

CASCADE NATURAL GAS CORPORATION

Washington Statement of Operations
 QUARTERLY STATISTICAL INFORMATION

THERM SALES

	Monthly			12 Months Ending		
	April 2020	May 2020	June 2020	April 2020	May 2020	June 2020
Residential	8,818,616	5,420,623	3,969,679	124,205,036	124,607,232	125,674,389
Commercial	6,512,442	4,659,533	3,496,494	108,633,934	109,247,357	109,394,260
Industrial Firm	1,666,184	936,161	1,070,787	16,754,158	16,632,780	16,849,489
Core Interruptible	189,714	139,474	109,505	2,201,982	2,199,049	2,197,567
Noncore	73,398,567	45,652,754	44,353,494	881,203,256	878,893,384	868,318,131
TOTAL WASHINGTON	90,585,523	56,808,545	52,999,959	1,132,998,366	1,131,579,802	1,122,433,836

	AVERAGE CUSTOMERS		
	April 2020	May 2020	June 2020
Residential	194,429	194,478	194,593
Commercial	26,837	26,780	26,726
Industrial Firm	495	495	495
Core Interruptible	9	9	9
Noncore	194	194	193
TOTAL WASHINGTON	221,964	221,956	222,016

Cascade Natural Gas Corporation
State of Washington
Statement of Operations and Rate of Return
Month and Twelve Months Ended 4/30/2020

	Month	Twelve Months
OPERATING REVENUES		
Natural Gas Sales	18,101,483	234,330,082
Transportation Revenue	2,077,828	24,721,987
Other Operating Revenue	36,303	1,024,160
	<u>20,215,614</u>	<u>260,076,229</u>
Less: Natural Gas & Production Costs	9,379,585	134,383,904
Revenue Taxes	2,035,181	22,043,052
OPERATING MARGIN	<u>8,800,849</u>	<u>103,649,274</u>
OPERATING EXPENSES		
Production	19,781	340,753
Distribution	1,613,286	19,824,147
Customer Accounts	459,000	5,893,602
Customer Service & Informational	443,828	6,794,794
Sales	800	8,845
Administrative & General	1,709,225	19,270,244
Depreciation & Amortization	2,194,674	25,520,238
Property, Payroll & Misc. Taxes	144,798	4,317,743
Federal Income Taxes	75,335	(690,159)
Total Operating Expenses	<u>6,660,728</u>	<u>81,280,208</u>
NET OPERATING INCOME	<u>2,140,121</u>	<u>22,369,066</u>
RATE BASE		
	<u>411,204,888</u>	<u>391,263,611</u>
RATE OF RETURN		
	<u>0.52%</u>	<u>5.72%</u>

SCHEDULE OF RATE BASE

Utility Plant In Service	880,639,944	854,048,949
Accumulated Depreciation	(399,661,158)	(393,226,021)
Net Utility Plant	<u>480,978,785</u>	<u>460,822,928</u>
Other:		
Contributions in Aid of Construction	-	-
Customer Advances for Construction	(3,557,557)	(3,736,121)
Accumulated Deferred Income Taxes	(77,259,941)	(76,517,202)
Deferred Debits	-	-
Subtotal	<u>400,161,288</u>	<u>380,569,606</u>
Working Capital	<u>11,043,600</u>	<u>10,694,006</u>
TOTAL RATE BASE	<u>411,204,888</u>	<u>391,263,611</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 5/31/2020

	Month	Twelve Months
OPERATING REVENUES		
Natural Gas Sales	11,799,200	236,274,588
Transportation Revenue	1,817,833	24,743,106
Other Operating Revenue	(43,358)	939,456
	<u>13,573,674</u>	<u>261,957,150</u>
Less: Natural Gas & Production Costs	6,089,517	135,393,858
Revenue Taxes	1,202,166	22,151,892
OPERATING MARGIN	<u>6,281,992</u>	<u>104,411,400</u>
OPERATING EXPENSES		
Production	24,935	346,737
Distribution	1,478,833	19,526,672
Customer Accounts	354,961	5,846,106
Customer Service & Informational	295,236	6,688,784
Sales	1,908	9,521
Administrative & General	1,374,165	18,766,771
Depreciation & Amortization	2,196,460	25,661,333
Property, Payroll & Misc. Taxes	418,490	4,405,804
Federal Income Taxes	(366,698)	85,351
Total Operating Expenses	<u>5,778,290</u>	<u>81,337,079</u>
NET OPERATING INCOME	<u>503,703</u>	<u>23,074,321</u>
RATE BASE	<u>411,240,371</u>	<u>394,167,039</u>
RATE OF RETURN	<u>0.12%</u>	<u>5.85%</u>

