

Exhibit No. __ (MPP-4)
Docket No. UG-200568
Witness: Michael P. Parvinen

**BEFORE THE
WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION**

WASHINGTON UTILITIES AND
TRANSPORTATION COMMISSION,
Complainant,

DOCKET UG-200568

v.

CASCADE NATURAL GAS
CORPORATION,
Respondent.

**CASCADE NATURAL GAS CORPORATION EXHIBIT OF
MICHAEL P. PARVINEN
2019 OPERATING REPORT**

January 8, 2021

Cascade Natural Gas Corporation
 UG 200568
 MCP WP-1.1
 Operating Report (Report is exported from Company's JDE accounting software)
 Twelve Months Ended December 31, 2019

Line No.	A	B	C	D	E	F
1	Operating Report			3-Factor Formula	Customer Formula	Rate Base Ratio
2	12 Months Ended December 31, 2019		WA:	75.17%	74.30%	75.54%
3			OR:	24.83%	25.70%	24.46%
4	CASCADE NATURAL GAS CORPORATION		ROLLING 12 MONTHS:			
5			WASHINGTON:			
6	STATE ALLOCATION OF INCOME & EXPENSES		DIRECT	ALLOCATED	TOTAL	
7	GAS SALES					
8	480	Residential Sales	120,476,426.38	0.00	120,476,426.38	
9	481	Commercial - Interruptible Sales	101,005,173.58	0.00	101,005,173.58	
10	TOTAL GAS SALES		221,481,599.96	0.00	221,481,599.96	
11	OTHER OPERATING REVENUE					
12	4880	Miscellaneous Service Revenues	527,669.76	-	527,669.76	
14	4890	Rev. From Transp. of Gas of Others	24,094,627.94	0.00	24,094,627.94	
15	4930	Rent From Gas Property	0.00	-	-	
16	4940	Interdepartmental Rents	0.00	127,945.33	127,945.33	
17	4950	Other Gas Revenue	91,288.83	168.61	91,457.44	
18	495.1	Overrun Penalty Income	0.00	0.00	0.00	
19	4962	Provision for Rate Refund	1,001,689.00	0.00	1,001,689.00	
20	TOTAL OTHER OPERATING REVENUE		25,715,275.53	128,113.94	25,843,389.47	
21	* TOTAL OPERATING REVENUE *		247,196,875.49	128,113.94	247,324,989.43	
22	NATURAL GAS PURCHASED					
24	804	Natural Gas City Gate Purchases	183,154,598.38	0.00	183,154,598.38	
25	805	Other Gas Purchases	0.00	0.00	0.00	
26	805.1	Purchased Gas Cost Adjustments	(56,334,340.97)	0.00	(56,334,340.97)	
27	808.1	Gas Withdrawn From Storage	6,419,366.40	0.00	6,419,366.40	
28	808.2	Gas Delivered To Storage	(8,003,476.11)	0.00	(8,003,476.11)	
29	812	Gas Used For Other Utilty Oper.	(70,308.52)	0.00	(70,308.52)	
30	TOTAL NATURAL GAS PURCHASED		125,165,839.18	0.00	125,165,839.18	
31	MANUFACTURED GAS PRODUCTION					
33	712	Other Power Expenses	0.00	0.00	0.00	
34	717	Liquefied Petroleum Gas Expenses	0.00	0.00	0.00	
35	718	Other Process Production Expenses	0.00	0.00	0.00	
36	723	Fuel for Liq. Petrol. Gas Process	0.00	0.00	0.00	
37	724	Other Gas Fuels	0.00	0.00	0.00	
38	728	Liquefied Petroleum Gas	0.00	0.00	0.00	
39	733	Gas Mixing Expenses	0.00	0.00	0.00	
40	735	Miscellaneous Production Expenses	0.00	0.00	0.00	
41	740	Maint. Supervision & Engineering	0.00	0.00	0.00	
42	741	Maint. of Structures & Improvement	0.00	0.00	0.00	
43	742	Maint. of Production Equipment	0.00	0.00	0.00	
44	TOTAL MANUFACTURED GAS PRODUCTION EXPENSES		0.00	0.00	0.00	
45						
46	408.5	Revenue Taxes	20,632,282.93	0.00	20,632,282.93	
47	* OPERATING MARGIN *		101,398,753.38	128,113.94	101,526,867.32	
48	PRODUCTION EXPENSES					
50	813	Other Gas Supply Expenses	3,448.67	316,579.44	320,028.11	
51	DISTRIBUTION EXPENSES					
53	Operation					
54	870	Oper., Supervision & Engineering	1,157,305.51	907,290.82	2,064,596.33	
55	871	Distribution Load Dispatching	65,379.20	238,694.68	304,073.88	
56	872	Compressor Station	37,041.43	0.00	37,041.43	
57	874	Mains & Services Exp.	3,541,583.32	539,375.50	4,080,958.82	
58	875	Meas. & Reg. Stat. Exp.-Gen.	315,954.13	88,265.32	404,219.45	
59	876	Meas. & Reg. Stat. Exp.-Ind.	123,534.78	3,380.28	126,915.06	
60	878	Meter & House Regulator Exp.	1,097,839.44	0.00	1,097,839.44	
61	879	Customer Installations Exp.	674,150.00	0.00	674,150.00	
62	880	Other Exp.	3,966,282.22	830,916.13	4,797,198.35	
63	881	Rents	101,842.75	3,782.40	105,625.15	
64	882	Transportation Exp.	0.00	0.00	-	
65	Subtotal Operations		11,080,912.78	2,611,705.13	13,692,617.91	
66	Maintenance					
68	885	Supervision & Engineering	892,055.93	208,638.59	1,100,694.52	
69	886	Structures & Improvements	1,106.03	0.00	1,106.03	
70	887	Mains	1,610,202.89	67,297.10	1,677,499.99	
71	8880	Compressor Station	73,744.02	0.00	73,744.02	
72	889	Meas. & Reg. Equip.-Gen.	391,998.68	1,029.20	393,027.88	
73	890	Meas. & Reg. Equip.-Ind.	41,236.55	5,965.46	47,202.01	
74	892	Services	1,334,268.12	194.89	1,334,463.01	
75	893	Meters & House Regulators	648,444.97	343,720.76	992,165.73	
76	894	Other Equipment	1,036,148.03	65,610.59	1,101,758.62	
77	Subtotal Maintenance		6,029,205.22	692,456.59	6,721,661.81	
78	TOTAL DISTRIBUTION EXPENSES		17,110,118.00	3,304,161.72	20,414,279.72	
79	CUSTOMER ACCOUNTS EXPENSES					
80						

