery capacity on February 1 of the heating season overlapping the year-end for which this report is submitted. For other facilities, report the rated maximum daily delivery capacities.
3. For column (d), include or exclude (as appropriate) the cost of any plant used jointly with another facility on the basis of predominant use, unless the auxiliary peaking facility is a separate plant as contemplated by general instruction 12 of the Uniform System of Accounts.

Line No.	Location of Facility (a)	Type of Facility (b)	Maximum Daily Delivery Capacity of Facility Dth (c)	Cost of Facility (in dollars) (d)	Was Facility Operated on Day of Highest Transmission Peak Delivery?
1	None				
2					
3					
4					
5					
6					
7					
8					
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10					
11					
12					
13					
14					
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30					

Gas Account - Natural Gas

1. The purpose of this schedule is to account for the quantity of natural gas received and delivered by the respondent.
2. Natural gas means either natural gas unmixed or any mixture of natural and manufactured gas.
3. Enter in column (c) the year to date Dth as reported in the schedules indicated for the items of receipts and deliveries.
4. Enter in column (d) the respective quarter's Dth as reported in the schedules indicated for the items of receipts and deliveries.
5. Indicate in a footnote the quantities of bundled sales and transportation gas and specify the line on which such quantities are listed.
6. If the respondent operates two or more systems which are not interconnected, submit separate pages for this purpose.
7. Indicate by footnote the quantities of gas not subject to Commission regulation which did not incur FERC regulatory costs by showing (1) the local distribution volumes another jurisdictional pipeline delivered to the local distribution company portion of the reporting pipeline (2) the quantities that the reporting pipeline transported or sold through its local distribution facilities or intrastate facilities and which the reporting pipeline received through gathering facilities or intrastate facilities, but not through any of the interstate portion of the reporting pipeline, and (3) the gathering line quantities that were not destined for interstate market or that were not transported through any interstate portion of the reporting pipeline.
8. Indicate in a footnote the specific gas purchase expense account(s) and related to which the aggregate volumes reported on line No. 3 relate.
9. Indicate in a footnote (1) the system supply quantities of gas that are stored by the reporting pipeline, during the reporting year and also reported as sales, transportation and compression volumes by the reporting pipeline during the same reporting year, (2) the system supply quantities of gas that are stored by the reporting pipeline during the reporting year which the reporting pipeline intends to sell or transport in a future reporting year, and (3) contract storage quantities.
10. Also indicate the volumes of pipeline production field sales that are included in both the company's total sales figure and the company's total transportation figure. Add additional information as necessary to the footnotes.

