

CASCADE NATURAL GAS CORPORATION
Washington Statement of Operations
QUARTERLY STATISTICAL INFORMATION

THERM SALES

	Monthly			12 Months Ending		
	January 2017	February 2017	March 2017	January 2017	February 2017	March 2017
Residential	25,262,812	17,928,562	14,499,232	115,857,840	121,258,322	123,718,402
Commercial	19,712,791	14,658,345	10,663,216	90,131,592	94,990,734	96,847,652
Industrial Firm	2,077,956	1,709,089	1,905,197	14,142,761	14,430,198	14,756,360
Core Interruptible	588,190	461,836	254,557	4,019,124	4,079,398	3,934,388
Noncore	68,735,067	54,962,174	54,471,828	719,849,806	711,802,474	719,446,466
TOTAL WASHINGTON	116,376,816	89,720,006	81,794,030	944,001,123	946,561,126	958,703,268

	AVERAGE CUSTOMERS		
	January 2017	February 2017	March 2017
Residential	184,139	184,313	184,422
Commercial	25,973	25,982	25,954
Industrial Firm	467	471	473
Core Interruptible	11	11	10
Noncore	206	206	206
TOTAL WASHINGTON	210,796	210,983	211,065

Cascade Natural Gas Corporation
State of Washington
Statement of Operations and Rate of Return
Month and Twelve Months Ended 1/31/2017

	Month	Twelve Months
OPERATING REVENUES		
Natural Gas Sales	34,329,975	185,234,616
Transportation Revenue	2,103,639	21,500,948
Other Operating Revenue	69,204	994,966
	<u>36,502,818</u>	<u>207,730,530</u>
Less: Natural Gas & Production Costs	20,827,674	105,194,208
Revenue Taxes	3,533,878	17,456,988
OPERATING MARGIN	<u>12,141,266</u>	<u>85,079,333</u>
OPERATING EXPENSES		
Production	32,315	471,958
Distribution	1,754,475	16,797,288
Customer Accounts	746,747	6,464,821
Customer Service & Informational Sales	33,722	779,470
	-	4,917
Administrative & General	1,600,851	16,606,765
Depreciation & Amortization	1,658,465	19,315,015
Property, Payroll & Misc. Taxes	370,712	4,071,971
Federal Income Taxes	1,734,488	4,095,734
Total Operating Expenses	<u>7,931,776</u>	<u>68,607,938</u>
NET OPERATING INCOME	<u>4,209,490</u>	<u>16,471,396</u>
RATE BASE	<u>284,801,527</u>	<u>270,642,981</u>
RATE OF RETURN	<u>1.48%</u>	<u>6.09%</u>

SCHEDULE OF RATE BASE

Utility Plant In Service	703,157,688	680,948,198
Accumulated Depreciation	(353,642,042)	(346,269,030)
Net Utility Plant	<u>349,515,646</u>	<u>334,679,168</u>
Other:		
Contributions in Aid of Construction	-	-
Customer Advances for Construction	(3,948,743)	(3,802,051)
Accumulated Deferred Income Taxes	(75,846,335)	(73,831,832)
Deferred Debits	-	-
Subtotal	<u>269,720,568</u>	<u>257,045,285</u>
Working Capital	<u>15,080,959</u>	<u>13,597,696</u>
TOTAL RATE BASE	<u>284,801,527</u>	<u>270,642,981</u>

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

Cascade Natural Gas Corporation
State of Washington
Statement of Operations and Rate of Return
Month and Twelve Months Ended 2/28/2017

	Month	Twelve Months
OPERATING REVENUES		
Natural Gas Sales	26,439,350	190,360,440
Transportation Revenue	1,937,492	21,730,487
Other Operating Revenue	139,511	1,008,284
	<u>28,516,353</u>	<u>213,099,211</u>
Less: Natural Gas & Production Costs	15,188,679	107,843,293
Revenue Taxes	2,781,109	18,051,001
OPERATING MARGIN	<u>10,546,565</u>	<u>87,204,917</u>
OPERATING EXPENSES		
Production	27,811	468,164
Distribution	1,258,170	16,852,324
Customer Accounts	501,418	6,435,094
Customer Service & Informational	16,470	722,546
Sales	900	5,817
Administrative & General	1,442,556	16,762,460
Depreciation & Amortization	1,667,120	19,382,015
Property, Payroll & Misc. Taxes	348,076	4,035,451
Federal Income Taxes	1,630,063	4,870,443
Total Operating Expenses	<u>6,892,585</u>	<u>69,534,314</u>
NET OPERATING INCOME	<u>3,653,980</u>	<u>17,670,603</u>
RATE BASE		
	<u>282,901,440</u>	<u>270,817,231</u>
RATE OF RETURN		
	<u>1.29%</u>	<u>6.52%</u>