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Line No.	A	B	C	D	E	F
1	Operating Report			3-Factor Formula	Customer Formula	Rate Base
2	12 Months Ended December 31, 2019		WA:	75.17%	74.30%	75.54%
3			OR:	24.83%	25.70%	24.46%
4	CASCADE NATURAL GAS CORPORATION		ROLLING 12 MONTHS:			
5			WASHINGTON:			
6	STATE ALLOCATION OF INCOME & EXPENSES		DIRECT	ALLOCATED	TOTAL	
81	901	Supervision	996.00	108,519.04	109,515.04	
82	902	Meter Reading Exp.	413,011.73	157,749.41	570,761.14	
83	903	Cust. Records & Collection Exp.	424,249.00	3,656,426.60	4,080,675.60	
84	904	Uncollectible Accounts	964,263.95	29,953.66	994,217.61	
85	905	Misc. Exp.	0.00	99,081.28	99,081.28	
86	TOTAL CUSTOMER ACCOUNTS EXP.		1,802,520.68	4,051,729.99	5,854,250.67	
87						
88	CUSTOMER SERVICE AND INFORMATIONAL EXPENSES					
89	907	Supervision	0.00	-	-	
90	908	Cust. Assistance Exp.	6,755,862.19	157,320.38	6,913,182.57	
91	909	Info. & Instr. Advertising Exp.	28,538.39	99,786.85	128,325.24	
92	910	Misc. Cust. Serv. & Info. Exp.	0.00	269,961.65	269,961.65	
93	TOTAL CUST. SRVC. & INFO. EXPENSES		6,784,400.58	527,068.88	7,311,469.46	
94						
95	SALES EXPENSES					
96	911	Supervision	0.00	0.00	0.00	
97	912	Demonstrating & Selling	0.00	3,181.46	3,181.46	
98	913	Advertising	1,795.00	432.23	2,227.23	
99	916	Misc. Sales Exp.	0.00	0.00	0.00	
100	TOTAL SALES EXPENSES		1,795.00	3,613.69	5,408.69	
101						
102	ADMINISTRATIVE AND GENERAL EXPENSES					
103	920	Admin. & General Salaries	-	6,618,215.96	6,618,215.96	
104	921	Office Supplies & Exp.	11,772.37	3,386,224.98	3,397,997.35	
105	923	Outside Services Employed	40,984.11	554,640.89	595,625.00	
106	924	Property Insurance	0.00	82,965.17	82,965.17	
107	925	Injuries & Damages	548,561.33	778,178.95	1,326,740.28	
108	926	Employee Pensions & Benefits	2,943,437.84	2,254,570.49	5,198,008.33	
109	928	Regulatory Commission Exp.	113,736.19	-	113,736.19	
110	930.1	General Advertising Exp.	2,440.00	23,295.65	25,735.65	
111	930.2	Misc. General Exp.	206,733.57	575,154.72	781,888.29	
112	931	Rents	-	1,072,996.20	1,072,996.20	
113	932	Maintenance of General Plant	42,192.83	4,794.20	46,987.03	
114			3,909,858.24	15,351,037.21	19,260,895.45	
115	922	Capitalized Exp.	(91,985.20)	(218,797.07)	(310,782.27)	
116	TOTAL ADM. & GEN. EXPENSES		3,817,873.04	15,132,240.14	18,950,113.18	
117						
118	TOTAL O&M EXPENSES (Excluding Gas Cost		29,520,155.97	23,335,393.86	52,855,549.83	
119						
120	DEPRECIATION AND AMORTIZATION					
121	403	Depreciation Expense	-	24,915,117.61	24,915,117.61	
122		Propane Air Plant	-	-	0.00	
123		Telemetry	-	-	0.00	
124		Meters & Regulators	0.00	-	-	
125		Central Stores Warehouse	-	-	0.00	
126		General Office	-	-	0.00	
127	407.1	Amortization of Property Losses	-	-	0.00	
128	TOTAL DEPRECIATION AND AMORTIZATION		-	24,915,117.61	24,915,117.61	
129						
130	407.3	Regulatory Debits	0.00	0.00	0.00	
131						
132	TAXES OTHER THAN INCOME TAXES					
133	408.1	Property, Payroll and Misc. Taxes	3,202,159.25	973,855.27	4,176,014.52	
134						
135	INCOME TAXES - OPERATING					
136	409.1	Federal Inc Taxes, Util Oper Inc	(10,887,316.07)	0.00	(10,887,316.07)	
137	409.1	State Income Taxes, Util Oper Inc	0.00	0.00	0.00	
138	410.1	Provision For Defer'd Fed Inc Tax	32,227,813.57	0.00	32,227,813.57	
139	410.1	Provis'n For Defer'd State Inc Tax	0.00	0.00	0.00	
140	411.1	Prov For Deferred Inc Tax - Credit	(22,532,955.92)	0.00	(22,532,955.92)	
141	411.4	Investment Tax Credit Adjustments	0.00	(31,741.09)	(31,741.09)	
142	TOTAL INCOME TAXES - OPERATING		(1,192,458.42)	(31,741.09)	(1,224,199.51)	
143	* TOTAL OPERATING EXPENSES *		31,529,856.80	49,192,625.65	80,722,482.45	
144	* TOTAL OPERATING INCOME *		69,868,896.58	(49,064,511.71)	20,804,384.87	
145						
146	INTEREST CHARGES					
147	427.0	Interest on Long Term Debt	0.00	10,728,252.16	10,728,252.16	
148	428.0	Amort. of Debt Discount and Exp.	0.00	163,903.29	163,903.29	
149	428.1	Amort. of Loss on Reacquired Debt	0.00	30,949.20	30,949.20	
150	431.0	Other Interest Expense	16,599.79	27,556.98	44,156.77	
151	431.1	Interest on Short Term Debt	0.00	916,125.99	916,125.99	