SCHEDULE OF RATE BASE

Utility Plant In Service	881,927,788	858,416,827
Accumulated Depreciation	(401,032,386)	(394,365,970)
Net Utility Plant	<u>480,895,401</u>	<u>464,050,858</u>
Other:		
Contributions in Aid of Construction	-	-
Customer Advances for Construction	(3,549,712)	(3,716,042)
Accumulated Deferred Income Taxes	(77,208,324)	(76,679,922)
Deferred Debits	-	-
Subtotal	<u>400,137,365</u>	<u>383,654,894</u>
Working Capital	<u>11,103,006</u>	<u>10,512,144</u>
TOTAL RATE BASE	<u>411,240,371</u>	<u>394,167,039</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 6/30/2020

	Month	Twelve Months
OPERATING REVENUES		
Natural Gas Sales	9,303,705	238,231,142
Transportation Revenue	1,821,739	24,725,271
Other Operating Revenue	(74,030)	875,231
	<u>11,051,413</u>	<u>263,831,644</u>
Less: Natural Gas & Production Costs	4,713,818	136,539,425
Revenue Taxes	972,502	22,332,062
OPERATING MARGIN	<u>5,365,093</u>	<u>104,960,157</u>
OPERATING EXPENSES		
Production	20,711	353,136
Distribution	1,661,287	19,773,755
Customer Accounts	432,530	5,850,680
Customer Service & Informational	248,862	6,727,730
Sales	1,807	11,328
Administrative & General	1,355,366	18,590,853
Depreciation & Amortization	2,198,694	25,791,409
Property, Payroll & Misc. Taxes	362,627	4,406,157
Federal Income Taxes	(630,712)	140,138
Total Operating Expenses	<u>5,651,172</u>	<u>81,645,186</u>
NET OPERATING INCOME	<u>(286,079)</u>	<u>23,314,971</u>
RATE BASE	<u>413,079,096</u>	<u>397,119,221</u>
RATE OF RETURN	<u>-0.07%</u>	<u>5.87%</u>

