

**BEFORE THE WASHINGTON  
UTILITIES & TRANSPORTATION COMMISSION**

WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

Complainant,

v.

CASCADE NATURAL GAS CORPORATION,

Respondent.

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DOCKET UG-200568

**WASHINGTON STATE OFFICE OF THE ATTORNEY GENERAL  
PUBLIC COUNSEL UNIT  
CROSS-EXAMINATION EXHIBIT  
FOR CASCADE WITNESS, ANN E. BULKLEY**

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**EXHIBIT AEB-\_\_X**

Cascade's Response to Public Counsel Data Request No. 7,  
with Attachment "2018-2020 CNG-Regulated Returns"

February 18, 2021

*Washington Utilities and Transportation Commission*  
v.  
*Cascade Natural Gas Corporation*  
**Public Counsel Data Request**  
**UG-200568**

**Request No. 7**

Date prepared: August 21, 2020

Preparer: Kevin Conwell

Contact: Pamela Archer

Telephone: 509-734-4591

**PC-7: Re: Cost of Capital – Rate of Return.**

Please provide the authorized and earned return on common equity and common equity ratio for Cascade Natural Gas Corporation (Washington jurisdiction) and the other utility subsidiaries of MDU Resources over the past five years (2016-2020). Please provide copies of all associated work papers and source documents. Please provide copies of the source documents, work papers, and data in PDF and electronic (Microsoft Excel) formats, with all data and formulas intact.

**Response:**

Please see the following attachments for Cascade and for MDU Utilities. The Company will file a supplemental response for Intermountain Gas Company, whose information was not received in time for this response.

See attachments with in the zip folder PC-7.

June 2020

	Washington	Oregon	Total CNG
Utility Net Operating Income	\$22,658	\$8,204	\$30,862
Less: Interest Expense	(11,501)	(3,857)	(15,358)
Less: Prior period adjustment	-	-	-
Regulated Income	\$11,157	\$4,347	\$15,504

OES & WA Files  
 FERC Income Statement  
 Adj.'s from OES & WA Files

Inputs to check for rounding		
f2	\$22,657.54	\$8,204.21
b2	-\$11,500.77	-\$3,857.13
	\$11,156.77	\$4,347.08

Add:

Tax Reform Adjustment	-	-	-
Promotional Advertising Adj.	(1)	-	(1)
Removal of 25% Membership Fees	-	(16)	(16)
Normalize Uncollectible Expense	-	(15)	(15)
Interest Coordination Adj.	603	220	823 <b>Added</b>
Officer's Incentive Comp. Adj.	-	(79)	(79)
Annualizing Wage Rate Adj.	55	21	76
PGA Commodity Sharing Adj.	-	(120)	(120)
Weather Normalization Adj.	-	-	-
Other Income & Deductions	4,633	425	5,058
Nonregulated Income Taxes	(867)	(13)	(880)
Prior period adjustment	-	-	-
Total Adjustments	4,423	423	4,846

Adj.'s Jurisdictional Returns  
 Adj.'s from OES & WA Files  
 Adj.'s from OES & WA Files  
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 Adj.'s from OES & WA Files  
 Adj.'s from OES & WA Files  
 Adj.'s from OES & WA Files  
 FERC Income Statement  
 FERC Income Statement  
 copied from above

e4		
f3	-\$0.82	-\$0.09
		-\$16.18
		-\$14.40
	\$603.25	\$219.80
		-\$78.37
f3	\$54.99	\$20.85
		-\$120.03
b1	\$4,633.13	\$425.04
b3	-\$867.49	-\$13.16
	\$0.00	\$0.00
	\$4,423.07	\$423.47