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5			WASHINGTON:			
6	STATE ALLOCATION OF INCOME & EXPENSES		DIRECT	ALLOCATED	TOTAL	
152	432.0	AFUDC - Borrowed Funds	(556,211.24)	(50,804.21)	(607,015.45)	
153	TOTAL INTEREST CHARGES		(539,611.45)	11,815,983.41	11,276,371.96	
154	MISCELLANEOUS NON-OPERATING INCOME					
155	415	Rev. from Jobbing & Contract Work	0.00	0.00	0.00	
156	416	Exp. of Jobbing & Contract Work	0.00	0.00	0.00	
158	417	Revenues of Non-Utility Operations	0.00	6,144.23	6,144.23	
159	417.1	Expenses of Non-Utility Operations	0.00	0.00	0.00	
160	418.1	Equity in Earnings of Sub. Co.'s	0.00	0.00	0.00	
161	419	Interest and Dividend Income	4,632,392.64	38,052.92	4,670,445.56	
162	419.1	AFUDC - Equity Funds	(88.06)	0.00	(88.06)	
163	408.2	Taxes other Than Income Taxes	(1,072.12)	0.00	(1,072.12)	
164	421	Misc. Non-Operating Income	0.00	3,558.63	3,558.63	
165	421.1	Gain on Disposition of Property	0.00	934.33	934.33	
166	TOTAL MISCELLANEOUS NON-OPERATING INCOME		4,631,232.46	48,690.11	4,679,922.57	
167	INCOME TAXES AND OTHER INCOME DEDUCTIONS					
169	409.2	Fed Income Taxes, Other Inc. & Ded	616,283.49	-	616,283.49	
170	409.2	State Inc Taxes, Other Inc. & Ded.	0.00	-	0.00	
171	410.2	Prov For Def'd Inc Tax - Non Op	528,076.94	-	528,076.94	
172	411.2	Prov For Def'd Inc Tax CR Non Op	(41,623.26)	-	(41,623.26)	
173	421.2	Loss on Disposition of Property	0.00	-	0.00	
174	426.1	Donations	20,051.07	159,831.21	179,882.28	
175	426.2	Life Insurance	0.00	(588,785.83)	(588,785.83)	
176	426.3	Penalties	0.00	71.14	71.14	
177	426.4	Civic, Political & Related Activ.	-	230,210.98	230,210.98	
178	426.5	Other Deductions	1,555.78	-	1,555.78	
179	TOTAL INCOME TAXES & OTHER INCOME DEDUCTI		1,124,344.02	(198,672.50)	925,671.52	
180	* NET INCOME *		73,915,396.47	(60,633,132.51)	13,282,263.96	