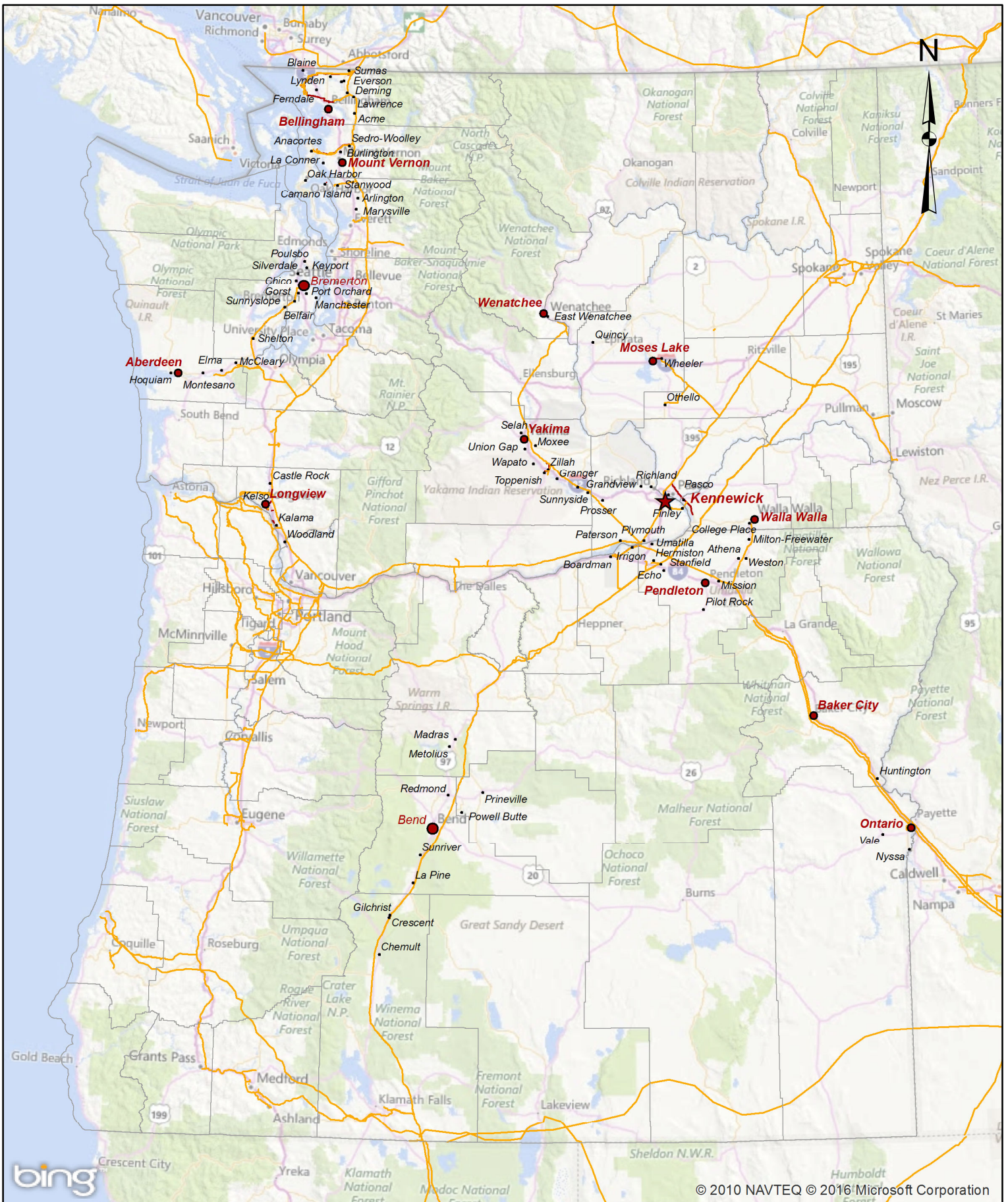
Line No.	Item (a)	Ref. Page No. of (FERC Form Nos. 2/2-A) (b)	Total Amount of Dth Year to Date (c)	Current Three Months Ended Amount of Dth Quarterly Only (d)
----------	-------------	--	---	--

01 Name of System:				
2	GAS RECEIVED			
3	Gas Purchases (Accounts 800-805)		36,145,294	
4	Gas of Others Received for Gathering (Account 489.1)	303		
5	Gas of Others Received for Transmission (Account 489.2)	305		
6	Gas of Others Received for Distribution (Account 489.3)	301		
7	Gas of Others Received for Contract Storage (Account 489.4)	307		
8	Gas of Others Received for Production/Extraction/Processing (Account 490 and 491)			
9	Exchanged Gas Received from Others (Account 806)	328		
10	Gas Received as Imbalances (Account 806)	328		
11	Receipts of Respondent's Gas Transported by Others (Account 858)	332		
12	Other Gas Withdrawn from Storage (Explain)		2,325,380	
13	Gas Received from Shippers as Compressor Station Fuel			
14	Gas Received from Shippers as Lost and Unaccounted for			
15	Other Receipts (Specify) (footnote details)		108,892,465	
16	Total Receipts (Total of lines 3 thru 15)		147,363,139	
17	GAS DELIVERED			
18	Gas Sales (Accounts 480-484)		35,356,500	
19	Deliveries of Gas Gathered for Others (Account 489.1)	303		
20	Deliveries of Gas Transported for Others (Account 489.2)	305	108,892,465	
21	Deliveries of Gas Distributed for Others (Account 489.3)	301		
22	Deliveries of Contract Storage Gas (Account 489.4)	307		
23	Gas of Others Delivered for Production/Extraction/Processing (Account 490 and 491)			
24	Exchange Gas Delivered to Others (Account 806)	328		
25	Gas Delivered as Imbalances (Account 806)	328		
26	Deliveries of Gas to Others for Transportation (Account 858)	332		
27	Other Gas Delivered to Storage (Explain)		2,376,972	
28	Gas Used for Compressor Station Fuel	509		
29	Other Deliveries and Gas Used for Other Operations		37,100	
30	Total Deliveries (Total of lines 18 thru 29)		146,663,037	
31	GAS LOSSES AND GAS UNACCOUNTED FOR			
32	Gas Losses and Gas Unaccounted For		700,102	
33	TOTALS			
34	Total Deliveries, Gas Losses & Unaccounted For (Total of lines 30 and 32)		147,363,139	