Book Utility Net Income	\$15,580	\$4,770	\$20,350	<b>\$20,350</b> <b>tie to 12-month IS for rounding issues</b>
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	\$15,579.84	\$4,770.55
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Common Equity - Ratemaking	\$174,328	\$49,966	\$224,294
Add:			
CWIP	28,868	2,809	31,677
Nonutility Property	198	-	198
Utility SERP/SISP	4,491	1,488	5,979
Intercompany A/R & A/P	(1,808)	(599)	(2,407)
Accum Deferred DIT's	765	368	1,133
PGA	80,625	4,466	85,091
Conservation	6,855	-	6,855
Intervener Funding	-	116	116
OR Eugene MGP	-	1,330	1,330
MAOP	-	437	437
Decoupling Mechanisms	(3,269)	(1,581)	(4,850)
MDUR I/C Asset-Net Benefit Funding	3,597	1,192	4,789
Customer Deposits	(653)	(125)	(778)
FAS109	(41,381)	(13,708)	(55,089)
EDIT's & Tax Credits	(1,353)	(1,289)	(2,642)
Accum DIT's	40,944	14,181	55,125
Non-Operating Working Capital	3,144	242	3,386
Cash	-	313	313
Pension	-	1,161	1,161
Other	(60,262)	10,050	(50,212)
Total Difference in Method	60,761	20,851	81,612
Common Equity - Book	\$235,089	\$70,817	\$305,906

- Working Capital File 13 month average of averages

g1	\$28,867.81	\$2,808.57
g1	\$197.96	\$0.00
g1	\$4,490.91	\$1,487.79
g1	-\$1,807.92	-\$599.34
g1	\$764.53	\$368.06
g1	\$80,624.61	\$4,465.70
g1	\$6,854.75	\$0.00
g1	\$0.00	\$115.76
g1	\$0.00	\$1,330.46
g1	\$0.00	\$437.46
g1	-\$3,268.94	-\$1,580.62
g1	\$3,597.27	\$1,191.99
g1	-\$652.53	-\$124.54
g1	-\$41,381.08	-\$13,708.44
g1	-\$1,353.07	-\$1,289.13
g1	\$40,944.26	\$14,180.63
g1	\$3,144.43	\$242.33
		\$312.61
		\$1,161.38
	\$121,022.99	\$10,800.66

Return on Equity - Regulated	6.4%	8.7%	6.9%
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= to a5 & f5 **Check against OR & WA files**

Return on Equity - Book	6.6%	6.7%	6.7%
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= to e3

Average Rate Base (May)	394,167	118,372	512,539
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c1 - Rate Base File 13 month average of averages

Average Rate Base (June)	414,771	122,421	537,192
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d1 - Rate Base File 13 month average of averages

Authorized Return on Equity	9.40%	9.40%	
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**End of period**

Rate of Return - Regulated	5.5%	6.7%	5.7%
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= to a4 & f4

Authorized Rate of Return	7.31%	7.28%	
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Rate of Return - Book	5.9%	6.9%	6.1%
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= to e2

Investment Tax Credit	32	10	42
Book Operating Income	\$23,283	\$8,205	\$31,488

b4 - FERC Income Statement  
**Check against Tony's File**

**Capital Ratios**

	Averages	Ratio	Weighted Cost	Cost of
Long-Term Debt	326,542	50.00%	4.68%	2.34%
Common Stock	304,095	50.00%	9.40%	4.70% <b>OR</b>
	630,637	100.00%	9.40%	4.70% <b>WA</b>
		<b>49.10%</b>	<b>WA</b>	
Return required for common stock	3.1600%	4.3600%		
Common Equity - Book			305,906	
Common Equity - Regulated			304,095	
Rate Base Ratios (May) from above	76.90%	23.10%		
Rate Base Ratios (May)	76.85%	23.15%	394,365	118,820 513,185
Rate Base Ratios (June) from above	77.21%	22.79%		

a1 - OES & WA Files  
 a1 - OES & WA Files  
 f1 - OES & WA Files  
**Per Rate Case**