SCHEDULE OF RATE BASE

Utility Plant In Service	885,221,740	862,729,513
Accumulated Depreciation	(402,562,892)	(395,494,783)
Net Utility Plant	<u>482,658,848</u>	<u>467,234,730</u>
Other:		
Contributions in Aid of Construction	-	-
Customer Advances for Construction	(3,300,064)	(3,675,175)
Accumulated Deferred Income Taxes	(77,157,907)	(76,767,677)
Deferred Debits	-	-
Subtotal	<u>402,200,877</u>	<u>386,791,878</u>
Working Capital	<u>10,878,219</u>	<u>10,327,343</u>
TOTAL RATE BASE	<u>413,079,096</u>	<u>397,119,221</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		
	April-20	May-20	June-20	MAY 1, 2019 THROUGH APRIL 30, 2020	JUNE 1, 2019 THROUGH MAY 31, 2020	JULY 1, 2019 THROUGH JUNE 30, 2020
GAS SALES						
480 Residential Sales	9,994,048.08	6,408,669.22	4,794,208.42	126,087,693.20	127,120,006.78	128,271,726.27
481 Commercial - Interruptible Sales	8,107,434.69	5,390,530.48	4,509,496.35	108,242,388.72	109,154,580.96	109,959,415.28
TOTAL GAS SALES	18,101,482.77	11,799,199.70	9,303,704.77	234,330,081.92	236,274,587.74	238,231,141.55
OTHER OPERATING REVENUE						
4880 Miscellaneous Service Revenues	16,028.08	21,795.80	12,836.94	504,769.98	480,294.43	453,008.34
4890 Rev. From Transp. of Gas of Others	2,077,828.22	1,817,832.68	1,821,738.75	24,721,986.99	24,743,106.03	24,725,271.39
4930 Rent From Gas Property	-	-	-	-	-	-
4940 Interdepartmental Rents	7,502.75	7,502.75	7,502.75	115,307.89	112,148.52	108,989.16
4950 Other Gas Revenue	(851.29)	6,258.14	9,949.96	94,791.98	91,138.85	92,337.26
495.1 Overrun Penalty Income	-	-	-	-	-	-
4962 Provision for Rate Refund	13,623.87	(78,914.82)	(104,319.79)	309,290.62	255,874.69	220,896.53
TOTAL OTHER OPERATING REVENUE	2,114,131.63	1,774,474.55	1,747,708.61	25,746,147.46	25,682,562.52	25,600,502.68
* TOTAL OPERATING REVENUE *	20,215,614.40	13,573,674.25	11,051,413.38	260,076,229.38	261,957,150.26	263,831,644.23
NATURAL GAS PURCHASED						
804 Natural Gas City Gate Purchases	7,340,512.09	6,212,980.78	5,648,361.88	119,824,895.48	119,769,534.71	119,265,279.27
805 Other Gas Purchases	-	-	-	-	-	-
805.1 Purchased Gas Cost Adjustments	2,733,119.56	508,477.28	(444,556.06)	13,341,042.46	14,563,384.60	15,875,823.25
808.1 Gas Withdrawn From Storage	-	-	-	6,400,416.29	6,385,387.02	6,385,387.02
808.2 Gas Delivered To Storage	(686,125.97)	(630,780.19)	(479,203.95)	(5,104,769.34)	(5,250,966.50)	(4,906,043.37)
812 Gas Used For Other Utility Oper.	(7,921.12)	(1,161.17)	(10,783.78)	(77,681.23)	(73,481.94)	(81,021.11)