SCHEDULE OF RATE BASE

Utility Plant In Service	704,421,753	684,405,239
Accumulated Depreciation	(355,085,877)	(347,599,834)
Net Utility Plant	<u>349,335,877</u>	<u>336,805,405</u>
Other:		
Contributions in Aid of Construction	-	-
Customer Advances for Construction	(3,949,605)	(3,832,418)
Accumulated Deferred Income Taxes	(75,787,224)	(74,015,987)
Deferred Debits	-	-
Subtotal	<u>269,599,048</u>	<u>258,957,000</u>
Working Capital	<u>13,302,392</u>	<u>11,860,231</u>
TOTAL RATE BASE	<u>282,901,440</u>	<u>270,817,231</u>

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

Cascade Natural Gas Corporation
State of Washington
Statement of Operations and Rate of Return
Month and Twelve Months Ended 3/31/2017

	Month	Twelve Months
OPERATING REVENUES		
Natural Gas Sales	21,548,593	191,815,265
Transportation Revenue	1,904,744	22,033,597
Other Operating Revenue	111,584	1,010,509
	<u>23,564,920</u>	<u>214,859,371</u>
Less: Natural Gas & Production Costs	11,933,363	107,930,444
Revenue Taxes	2,380,920	18,444,653
OPERATING MARGIN	<u>9,250,637</u>	<u>88,484,274</u>
OPERATING EXPENSES		
Production	39,986	479,604
Distribution	1,530,949	17,021,550
Customer Accounts	447,911	6,370,987
Customer Service & Informational	102,668	698,540
Sales	-	5,817
Administrative & General	1,594,299	17,188,495
Depreciation & Amortization	1,671,840	19,502,309
Property, Payroll & Misc. Taxes	361,086	3,985,389
Federal Income Taxes	929,931	5,114,906
Total Operating Expenses	<u>6,678,670</u>	<u>70,367,598</u>
NET OPERATING INCOME	<u>2,571,968</u>	<u>18,116,676</u>
RATE BASE	<u>283,273,890</u>	<u>271,410,948</u>
RATE OF RETURN	<u>0.91%</u>	<u>6.67%</u>

SCHEDULE OF RATE BASE

Utility Plant In Service	707,868,274	687,997,978
Accumulated Depreciation	(356,579,377)	(348,954,576)
Net Utility Plant	351,288,897	339,043,402
Other:		
Contributions in Aid of Construction	-	-
Customer Advances for Construction	(3,933,415)	(3,863,194)
Accumulated Deferred Income Taxes	(75,727,964)	(74,208,143)
Deferred Debits	-	-
Subtotal	<u>271,627,518</u>	<u>260,972,065</u>
Working Capital	11,646,372	10,438,883
TOTAL RATE BASE	<u>283,273,890</u>	<u>271,410,948</u>