e1 - Tony's File 12 month average  
 OES File 13 month average of averages

c2 - Rate Base File 12 month average

PASTE SPECIAL

**Cascade Natural Gas Corporation**  
**Regulated and Book Returns**  
**For the Twelve Months Ended June 30, 2020**

	Washington	Oregon	Total CNG
Utility Net Operating Income	\$22,658	\$8,204	\$30,862
Less: Interest Expense	11,501	3,857	15,358
<b>Regulated Income</b>	<b>\$11,157</b>	<b>\$4,347</b>	<b>\$15,504</b>
<b>Add:</b>			
Tax Reform Adjustment	0	0	0
Promotional Advertising Adj.	(1)	0	(1)
Removal of 25% Membership Fees	0	(16)	(16)
Normalize Uncollectible Expense	0	(15)	(15)
Interest Coordination Adj.	603	220	823
Officer's Incentive Comp. Adj.	0	(79)	(79)
Annualizing Wage Rate Adj.	55	21	76
PGA Commodity Sharing Adj.	0	(120)	(120)
Weather Normalization Adj.	0	0	0
Other Income & Deductions	4,633	425	5,058
Nonregulated Income Taxes	(867)	(13)	(880)
Prior period adjustment	0	0	0
<b>Total Adjustments</b>	<b>4,423</b>	<b>423</b>	<b>4,846</b>
<b>Book Income</b>	<b>\$15,580</b>	<b>\$4,770</b>	<b>\$20,350</b>
Common Equity - Ratemaking	\$174,328	\$49,966	\$224,294
Difference in method	60,761	20,851	81,612
<b>Common Equity - Book</b>	<b>\$235,089</b>	<b>\$70,817</b>	<b>\$305,906</b>
<b>Return on Equity - Regulated*</b>	<b>6.4%</b>	<b>8.7%</b>	<b>6.9%</b>
<b>Return on Equity - Book</b>	<b>6.6%</b>	<b>6.7%</b>	<b>6.7%</b>
<b>Average Rate Base</b>	<b>414,771</b>	<b>122,421</b>	<b>537,192</b>
<b>Authorized Return on Equity</b>	<b>9.40%</b>	<b>9.40%</b>	
<b>End of Period:</b>			
Rate Base	414,771	122,421	537,192
CWIP (not included in rate base)	35,565	6,080	41,645

Rate Base file end of period WA, end of period OR  
 file from Jordan Harris (201803 - Utility Group Fixed Asset Monthly Juris Reconciliation)

**Cascade Natural Gas Corporation**  
**Regulated and Book Returns**  
**For the Twelve Months Ended June 30, 2020**

	<u>Washington</u>	<u>Oregon</u>	<u>Total CNG</u>
Utility Net Operating Income	\$23,261	\$8,204	\$31,465
Less: Interest Expense	11,501	3,857	15,358
<b>Regulated Income</b>	<b>\$11,760</b>	<b>\$4,347</b>	<b>\$16,107</b>
Add:			
Tax Reform Adjustment	0	0	0
Promotional Advertising Adj.	(1)	0	(1)
Removal of 25% Membership Fees	0	(16)	(16)
Normalize Uncollectible Expense	0	(15)	(15)
Interest Coordination Adj.	0	220	220
Officer's Incentive Comp. Adj.	0	(79)	(79)
Annualizing Wage Rate Adj.	55	21	76
PGA Commodity Sharing Adj.	0	(120)	(120)
Weather Normalization Adj.	0	0	0
Other Income & Deductions	4,633	425	5,058
Nonregulated Income Taxes	(867)	(13)	(880)
Prior period adjustment	0	0	0
<b>Total Adjustments</b>	<b>3,820</b>	<b>423</b>	<b>4,243</b>
<b>Book Income</b>	<b>\$15,580</b>	<b>\$4,770</b>	<b>\$20,350</b>
Common Equity - Ratemaking	\$163,333	\$46,742	\$210,075
Difference in method	71,756	24,075	95,831
<b>Common Equity - Book</b>	<b>\$235,089</b>	<b>\$70,817</b>	<b>\$305,906</b>
<b>Return on Equity - Regulated*</b>	<b>7.2%</b>	<b>9.3%</b>	<b>7.7%</b>
<b>Return on Equity - Book</b>	<b>6.6%</b>	<b>6.7%</b>	<b>6.7%</b>
<b>Average Rate Base</b>	<b>397,119</b>	<b>119,151</b>	<b>516,270</b>
<b>Authorized Return on Equity</b>	<b>9.40%</b>	<b>9.40%</b>	
End of Period:			
Rate Base	414,771	122,421	537,192
CWIP (not included in rate base)	35,565	6,080	41,645