TOTAL NATURAL GAS PURCHASED	9,379,584.56	6,089,516.70	4,713,818.09	134,383,903.66	135,393,857.89	136,539,425.06
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	2,035,181.05	1,202,165.50	972,501.99	22,043,051.86	22,151,892.28	22,332,062.23
* OPERATING MARGIN *	8,800,848.79	6,281,992.05	5,365,093.30	103,649,273.86	104,411,400.09	104,960,156.94
PRODUCTION EXPENSES						
813 Other Gas Supply Expenses	19,781.15	24,934.87	20,710.52	340,753.14	346,737.41	353,135.81
DISTRIBUTION EXPENSES						
Operation						
870 Oper., Supervision & Engineering	163,378.11	157,299.90	166,796.98	2,073,890.45	2,040,055.08	2,050,777.82
871 Distribution Load Dispatching	14,781.99	14,393.89	16,449.41	259,084.90	251,334.67	244,272.67
872 Compressor Station	7,001.66	5,943.57	5,272.29	49,391.67	53,619.99	55,435.81
874 Mains & Services Exp.	308,735.66	288,830.84	305,208.57	4,054,347.55	3,897,274.14	3,904,618.51
875 Meas. & Reg. Stat. Exp.-Gen.	61,608.60	49,394.15	59,278.20	491,992.09	501,939.81	525,966.29
876 Meas. & Reg. Stat. Exp.-Ind.	41,446.54	60,267.33	28,754.57	195,898.90	246,617.70	266,124.07
878 Meter & House Regulator Exp.	44,281.07	(23,540.93)	64,080.81	310,772.67	176,770.19	155,348.14
879 Customer Installations Exp.	44,315.32	32,065.16	36,449.42	618,821.22	607,766.36	598,050.07
880 Other Exp.	409,241.55	325,152.35	384,944.33	4,905,383.30	4,902,135.41	5,004,942.86
881 Rents	7,037.22	12,859.56	5,959.01	120,627.48	125,937.46	124,708.90
882 Transportation Exp.	-	-	-	-	-	-
Subtotal Operations	1,101,827.72	922,665.82	1,073,193.59	13,080,210.23	12,803,450.81	12,930,245.14
Maintenance						
885 Supervision & Engineering	85,862.59	86,564.03	93,290.87	1,144,367.34	1,139,970.10	1,149,257.43
886 Structures & Improvements	956.69	762.67	-	1,567.72	2,330.39	2,330.39
887 Mains	183,075.09	179,085.99	183,038.75	1,662,563.98	1,715,565.76	1,822,990.59
8880 Compressor Station	(49,452.12)	1,135.16	29,120.43	84,553.19	75,703.05	101,005.41
889 Meas. & Reg. Equip.-Gen.	30,921.55	14,455.03	17,660.03	337,786.98	318,793.28	294,183.13
890 Meas. & Reg. Equip.-Ind.	3,234.98	7,413.29	7,840.05	62,125.79	59,636.84	63,975.37
892 Services	98,419.43	124,277.36	105,505.76	1,330,936.81	1,339,619.27	1,331,791.09
893 Meters & House Regulators	52,413.21	55,323.86	42,283.74	929,662.53	873,531.52	843,695.95
894 Other Equipment	106,027.22	87,149.78	109,354.24	1,190,372.44	1,198,071.15	1,234,280.16
Subtotal Maintenance	511,458.64	556,167.17	588,093.87	6,743,936.78	6,723,221.36	6,843,509.52
TOTAL DISTRIBUTION EXPENSES	1,613,286.36	1,478,832.99	1,661,287.46	19,824,147.01	19,526,672.17	19,773,754.66