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

STATE ALLOCATION OF INCOME & EXPENSES	Month Ended			12 MONTH Ended		
	January-17	February-17	March-17	December 1, 2015 Through January 31, 2017	January 1, 2016 Through February 28, 2017	Feb 1, 2016 Through March 31, 2017
GAS SALES						
480 Residential Sales	19,298,056.10	14,631,689.82	12,188,465.52	102,287,647.77	105,256,630.67	106,258,692.32
481 Commercial - Interruptible Sales	15,031,919.28	11,807,659.93	9,360,127.41	82,946,968.52	85,103,809.00	85,556,572.71
TOTAL GAS SALES	34,329,975.38	26,439,349.75	21,548,592.93	185,234,616.29	190,360,439.67	191,815,265.03
OTHER OPERATING REVENUE						
4880 Miscellaneous Service Revenues	58,078.25	129,511.12	95,724.77	791,387.77	826,112.32	836,489.59
4890 Rev. From Transp. of Gas of Others	2,103,638.80	1,937,492.37	1,904,743.79	21,500,947.97	21,730,486.88	22,033,597.19
4930 Rent From Gas Property	-	100.00	-	100.00	200.00	200.00
4940 Interdepartmental Rents	6,403.16	6,403.16	6,403.16	90,251.65	89,032.22	87,812.79
4950 Other Gas Revenue	4,722.17	3,496.23	9,455.83	113,226.09	92,939.75	86,006.25
495.1 Overrun Penalty Income	-	-	-	-	-	-
TOTAL OTHER OPERATING REVENUE	2,172,842.38	2,077,002.88	2,016,327.55	22,495,913.48	22,738,771.17	23,044,105.82
* TOTAL OPERATING REVENUE *	36,502,817.76	28,516,352.63	23,564,920.48	207,730,529.77	213,099,210.84	214,859,370.85
NATURAL GAS PURCHASED						
804 Natural Gas City Gate Purchases	22,308,993.41	15,429,920.57	11,580,264.26	117,332,958.54	122,548,149.48	125,679,842.87
805 Other Gas Purchases	-	-	-	-	-	-
805.1 Purchased Gas Cost Adjustments	(2,661,114.54)	(812,930.15)	365,303.87	(13,029,236.24)	(15,907,616.79)	(17,346,523.63)
808.1 Gas Withdrawn From Storage	1,186,614.59	579,236.67	0.11	4,880,506.37	5,195,326.32	3,597,367.84
808.2 Gas Delivered To Storage	-	-	-	(3,963,151.39)	(3,963,151.39)	(3,963,112.47)
812 Gas Used For Other Utility Oper.	(6,819.61)	(7,548.45)	(12,204.83)	(26,868.92)	(29,414.47)	(37,130.56)
TOTAL NATURAL GAS PURCHASED	20,827,673.85	15,188,678.64	11,933,363.41	105,194,208.36	107,843,293.15	107,930,444.05
MANUFACTURED GAS PRODUCTION						
712 Other Power Expenses	-	-	-	-	-	-
717 Liquefied Petroleum Gas Expenses	-	-	-	-	-	-
718 Other Process Production Expenses	-	-	-	-	-	-
723 Fuel for Liq. Petrol. Gas Process	-	-	-	-	-	-
724 Other Gas Fuels	-	-	-	-	-	-
728 Liquefied Petroleum Gas	-	-	-	-	-	-
733 Gas Mixing Expenses	-	-	-	-	-	-
735 Miscellaneous Production Expenses	-	-	-	-	-	-
740 Maint. Supervision & Engineering	-	-	-	-	-	-
741 Maint. of Structures & Improvement	-	-	-	-	-	-