June 2020

	Washington	Oregon	Total CNG
Utility Net Operating Income	\$23,261	\$8,204	\$31,465
Less: Interest Expense	(11,501)	(3,857)	(15,358)
Less: Prior period adjustment	-	-	-
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 FERC Income Statement  
 Adj.'s from OES & WA Files

Inputs to check for rounding		
f2	\$23,260.80	\$8,204.21
b2	-\$11,500.77	-\$3,857.13
	\$11,760.02	\$4,347.08

Add:

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		-\$14.40
		\$219.80
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f3	\$54.99	\$20.85
		-\$120.03
b1	\$4,633.13	\$425.04
b3	-\$867.49	-\$13.16
	\$0.00	\$0.00
	\$3,819.81	\$423.47

Book Utility Net Income \$15,580 \$4,770 \$20,350 **\$20,350** tie to 12-month IS for rounding issues

\$15,579.84 \$4,770.55

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MDUR I/C Asset-Net Benefit Funding	3,597	1,192	4,789
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Cash		313	313
Pension		1,161	1,161
Other	(49,267)	13,274	(35,993)
Total Difference in Method	71,756	24,075	95,831
Common Equity - Book	\$235,089	\$70,817	\$305,906

- Working Capital File 13 month average of averages

g1	\$28,867.81	\$2,808.57
g1	\$197.96	\$0.00
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g1	\$3,144.43	\$242.33
		\$312.61
		\$1,161.38
	\$121,022.99	\$10,800.66

Return on Equity - Regulated 7.2% 9.3% 7.7%

= to a5 & f5 **Check against OR & WA files**

Return on Equity - Book 6.6% 6.7% 6.7%

= to e3

Average Rate Base (May) 394,167 118,372 512,539

c1 - Rate Base File 13 month average of averages

Average Rate Base (June) 397,119 119,151 516,270

d1 - Rate Base File 13 month average of averages

Authorized Return on Equity 9.40% 9.40%

Rate of Return - Regulated 5.9% 6.9% 6.1%

= to a4 & f4

Authorized Rate of Return 7.31% 7.28%

Rate of Return - Book 5.9% 6.9% 6.1%

= to e2

Investment Tax Credit 32 10 42

b4 - FERC Income Statement

Book Operating Income \$23,283 \$8,205 \$31,488

**Check against Tony's File**

**Capital Ratios**

	Averages	Ratio	Weighted Cost	Cost of
Long-Term Debt	326,542	51.78%	4.68%	2.42%
Common Stock	304,095	48.22%	9.40%	4.53% OR
	630,637	100.00%	9.40%	4.53% WA

a1 - OES & WA Files  
 a1 - OES & WA Files  
 f1 - OES & WA Files

Return required for common stock 3.4800% 4.4800%

Common Equity - Book 305,906  
 Common Equity - Regulated 304,095

e1 - Tony's File 12 month average  
 OES File 13 month average of averages

Rate Base Ratios (May) from above 76.90% 23.10%  
 Rate Base Ratios (May) 76.85% 23.15% 394,365 118,820 513,185

