

CASCADE NATURAL GAS CORPORATION
Washington Statement of Operations
QUARTERLY STATISTICAL INFORMATION

THERM SALES

	Monthly			12 Months Ending		
	January 2019	February 2019	March 2019	January 2019	February 2019	March 2019
Residential	19,427,395	24,276,433	16,312,080	119,444,514	125,993,812	127,844,794
Commercial	14,559,018	18,000,476	13,548,755	95,993,192	100,411,263	103,499,788
Industrial Firm	1,764,670	1,942,115	2,139,177	15,296,787	15,721,408	16,174,980
Core Interruptible	258,818	270,184	248,145	2,210,910	2,238,935	2,246,749
Noncore	65,758,979	60,946,814	59,466,980	708,978,706	715,682,903	715,764,325
TOTAL WASHINGTON	101,768,880	105,436,022	91,715,137	941,924,109	960,048,321	965,530,636

	AVERAGE CUSTOMERS		
	January 2019	February 2019	March 2019
Residential	190,816	191,181	191,240
Commercial	26,620	26,660	26,638
Industrial Firm	488	492	491
Core Interruptible	8	8	7
Noncore	200	199	199
TOTAL WASHINGTON	218,132	218,540	218,575

Cascade Natural Gas Corporation
State of Washington
Statement of Operations and Rate of Return
Month and Twelve Months Ended 1/31/2019

	Month	Twelve Months
OPERATING REVENUES		
Natural Gas Sales	29,069,335	200,923,905
Transportation Revenue	2,025,875	23,056,537
Other Operating Revenue	432,140	(1,147,302)
	<u>31,527,350</u>	<u>222,833,140</u>
Less: Natural Gas & Production Costs	15,248,983	107,792,959
Revenue Taxes	2,548,048	18,506,539
OPERATING MARGIN	<u>13,730,319</u>	<u>96,533,642</u>
OPERATING EXPENSES		
Production	54,541	265,573
Distribution	1,671,598	19,703,275
Customer Accounts	566,976	5,442,921
Customer Service & Informational Sales	1,013,910	4,819,101
	-	1,547
Administrative & General	1,806,990	17,015,766
Depreciation & Amortization	2,017,844	22,916,918
Property, Payroll & Misc. Taxes	392,418	4,267,263
Federal Income Taxes	950,017	359,914
Total Operating Expenses	<u>8,474,294</u>	<u>74,792,277</u>
NET OPERATING INCOME	<u>5,256,025</u>	<u>21,741,366</u>
RATE BASE	<u>371,707,592</u>	<u>351,807,338</u>
RATE OF RETURN	<u>1.41%</u>	<u>6.18%</u>

SCHEDULE OF RATE BASE

Utility Plant In Service	818,818,760	785,247,910
Accumulated Depreciation	(382,293,363)	(378,619,610)
Net Utility Plant	<u>436,525,397</u>	<u>406,628,300</u>
Other:		
Contributions in Aid of Construction	-	-
Customer Advances for Construction	(3,907,066)	(3,971,353)
Accumulated Deferred Income Taxes	(74,564,233)	(75,728,838)
Deferred Debits	-	-
Subtotal	<u>358,054,098</u>	<u>326,928,109</u>
Working Capital	13,653,494	24,879,229
TOTAL RATE BASE	<u>371,707,592</u>	<u>351,807,338</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 2/28/2019

	Month	Twelve Months
OPERATING REVENUES		
Natural Gas Sales	30,619,555	203,605,594
Transportation Revenue	2,005,206	23,103,031
Other Operating Revenue	472,401	(796,011)
	<u>33,097,162</u>	<u>225,912,614</u>
Less: Natural Gas & Production Costs	18,848,706	110,369,505
Revenue Taxes	2,872,643	18,871,072
OPERATING MARGIN	<u>11,375,812</u>	<u>96,672,037</u>
OPERATING EXPENSES		
Production	12,640	265,472
Distribution	1,430,311	19,729,085
Customer Accounts	376,467	5,459,744
Customer Service & Informational	1,205,082	5,525,729
Sales	70	1,617
Administrative & General	1,304,501	16,808,650
Depreciation & Amortization	2,027,811	23,110,859
Property, Payroll & Misc. Taxes	378,276	4,237,893
Federal Income Taxes	498,670	39,240
Total Operating Expenses	<u>7,233,826</u>	<u>75,178,289</u>
NET OPERATING INCOME	<u>4,141,986</u>	<u>21,493,748</u>
RATE BASE	<u>387,915,802</u>	<u>359,497,019</u>
RATE OF RETURN	<u>1.07%</u>	<u>5.98%</u>