Name of Respondent	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 12/31/2019	Year/Period of Report 2019/Q4
System Maps			

1. Furnish five copies of a system map (one with each filed copy of this report) of the facilities operated by the respondent for the production, gathering, transportation, and sale of natural gas. New maps need not be furnished if no important change has occurred in the facilities operated by the respondent since the date of the maps furnished with a previous year's annual report. If, however, maps are not furnished for this reason, reference should be made in the space below to the year's annual report with which the maps were furnished.
2. Indicate the following information on the maps:
 - (a) Transmission lines.
 - (b) Incremental facilities.
 - (c) Location of gathering areas.
 - (d) Location of zones and rate areas.
 - (e) Location of storage fields.
 - (f) Location of natural gas fields.
 - (g) Location of compressor stations.
 - (h) Normal direction of gas flow (indicated by arrows).
 - (i) Size of pipe.
 - (j) Location of products extraction plants, stabilization plants, purification plants, recycling areas, etc.
 - (k) Principal communities receiving service through the respondent's pipeline.
3. In addition, show on each map: graphic scale of the map; date of the facts the map purports to show; a legend giving all symbols and abbreviations used; designations of facilities leased to or from another company, giving name of such other company.
4. Maps not larger than 24 inches square are desired. If necessary, however, submit larger maps to show essential information. Fold the maps to a size not larger than this report. Bind the maps to the report.

See attached map.



Communities Served

- Communities**
- Community Served
 - District Office
 - ★ Region Office
 - ★ General Office

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Name of Respondent	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 12/31/2019	Year/Period of Report 2019/Q4
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 - (a) Transmission lines.
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 - (c) Location of gathering areas.
 - (d) Location of zones and rate areas.
 - (e) Location of storage fields.
 - (f) Location of natural gas fields.
 - (g) Location of compressor stations.
 - (h) Normal direction of gas flow (indicated by arrows).
 - (i) Size of pipe.
 - (j) Location of products extraction plants, stabilization plants, purification plants, recycling areas, etc.
 - (k) Principal communities receiving service through the respondent's pipeline.
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4. Maps not larger than 24 inches square are desired. If necessary, however, submit larger maps to show essential information. Fold the maps to a size not larger than this report. Bind the maps to the report.

See attached map.

Name of Respondent Cascade Natural Gas Corporation	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 12/31/2019	Year/Period of Report 2019/Q4
FOOTNOTE DATA			

Schedule Page: 234 Line No.: 3 Column: g

Regulatory accounts related to Pension and Customer Advances

Schedule Page: 234 Line No.: 3 Column: i

Regulatory accounts related to Pension and Customer Advances

Name of Respondent Cascade Natural Gas Corporation	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 12/31/2019	Year/Period of Report 2019/Q4
FOOTNOTE DATA			

Schedule Page: 260 Line No.: 8 Column: a

The loss associated with each reacquisition consists of a reacquisition premium, other reacquisition expenses, and remaining unamortized issuance costs (Account 181) at the time of reacquisition.

(1) 7.5% Notes were reacquired in March 2007 and refunded by 5.79% Senior Notes for \$40,000,000 due 3/08/2037. The remaining unamortized debt expense of \$1,229,120 was reclassified to unamortized loss on reacquired debt.

Name of Respondent Cascade Natural Gas Corporation	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 12/31/2019	Year/Period of Report 2019/Q4
FOOTNOTE DATA			

Schedule Page: 261 Line No.: 7 Column: a

SFAS No.87 pension plan accrual	120,478
Interest capitalized adj (IRS>books)	359,103
263A Adjustment - UNICAP	<u>1,410</u>

Total 480,991

Schedule Page: 261 Line No.: 10 Column: a

Tax Expense	169,039
Depreciation provision	33,897,395
Vacation Accrual - current year	1,903,016
Incentive accrual	1,696,506
Bad Debt Expense	1,209,258
Prepays	375,930
Qualified Transportation Fringe	2,670
AFUDC Equity	105
Lobbying (5912.4264)	306,253
50% of business meals & entertainment	162,777
Payroll Taxes - Incentive accrual	56,523
Amort of loss on reacquired debt (4281)	40,971
100% of business entertainment	8,201
Penalties (5984)	50
Interest Expense	<u>3,227</u>

Total 39,831,921

Schedule Page: 261 Line No.: 15 Column: a

Tax Gain (loss) on disposal of assets	(3,231,959)
Bellingham, Bremerton, & Eugene MGP expenses	(518,600)
Retiree Medical Accrual	(58,605)
Performance Share Perm	<u>(526,635)</u>