c2 - Rate Base File 12 month average

Rate Base Ratios (June) from above 76.92% 23.08%

PASTE SPECIAL

**Cascade Natural Gas Corporation**  
**Regulated and Book Returns**  
**For the Twelve Months Ended June 30, 2020**

	Washington	Oregon	Total CNG
Utility Net Operating Income	\$23,261	\$8,204	\$31,465
Less: Interest Expense	11,501	3,857	15,358
<b>Regulated Income</b>	<b>\$11,760</b>	<b>\$4,347</b>	<b>\$16,107</b>
Add:			
Tax Reform Adjustment	0	0	0
Promotional Advertising Adj.	(1)	0	(1)
Removal of 25% Membership Fees	0	(16)	(16)
Normalize Uncollectible Expense	0	(15)	(15)
Interest Coordination Adj.	0	220	220
Officer's Incentive Comp. Adj.	0	(79)	(79)
Annualizing Wage Rate Adj.	55	21	76
PGA Commodity Sharing Adj.	0	(120)	(120)
Weather Normalization Adj.	0	0	0
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Prior period adjustment	0	0	0
<b>Total Adjustments</b>	<b>3,820</b>	<b>423</b>	<b>4,243</b>
<b>Book Income</b>	<b>\$15,580</b>	<b>\$4,770</b>	<b>\$20,350</b>
Common Equity - Ratemaking	\$163,333	\$46,742	\$210,075
Difference in method	71,756	24,075	95,831
<b>Common Equity - Book</b>	<b>\$235,089</b>	<b>\$70,817</b>	<b>\$305,906</b>
<b>Return on Equity - Regulated*</b>	<b>7.2%</b>	<b>9.3%</b>	<b>7.7%</b>
<b>Return on Equity - Book</b>	<b>6.6%</b>	<b>6.7%</b>	<b>6.7%</b>
<b>Average Rate Base</b>	<b>397,119</b>	<b>119,151</b>	<b>516,270</b>
<b>Authorized Return on Equity</b>	<b>9.40%</b>	<b>9.40%</b>	
End of Period:			
Rate Base	414,771	122,421	537,192
CWIP (not included in rate base)	35,565	6,080	41,645

Rate Base file end of period WA, end of period OR  
 file from Jordan Harris (201803 - Utility Group Fixed Asset Monthly Juris Reconciliation)

**Cascade Natural Gas Corporation**  
**Regulated and Book Returns**  
**For the Twelve Months Ended March 31, 2020**

	<u>Washington</u>	<u>Oregon</u>	<u>Total CNG</u>
Utility Net Operating Income	\$21,548	\$8,327	\$29,875
Less: Interest Expense	11,623	3,973	15,596
<b>Regulated Income</b>	<b>\$9,925</b>	<b>\$4,354</b>	<b>\$14,279</b>
Add:			
Tax Reform Adjustment	0	0	0
Promotional Advertising Adj.	(2)	0	(2)
Removal of 25% Membership Fees	0	(14)	(14)
Normalize Uncollectible Expense	0	15	15
Interest Coordination Adj.	0	212	212
Officer's Incentive Comp. Adj.	0	(78)	(78)
Annualizing Wage Rate Adj.	55	21	76
PGA Commodity Sharing Adj.	0	(135)	(135)
Weather Normalization Adj.	0	0	0
Other Income & Deductions	4,479	127	4,606
Nonregulated Income Taxes	(1,365)	(179)	(1,544)
Prior period adjustment	0	0	0
<b>Total Adjustments</b>	<b>3,167</b>	<b>(31)</b>	<b>3,136</b>
<b>Book Income</b>	<b>\$13,092</b>	<b>\$4,323</b>	<b>\$17,415</b>
Common Equity - Ratemaking	\$152,692	\$44,429	\$197,121
Difference in method	73,260	23,559	96,819
<b>Common Equity - Book</b>	<b>\$225,952</b>	<b>\$67,988</b>	<b>\$293,940</b>
<b>Return on Equity - Regulated*</b>	<b>6.5%</b>	<b>9.8%</b>	<b>7.2%</b>
<b>Return on Equity - Book</b>	<b>5.8%</b>	<b>6.4%</b>	<b>5.9%</b>
<b>Average Rate Base</b>	<b>387,555</b>	<b>116,324</b>	<b>503,879</b>
<b>Authorized Return on Equity</b>	<b>9.40%</b>	<b>9.40%</b>	
End of Period:			
Rate Base	411,266	121,680	532,946
CWIP (not included in rate base)	31,289	2,226	33,515