SCHEDULE OF RATE BASE

Utility Plant In Service	820,557,744	790,154,607
Accumulated Depreciation	(383,274,075)	(379,532,135)
Net Utility Plant	437,283,669	410,622,472
Other:		
Contributions in Aid of Construction	-	-
Customer Advances for Construction	(3,908,749)	(3,958,871)
Accumulated Deferred Income Taxes	(74,507,195)	(75,574,064)
Deferred Debits	-	-
Subtotal	<u>358,867,725</u>	<u>331,089,537</u>
Working Capital	29,048,077	28,407,482
TOTAL RATE BASE	<u>387,915,802</u>	<u>359,497,019</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 3/31/2019

	Month	Twelve Months
OPERATING REVENUES		
Natural Gas Sales	24,327,637	204,454,259
Transportation Revenue	1,979,522	23,090,754
Other Operating Revenue	398,686	(478,351)
	<u>26,705,844</u>	<u>227,066,662</u>
Less: Natural Gas & Production Costs	13,641,140	110,812,098
Revenue Taxes	2,711,958	19,069,280
OPERATING MARGIN	<u>10,352,746</u>	<u>97,185,284</u>
OPERATING EXPENSES		
Production	15,832	263,878
Distribution	1,565,090	19,609,631
Customer Accounts	486,194	5,478,993
Customer Service & Informational	928,592	6,087,384
Sales	-	1,617
Administrative & General	1,695,673	16,788,025
Depreciation & Amortization	2,033,870	23,304,819
Property, Payroll & Misc. Taxes	385,423	4,233,267
Federal Income Taxes	235,624	61,880
Total Operating Expenses	<u>7,346,298</u>	<u>75,829,492</u>
NET OPERATING INCOME	<u>3,006,449</u>	<u>21,355,792</u>
RATE BASE	<u>392,397,859</u>	<u>368,331,272</u>
RATE OF RETURN	<u>0.77%</u>	<u>5.80%</u>