742 Maint. of Production Equipment	-	-	-	-	-	-
TOTAL MANUFACTURED GAS PRODUCTION EXPENSE	-	-	-	-	-	-
408.5 Revenue Taxes	3,533,877.77	2,781,108.86	2,380,919.70	17,456,987.99	18,051,001.17	18,444,653.00
* OPERATING MARGIN *	12,141,266.14	10,546,565.13	9,250,637.37	85,079,333.42	87,204,916.52	88,484,273.80
PRODUCTION EXPENSES						
813 Other Gas Supply Expenses	32,315.44	27,810.92	39,986.30	471,957.64	468,164.03	479,604.41
DISTRIBUTION EXPENSES						
Operation						
870 Oper., Supervision & Engineering	136,867.20	119,263.49	136,740.09	1,470,480.06	1,473,622.15	1,466,821.90
871 Distribution Load Dispatching	37,316.26	33,859.12	46,131.02	484,688.87	481,757.12	482,030.93
872 Compressor Station	7,958.66	7,388.37	14,239.87	111,767.36	103,676.33	106,219.00
874 Mains & Services Exp.	293,905.28	219,741.19	306,681.65	3,498,175.82	3,488,542.43	3,540,729.69
875 Meas. & Reg. Stat. Exp.-Gen.	59,904.09	37,429.78	68,037.89	602,900.77	596,536.42	621,264.16
876 Meas. & Reg. Stat. Exp.-Ind.	37,212.39	7,843.21	10,643.63	181,919.70	174,995.58	174,507.12
878 Meter & House Regulator Exp.	113,358.49	102,016.05	120,259.18	1,344,796.78	1,344,540.32	1,366,884.02
879 Customer Installations Exp.	109,004.90	82,854.84	76,273.54	1,072,207.30	1,075,889.09	1,066,700.38
880 Other Exp.	297,584.79	284,115.82	300,053.85	3,314,695.06	3,326,393.60	3,336,541.24
881 Rents	5,066.85	7,455.60	16,289.00	150,050.81	146,058.49	153,135.21
882 Transportation Exp.	-	-	-	-	-	-
Subtotal Operations	1,098,178.91	901,967.47	1,095,349.72	12,231,682.53	12,212,011.53	12,314,833.65
Maintenance						
885 Supervision & Engineering	13,054.19	12,987.94	13,850.32	134,009.49	134,807.77	134,440.87
886 Structures & Improvements	-	-	9.71	15,834.83	14,679.23	14,559.56
887 Mains	366,815.86	78,721.07	140,709.48	1,547,129.12	1,581,241.36	1,634,941.99
8880 Compressor Station	1,995.76	1,845.82	3,415.47	34,356.71	34,738.92	36,749.14
889 Meas. & Reg. Equip.-Gen.	52,660.03	25,399.17	23,245.48	368,063.90	367,294.82	353,135.20
890 Meas. & Reg. Equip.-Ind.	3,560.38	1,607.26	1,515.23	24,513.53	23,129.91	22,119.25
892 Services	113,945.55	129,042.09	165,700.55	1,212,655.82	1,251,380.48	1,305,982.21
893 Meters & House Regulators	93,356.11	87,384.07	75,848.87	1,085,139.38	1,078,376.77	1,053,467.40
894 Other Equipment	10,908.43	19,215.38	11,303.88	143,902.99	154,663.24	151,321.22
Subtotal Maintenance	656,296.31	356,202.80	435,598.99	4,565,605.77	4,640,312.50	4,706,716.84
TOTAL DISTRIBUTION EXPENSES	1,754,475.22	1,258,170.27	1,530,948.71	16,797,288.30	16,852,324.03	17,021,550.49
CUSTOMER ACCOUNTS EXPENSES						