STATE ALLOCATION OF INCOME & EXPENSES	Month Ended			12 MONTH Ended		
	April-20	May-20	June-20	MAY 1, 2019 THROUGH APRIL 30, 2020	JUNE 1, 2019 THROUGH MAY 31, 2020	JULY 1, 2019 THROUGH JUNE 30, 2020
CUSTOMER ACCOUNTS EXPENSES						
901 Supervision	8,526.85	8,165.83	8,554.82	112,260.92	110,668.16	110,955.84
902 Meter Reading Exp.	45,279.07	57,108.92	45,013.83	573,299.70	590,406.18	596,010.46
903 Cust. Records & Collection Exp.	322,099.05	295,062.20	354,362.48	4,025,694.69	3,977,708.95	4,018,858.88
904 Uncollectible Accounts	83,095.03	(5,376.42)	24,599.16	1,083,265.89	1,068,241.65	1,025,773.10
905 Misc. Exp.	-	-	-	99,081.28	99,081.28	99,081.28
TOTAL CUSTOMER ACCOUNTS EXP.	459,000.00	354,960.53	432,530.29	5,893,602.48	5,846,106.22	5,850,679.56
CUSTOMER SERVICE AND INFORMATIONAL EXPENSES						
907 Supervision	-	-	-	-	-	-
908 Cust. Assistance Exp.	432,046.22	281,041.64	236,522.06	6,539,905.52	6,448,989.55	6,497,976.66
909 Info. & Instr. Advertising Exp.	70.88	2,967.98	579.21	77,346.30	76,169.49	75,467.06
910 Misc. Cust. Serv. & Info. Exp.	11,710.43	11,226.58	11,761.17	177,542.23	163,624.62	154,286.29
TOTAL CUST. SRVC. & INFO. EXPENSES	443,827.53	295,236.20	248,862.44	6,794,794.05	6,688,783.66	6,727,730.01
SALES EXPENSES						
911 Supervision	-	-	-	-	-	-
912 Demonstrating & Selling	799.72	1,908.18	1,807.16	6,337.95	8,246.13	10,053.29
913 Advertising	-	-	-	2,507.23	1,275.00	1,275.00
916 Misc. Sales Exp.	-	-	-	-	-	-
TOTAL SALES EXPENSES	799.72	1,908.18	1,807.16	8,845.18	9,521.13	11,328.29
ADMINISTRATIVE AND GENERAL EXPENSES						
920 Admin. & General Salaries	567,470.04	548,832.19	648,230.90	6,478,195.10	6,496,661.12	6,703,202.75
921 Office Supplies & Exp.	482,250.78	129,027.34	212,675.43	4,040,805.39	3,793,156.15	3,776,846.81
923 Outside Services Employed	103,144.92	59,195.96	23,032.26	687,344.61	694,400.59	676,266.19
924 Property Insurance	5,804.80	5,804.80	5,804.80	78,525.23	77,415.25	76,305.26
925 Injuries & Damages	29,126.47	100,778.56	17,401.69	1,121,299.23	1,121,178.60	927,653.54
926 Employee Pensions & Benefits	406,964.58	366,204.95	300,533.90	5,394,277.87	5,125,518.37	4,968,509.39
928 Regulatory Commission Exp.	-	18,460.50	17,008.50	84,549.94	70,710.69	84,649.69
930.1 General Advertising Exp.	166.01	615.41	863.97	28,309.61	25,726.11	24,566.17
930.2 Misc. General Exp.	24,277.82	52,197.89	41,039.02	445,088.90	423,295.27	402,935.83
931 Rents	86,761.78	87,740.41	87,023.95	1,065,104.78	1,062,832.50	1,060,769.28
932 Maintenance of General Plant	3,258.26	5,306.72	1,751.56	46,327.82	44,485.06	40,559.26
	1,709,225.46	1,374,164.73	1,355,365.98	19,469,828.48	18,935,379.71	18,742,264.17
922 Capitalized Exp.	-	-	-	(199,584.86)	(168,608.94)	(151,410.75)
TOTAL ADM. & GEN. EXPENSES	1,709,225.46	1,374,164.73	1,355,365.98	19,270,243.62	18,766,770.77	18,590,853.42
TOTAL O&M EXPENSES (Excluding Gas Cost and	4,245,920.22	3,530,037.50	3,720,563.85	52,132,385.48	51,184,591.36	51,307,481.75
DEPRECIATION AND AMORTIZATION						
403 Depreciation Expense	2,194,674.43	2,196,459.54	2,198,693.66	25,520,238.48	25,661,333.38	25,791,409.37
Propane Air Plant	-	-	-	-	-	-
Telemetry	-	-	-	-	-	-
Meters & Regulators	-	-	-	-	-	-
Central Stores Warehouse	-	-	-	-	-	-
General Office	-	-	-	-	-	-
407.1 Amortization of Property Losses	-	-	-	-	-	-
TOTAL DEPRECIATION AND AMORTIZATION	2,194,674.43	2,196,459.54	2,198,693.66	25,520,238.48	25,661,333.38	25,791,409.37
407.3 Regulatory Debts	-	-	-	-	-	-
TAXES OTHER THAN INCOME TAXES						
408.1 Property, Payroll and Misc. Taxes	144,798.39	418,490.03	362,626.51	4,317,742.85	4,405,803.51	4,406,157.02
INCOME TAXES - OPERATING						
409.1 Federal Inc Taxes, Util Oper Inc	668,218.66	(234,035.94)	(783,994.69)	2,443,927.57	2,954,032.49	3,205,388.37
409.1 State Income Taxes, Util Oper Inc	-	-	-	-	-	-
410.1 Provision For Defer'd Fed Inc Tax	231,609.83	264,518.31	566,057.42	22,435,743.91	8,094,341.92	8,101,627.68
410.1 Provis'n For Defer'd State Inc Tax	-	-	-	-	-	-
411.1 Prov For Deferred Inc Tax - Credit	(821,802.79)	(394,489.29)	(410,084.17)	(25,537,906.89)	(10,931,054.78)	(11,134,864.33)
411.4 Investment Tax Credit Adjustments	(2,690.61)	(2,690.61)	(2,690.61)	(31,923.16)	(31,968.68)	(32,014.20)
TOTAL INCOME TAXES - OPERATING	75,335.09	(366,697.53)	(630,712.05)	(690,158.57)	85,350.95	140,137.52
* TOTAL OPERATING EXPENSES *	6,660,728.13	5,778,289.54	5,651,171.97	81,280,208.24	81,337,079.20	81,645,185.66
* TOTAL OPERATING INCOME *	2,140,120.66	503,702.51	(286,078.67)	22,369,065.62	23,074,320.89	23,314,971.28