SCHEDULE OF RATE BASE

Utility Plant In Service	821,823,297	795,034,916
Accumulated Depreciation	(384,242,071)	(380,418,654)
Net Utility Plant	437,581,226	414,616,262
Other:		
Contributions in Aid of Construction	-	-
Customer Advances for Construction	(3,865,594)	(3,942,809)
Accumulated Deferred Income Taxes	(74,459,433)	(75,430,646)
Deferred Debits	-	-
Subtotal	<u>359,256,199</u>	<u>335,242,807</u>
Working Capital	33,141,660	33,088,465
TOTAL RATE BASE	<u>392,397,859</u>	<u>368,331,272</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-19	February-19	March-19	February 1, 2018 THROUGH January 31, 2019	March 1, 2018 THROUGH February 28, 2019	April 1, 2019 THROUGH March 31, 2019
GAS SALES						
480 Residential Sales	16,583,857.11	17,381,490.50	13,368,158.75	111,256,315.97	112,839,711.97	112,837,716.54
481 Commercial - Interruptible Sales	12,485,477.53	13,238,064.69	10,959,478.15	89,667,588.99	90,765,881.76	91,616,542.19
TOTAL GAS SALES	29,069,334.64	30,619,555.19	24,327,636.90	200,923,904.96	203,605,593.73	204,454,258.73
OTHER OPERATING REVENUE						
4880 Miscellaneous Service Revenues	66,421.89	14,644.71	69,959.82	772,795.62	674,392.44	668,464.07
4890 Rev. From Transp. of Gas of Others	2,025,875.34	2,005,205.72	1,979,521.56	23,056,536.73	23,103,031.02	23,090,754.31
4930 Rent From Gas Property	-	-	-	100.00	100.00	100.00
4940 Interdepartmental Rents	10,662.11	10,662.11	10,662.11	89,094.42	92,626.32	96,158.22
4950 Other Gas Revenue	758.61	(1,414.28)	590.00	61,135.54	58,789.96	61,372.43
495.1 Overrun Penalty Income	-	-	-	-	-	-
4962 Provision for Rate Refund	354,297.65	448,508.07	317,473.70	(2,070,427.43)	(1,621,919.36)	(1,304,445.66)
TOTAL OTHER OPERATING REVENUE	2,458,015.60	2,477,606.33	2,378,207.19	21,909,234.88	22,307,020.38	22,612,403.37
* TOTAL OPERATING REVENUE *	31,527,350.24	33,097,161.52	26,705,844.09	222,833,139.84	225,912,614.11	227,066,662.10
NATURAL GAS PURCHASED						
804 Natural Gas City Gate Purchases	23,010,182.97	36,271,688.75	38,689,309.12	152,807,053.00	178,474,203.13	207,323,656.74
805 Other Gas Purchases	-	-	-	-	-	-
805.1 Purchased Gas Cost Adjustments	(9,008,739.98)	(19,732,299.06)	(22,473,865.28)	(45,902,793.78)	(68,936,391.70)	(94,373,752.57)
808.1 Gas Withdrawn From Storage	1,254,766.14	2,317,104.49	560,579.61	4,710,090.08	4,642,566.38	4,800,868.60
808.2 Gas Delivered To Storage	-	-	(3,126,465.69)	(3,776,664.79)	(3,765,307.91)	(6,891,773.60)
812 Gas Used For Other Utility Oper.	(7,226.32)	(7,787.75)	(8,418.26)	(44,725.80)	(45,564.89)	(46,900.81)
TOTAL NATURAL GAS PURCHASED	15,248,982.81	18,848,706.43	13,641,139.50	107,792,958.71	110,369,505.01	110,812,098.36