Total (4,335,799)

Schedule Page: 261 Line No.: 20 Column: a

Depreciation & amortization of plant	(38,966,039)
Deferred Gas Costs	(47,723,076)
Conservation Program	(495,644)
MAOP Deferred Costs WA/OR	(1,905,558)
Repairs Deduction	(5,252,568)
Vacation accrual - prior year	(1,949,322)
SFAS No.87 accrual-SERP/SISP add back bk expense	(40,723)
Bad debts written off	(1,156,825)
SERP/SISP-perm difference piece	(1,705,005)
Reserved Revenue	(348,812)
Prepaid Expenses	(486,786)
Incentive accrual - prior year	(981,906)
401K Dividends (MDUR)	(209,490)
Customer Advances - 2520.000 to 2520.2991	(92,058)
Legal Reserve	(29,318)
Royalty Income (15% of royalty income receipts)	(1,153)
Oregon State Income Tax	<u>794,016</u>

Total (100,550,267)

Schedule Page: 261 Line No.: 31 Column: a

Difference between 12/31/18 accrual and tax return	(1,843,703)
--	-------------

Name of Respondent Cascade Natural Gas Corporation	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 12/31/2019	Year/Period of Report 2019/Q4
FOOTNOTE DATA			

R&D tax credits (145,000)
 FIN48 - R&D tax credits 29,000

Total (1,959,703)

Schedule Page: 261 Line No.: 32 Column: a

Allocated to:	409.1	409.2	Total
Washington	(10,887,316)	616,283	(10,271,033)
Oregon	<u>(638,182)</u>	<u>(29,140)</u>	<u>(667,322)</u>
Total	(11,525,498)	587,143	(10,938,355)

Schedule Page: 261 Line No.: 33 Column: a

Taxable Income for Federal Tax			(42,755,488)
Oregon adjustments to Federal Taxable Income:			
Oregon State Income Tax expense deducted from Federal Return			(794,016)
Bonus Depreciation adjustment			<u>(443,431)</u>
Taxable Income for Oregon Tax			(43,992,935)
Oregon Apportionment Factor			<u>23.7483%</u>
Oregon Taxable Income			<u>(10,447,574)</u>
Oregon Tax Rate			<u>7.60%</u>
Estimated Tax Return Oregon Income Tax			(794,016)
Adjustments:			
Difference between 12/31/18 accrual and tax return			<u>(236,465)</u>
Provision for Current Oregon Income Tax			(1,030,481)
Allocated to:	<u>409.1</u>	<u>409.2</u>	<u>Total</u>
Total	(941,388)	(89,093)	(1,030,481)

Name of Respondent Cascade Natural Gas Corporation	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 12/31/2019	Year/Period of Report 2019/Q4
FOOTNOTE DATA			

Schedule Page: 276 Line No.: 3 Column: g

Regulatory accounts related to FAS158 and deferred tax effect of Oregon State Tax Rate Increase.

Schedule Page: 276 Line No.: 3 Column: i

Regulatory accounts related to FAS158 and deferred tax effect of Oregon State Tax Rate Increase.

Name of Respondent Cascade Natural Gas Corporation	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 12/31/2019	Year/Period of Report 2019/Q4
FOOTNOTE DATA			

Schedule Page: 338 Line No.: 9 Column: a

Depreciation is accrued monthly on the average balance in each plant account using a rate specific to the account. The average balance is the simple average of the balance at the beginning of the month and at the end of the month. The amounts shown below represent the year-end balances of depreciable plant and the weighted average composite rates based on year-end balances in each category.

Description (a)	<u>Washington</u>		<u>Oregon</u>	
	Depreciable Plant Base (Thousands) (b)	Composite Rate (Percent) (c)	Depreciable Plant Base (Thousands) (d)	Composite Rate (Percent) (e)
Intangible plant	32,472		12,479	
Manufactured gas production	0		0	
Transmission plant	17,063	1.80%	6,247	1.81%
Distribution plant	752,013	2.79%	215,875	2.96%
General plant	51,126	3.92%	17,852	3.85%
Total	852,674	3.03%	252,453	3.20%

Name of Respondent Cascade Natural Gas Corporation	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 12/31/2019	Year/Period of Report 2019/Q4
FOOTNOTE DATA			

Schedule Page: 354 Line No.: 75 Column: a	
PTO/Incentive/Severance Pay Liabilities	\$1,697,135

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