STATE ALLOCATION OF INCOME & EXPENSES	Month Ended			12 MONTH Ended		
	January-17	February-17	March-17	December 1, 2015 Through January 31, 2017	January 1, 2016 Through February 28, 2017	Feb 1, 2016 Through March 31, 2017
901 Supervision	-	-	2,328.83	(2,727.79)	(2,727.79)	(398.96)
902 Meter Reading Exp.	83,763.04	313.66	34,003.52	547,885.97	510,738.03	504,246.96
903 Cust. Records & Collection Exp.	400,685.38	417,659.05	425,191.01	5,096,748.60	5,046,312.29	5,016,947.42
904 Uncollectible Accounts	262,299.07	83,445.51	(13,612.55)	822,130.69	879,988.66	849,408.64
905 Misc. Exp.	-	-	-	783.17	783.17	783.17
TOTAL CUSTOMER ACCOUNTS EXP.	746,747.49	501,418.22	447,910.81	6,464,820.64	6,435,094.36	6,370,987.23
CUSTOMER SERVICE AND INFORMATIONAL EXPENSES						
907 Supervision	-	-	-	-	-	-
908 Cust. Assistance Exp.	31,492.27	15,411.51	100,492.89	737,599.86	680,115.38	656,143.94
909 Info. & Instr. Advertising Exp.	2,230.00	1,058.73	2,175.25	41,870.43	42,430.16	42,396.08
910 Misc. Cust. Serv. & Info. Exp.	-	-	-	-	-	-
TOTAL CUST. SRVC. & INFO. EXPENSES	33,722.27	16,470.24	102,668.14	779,470.29	722,545.54	698,540.02
SALES EXPENSES						
911 Supervision	-	-	-	-	-	-
912 Demonstrating & Selling	-	-	-	-	-	-
913 Advertising	-	900.48	-	4,916.59	5,817.07	5,817.07
916 Misc. Sales Exp.	-	-	-	-	-	-
TOTAL SALES EXPENSES	-	900.48	-	4,916.59	5,817.07	5,817.07
ADMINISTRATIVE AND GENERAL EXPENSES						
920 Admin. & General Salaries	486,483.27	504,342.94	565,184.49	5,638,014.66	5,702,441.97	5,785,793.95
921 Office Supplies & Exp.	405,509.17	228,251.36	271,051.99	2,699,090.61	2,655,922.47	2,740,269.70
923 Outside Services Employed	52,209.90	69,968.58	133,799.49	989,023.18	996,339.45	1,055,764.28
924 Property Insurance	4,887.99	4,466.40	4,466.40	60,374.37	59,939.25	59,504.13
925 Injuries & Damages	79,943.50	81,866.38	110,161.20	1,078,748.21	1,141,106.31	1,161,950.06
926 Employee Pensions & Benefits	404,830.80	360,094.70	402,556.12	4,416,373.75	4,411,687.32	4,638,805.51
928 Regulatory Commission Exp.	-	-	-	-	-	-
930.1 General Advertising Exp.	2,256.66	751.46	3,919.55	51,392.14	51,206.20	43,356.49
930.2 Misc. General Exp.	89,294.33	120,854.90	34,533.93	686,527.66	762,383.64	720,220.45
931 Rents	85,835.05	85,678.73	87,397.01	1,238,897.40	1,231,099.55	1,232,247.81
932 Maintenance of General Plant	2,925.55	8,427.16	7,457.04	33,587.83	34,758.23	40,315.01
	1,614,176.22	1,464,702.61	1,620,527.22	16,892,029.81	17,046,884.39	17,478,227.39
922 Capitalized Exp.	(13,324.91)	(22,146.99)	(26,228.03)	(285,265.17)	(284,424.22)	(289,732.85)
TOTAL ADM. & GEN. EXPENSES	1,600,851.31	1,442,555.62	1,594,299.19	16,606,764.64	16,762,460.17	17,188,494.54
TOTAL O&M EXPENSES (Excluding Gas Cost and	4,168,111.73	3,247,325.75	3,715,813.15	41,125,218.10	41,246,405.20	41,764,993.76
DEPRECIATION AND AMORTIZATION						
403 Depreciation Expense	1,658,464.91	1,667,120.42	1,671,840.02	19,315,015.21	19,382,014.85	19,502,309.30
Propane Air Plant	-	-	-	-	-	-
Telemetry	-	-	-	-	-	-
Meters & Regulators	-	-	-	-	-	-
Central Stores Warehouse	-	-	-	-	-	-
General Office	-	-	-	-	-	-
407.1 Amortization of Property Losses	-	-	-	-	-	-
TOTAL DEPRECIATION AND AMORTIZATION	1,658,464.91	1,667,120.42	1,671,840.02	19,315,015.21	19,382,014.85	19,502,309.30
407.3 Regulatory Debits	-	-	-	-	-	-
TAXES OTHER THAN INCOME TAXES						
408.1 Property, Payroll and Misc. Taxes	370,711.69	348,075.98	361,085.52	4,071,970.72	4,035,450.60	3,985,389.09
INCOME TAXES - OPERATING						
409.1 Federal Inc Taxes, Util Oper Inc	1,594,471.79	1,482,901.54	802,048.75	2,925,043.67	3,520,990.77	3,387,545.64
409.1 State Income Taxes, Util Oper Inc	-	-	-	-	-	-
410.1 Provision For Defer'd Fed Inc Tax	142,751.59	149,896.87	130,617.41	1,207,649.34	1,385,988.25	1,763,473.05
410.1 Provis'n For Defer'd State Inc Tax	-	-	-	-	-	-
411.1 Prov For Deferred Inc Tax - Credit	-	-	-	-	-	-
411.4 Investment Tax Credit Adjustments	(2,735.26)	(2,735.25)	(2,735.26)	(36,959.16)	(36,535.89)	(36,112.64)
TOTAL INCOME TAXES - OPERATING	1,734,488.12	1,630,063.16	929,930.90	4,095,733.85	4,870,443.13	5,114,906.05
* TOTAL OPERATING EXPENSES *	7,931,776.45	6,892,585.31	6,678,669.59	68,607,937.88	69,534,313.78	70,367,598.20
* TOTAL OPERATING INCOME *	4,209,489.69	3,653,979.82	2,571,967.78	16,471,395.54	17,670,602.74	18,116,675.60