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	2,548,048.20	2,872,642.99	2,711,958.46	18,506,538.98	18,871,072.11	19,069,279.99
* OPERATING MARGIN *	13,730,319.23	11,375,812.10	10,352,746.13	96,533,642.15	96,672,036.99	97,185,283.75
PRODUCTION EXPENSES						
813 Other Gas Supply Expenses	54,541.13	12,640.00	15,832.07	265,573.31	265,472.48	263,877.90
DISTRIBUTION EXPENSES						
Operation						
870 Oper., Supervision & Engineering	174,993.01	155,730.31	168,370.82	2,294,917.80	2,303,338.87	2,288,917.71
871 Distribution Load Dispatching	31,209.92	21,776.45	31,498.56	296,140.35	295,567.15	299,997.64
872 Compressor Station	2,908.71	3,851.58	2,622.92	68,116.03	63,268.52	63,103.78
874 Mains & Services Exp.	284,116.17	196,743.24	267,925.01	4,024,675.44	3,999,227.35	4,011,557.82
875 Meas. & Reg. Stat. Exp.-Gen.	33,510.86	39,734.47	44,793.66	453,308.32	444,432.39	429,221.69
876 Meas. & Reg. Stat. Exp.-Ind.	11,099.08	8,279.35	18,344.60	164,108.66	152,429.07	149,742.67
878 Meter & House Regulator Exp.	63,819.13	93,068.92	96,380.69	1,050,812.80	1,065,780.03	1,044,686.69
879 Customer Installations Exp.	69,774.78	71,593.91	38,758.16	748,804.41	753,261.21	728,220.88
880 Other Exp.	492,508.98	364,076.65	358,475.05	4,276,977.69	4,304,324.51	4,270,901.30
881 Rents	13,179.70	6,003.68	6,249.70	122,567.44	122,149.25	115,911.25
882 Transportation Exp.	-	-	-	-	-	-
Subtotal Operations	1,177,120.34	960,858.56	1,033,419.17	13,500,428.94	13,503,778.35	13,402,261.43
Maintenance						
885 Supervision & Engineering	89,168.98	77,087.54	84,040.21	989,865.44	994,025.88	984,273.60
886 Structures & Improvements	-	1,106.03	-	21,378.17	7,418.38	6,457.55
887 Mains	100,235.85	117,254.01	119,257.35	1,423,424.95	1,453,643.40	1,497,268.14
8880 Compressor Station	5,237.24	7,083.63	7,804.26	56,812.25	58,508.27	60,579.96
889 Meas. & Reg. Equip.-Gen.	29,311.86	37,725.50	50,908.71	455,141.44	470,958.66	476,935.09
890 Meas. & Reg. Equip.-Ind.	986.24	1,860.24	1,154.09	38,656.11	34,680.73	14,502.98
892 Services	112,319.06	57,579.49	110,932.15	1,361,924.02	1,329,725.08	1,273,937.59
893 Meters & House Regulators	55,877.59	70,957.41	76,241.55	982,936.19	979,440.90	962,089.86
894 Other Equipment	101,341.04	98,798.43	81,332.45	872,707.34	896,905.24	931,324.65
Subtotal Maintenance	494,477.86	469,452.28	531,670.77	6,202,845.91	6,225,306.54	6,207,369.42
TOTAL DISTRIBUTION EXPENSES	1,671,598.20	1,430,310.84	1,565,089.94	19,703,274.85	19,729,084.89	19,609,630.85
CUSTOMER ACCOUNTS EXPENSES						
901 Supervision	9,243.19	7,944.81	8,359.29	105,990.83	106,481.32	105,808.70

STATE ALLOCATION OF INCOME & EXPENSES	Month Ended			12 MONTH Ended		
	January-19	February-19	March-19	February 1, 2018 THROUGH January 31, 2019	March 1, 2018 THROUGH February 28, 2019	April 1, 2019 THROUGH March 31, 2019
902 Meter Reading Exp.	55,902.47	37,611.84	39,054.23	567,985.69	567,763.77	564,712.86
903 Cust. Records & Collection Exp.	355,868.50	299,224.32	347,196.84	4,041,615.13	4,017,472.05	4,021,363.12
904 Uncollectible Accounts	145,961.84	31,685.90	91,583.70	727,323.95	768,022.04	787,102.69
905 Misc. Exp.	-	-	-	5.27	5.27	5.27
TOTAL CUSTOMER ACCOUNTS EXP.	566,976.00	376,466.87	486,194.06	5,442,920.87	5,459,744.45	5,478,992.64
CUSTOMER SERVICE AND INFORMATIONAL EXPENSES						
907 Supervision	-	-	-	-	-	-
908 Cust. Assistance Exp.	941,132.45	1,181,376.63	848,621.15	4,480,642.39	5,186,176.42	5,693,963.35
909 Info. & Instr. Advertising Exp.	49,487.23	3,315.93	5,149.95	75,726.04	78,345.81	82,639.67
910 Misc. Cust. Serv. & Info. Exp.	23,289.86	20,389.09	74,820.48	262,732.31	261,207.14	310,780.57
TOTAL CUST. SRVC. & INFO. EXPENSES	1,013,909.54	1,205,081.65	928,591.58	4,819,100.74	5,525,729.37	6,087,383.59
SALES EXPENSES						
911 Supervision	-	-	-	-	-	-
912 Demonstrating & Selling	-	-	-	-	-	-
913 Advertising	-	70.00	-	1,546.65	1,616.65	1,616.65
916 Misc. Sales Exp.	-	-	-	-	-	-
TOTAL SALES EXPENSES	-	70.00	-	1,546.65	1,616.65	1,616.65
ADMINISTRATIVE AND GENERAL EXPENSES						
920 Admin. & General Salaries	527,992.82	456,716.66	510,949.47	5,638,516.13	5,632,045.92	5,615,269.70
921 Office Supplies & Exp.	466,967.11	254,024.81	275,698.23	3,113,541.20	3,026,396.75	2,949,727.85
923 Outside Services Employed	57,077.86	34,529.97	79,250.09	1,021,388.78	999,689.14	959,409.24
924 Property Insurance	6,914.78	6,914.78	6,914.79	63,168.72	64,971.16	66,773.61
925 Injuries & Damages	95,942.87	104,026.45	339,191.19	1,096,690.10	1,103,555.10	1,346,905.76
926 Employee Pensions & Benefits	379,374.86	297,568.59	325,435.79	4,230,734.08	4,157,053.37	4,051,674.69
928 Regulatory Commission Exp.	-	-	10,367.50	-	-	10,367.50
930.1 General Advertising Exp.	1,450.16	1,604.71	977.16	18,437.13	19,665.90	19,317.74
930.2 Misc. General Exp.	198,763.91	71,813.06	105,327.67	895,214.05	869,849.20	868,296.05
931 Rents	89,176.20	90,072.72	88,645.98	1,160,093.64	1,154,957.24	1,148,201.11
932 Maintenance of General Plant	5,027.03	3,897.28	3,030.89	28,579.71	29,198.15	30,801.98
	1,828,687.60	1,321,169.03	1,745,788.76	17,266,363.54	17,057,381.93	17,066,745.23
922 Capitalized Exp.	(21,697.54)	(16,668.22)	(50,115.62)	(250,597.63)	(248,732.02)	(278,720.26)
TOTAL ADM. & GEN. EXPENSES	1,806,990.06	1,304,500.81	1,695,673.14	17,015,765.91	16,808,649.91	16,788,024.97
TOTAL O&M EXPENSES (Excluding Gas Cost and	5,114,014.93	4,329,070.17	4,691,380.79	47,248,182.33	47,790,297.75	48,229,526.60
DEPRECIATION AND AMORTIZATION						
403 Depreciation Expense	2,017,844.06	2,027,810.82	2,033,870.05	22,916,917.71	23,110,858.71	23,304,818.86
Propane Air Plant	-	-	-	-	-	-
Telemetry	-	-	-	-	-	-
Meters & Regulators	-	-	-	-	-	-
Central Stores Warehouse	-	-	-	-	-	-
General Office	-	-	-	-	-	-
407.1 Amortization of Property Losses	-	-	-	-	-	-
TOTAL DEPRECIATION AND AMORTIZATION	2,017,844.06	2,027,810.82	2,033,870.05	22,916,917.71	23,110,858.71	23,304,818.86
407.3 Regulatory Debits	-	-	-	-	-	-
TAXES OTHER THAN INCOME TAXES						
408.1 Property, Payroll and Misc. Taxes	392,418.44	378,275.77	385,422.88	4,267,262.52	4,237,893.20	4,233,266.70
INCOME TAXES - OPERATING						
409.1 Federal Inc Taxes, Util Oper Inc	1,164,652.29	(5,070,842.87)	(3,886,691.57)	(6,591,134.80)	(13,178,317.36)	(18,186,511.82)
409.1 State Income Taxes, Util Oper Inc	-	-	-	-	-	-
410.1 Provision For Defer'd Fed Inc Tax	157,170.61	6,008,691.73	4,507,857.10	15,748,385.57	22,451,325.33	27,864,953.95
410.1 Provis'n For Defer'd State Inc Tax	-	-	-	-	-	-
411.1 Prov For Deferred Inc Tax - Credit	(369,161.04)	(436,534.04)	(382,896.42)	(8,764,944.91)	(9,201,478.95)	(9,584,375.37)
411.4 Investment Tax Credit Adjustments	(2,645.09)	(2,645.10)	(2,645.24)	(32,391.91)	(32,289.47)	(32,187.18)
TOTAL INCOME TAXES - OPERATING	950,016.77	498,669.72	235,623.87	359,913.95	39,239.55	61,879.58
* TOTAL OPERATING EXPENSES *	8,474,294.20	7,233,826.48	7,346,297.59	74,792,276.51	75,178,289.21	75,829,491.74
* TOTAL OPERATING INCOME *	5,256,025.03	4,141,985.62	3,006,448.54	21,741,365.64	21,493,747.78	21,355,792.01