March 2020

	Washington	Oregon	Total CNG
Utility Net Operating Income	\$21,548	\$8,327	\$29,875
Less: Interest Expense	(11,623)	(3,973)	(15,596)
Less: Prior period adjustment	-	-	-
Regulated Income	\$9,925	\$4,354	\$14,279

OES & WA Files  
 FERC Income Statement  
 Adj.'s from OES & WA Files

Inputs to check for rounding		
f2	\$21,548.36	\$8,326.83
b2	-\$11,622.81	-\$3,972.57
	\$9,925.55	\$4,354.26

Add:

Tax Reform Adjustment	-	-	-
Promotional Advertising Adj.	(2)	-	(2)
Removal of 25% Membership Fees		(14)	(14)
Normalize Uncollectible Expense		15	15
Interest Coordination Adj.		212	212
Officer's Incentive Comp. Adj.		(78)	(78)
Annualizing Wage Rate Adj.	55	21	76
PGA Commodity Sharing Adj.		(135)	(135)
Weather Normalization Adj.	-	-	-
Other Income & Deductions	4,479	127	4,606
Nonregulated Income Taxes	(1,365)	(179)	(1,544)
Prior period adjustment	-	-	-
Total Adjustments	3,167	(31)	3,136

Adj.'s Jurisdictional Returns  
 Adj.'s from OES & WA Files  
 Adj.'s from OES & WA Files  
 Adj.'s from OES & WA Files  
 Adj.'s from OES & WA Files  
 Adj.'s from OES & WA Files  
 Adj.'s from OES & WA Files  
 Adj.'s from OES & WA Files  
 FERC Income Statement  
 FERC Income Statement  
 copied from above

e4		
f3	-\$1.60	-\$0.13
		-\$14.10
		\$15.28
		\$212.30
		-\$78.37
f3	\$54.99	\$20.85
		-\$135.40
b1	\$4,478.94	\$127.31
b3	-\$1,365.33	-\$179.42
	\$0.00	\$0.00
	\$3,167.01	-\$31.68

Book Utility Net Income	\$13,092	\$4,323	\$17,415
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b5  
 \$17,415 tie to 12-month IS for rounding issues

\$13,092.56	\$4,322.58
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Common Equity - Ratemaking	\$152,692	\$44,429	\$197,121
Add:			
CWIP	23,964	2,425	26,389
Nonutility Property	199	-	199
Utility SERP/SISP	4,435	1,467	5,902
Intercompany A/R & A/P	(1,717)	(568)	(2,285)
Accum Deferred DIT's	798	384	1,182
PGA	85,923	4,676	90,599
Conservation	6,642	-	6,642
Intervener Funding	-	114	114
OR Eugene MGP	-	1,458	1,458
MAOP	-	462	462
Decoupling Mechanisms	(3,454)	(1,836)	(5,290)
MDUR I/C Asset-Net Benefit Funding	3,466	1,146	4,612
Customer Deposits	(646)	(149)	(795)
FAS109	(42,108)	(13,927)	(56,035)
EDIT's & Tax Credits	(1,369)	(1,133)	(2,502)
Accum DIT's	41,682	14,403	56,085
Non-Operating Working Capital	3,194	242	3,436
Cash		299	299
Pension		1,110	1,110
Other	(47,749)	12,986	(34,763)
Total Difference in Method	73,260	23,559	96,819
Common Equity - Book	\$225,952	\$67,988	\$293,940

- Working Capital File 13 month average of averages

g1	\$23,964.42	\$2,425.15
g1	\$198.81	\$0.00
g1	\$4,435.29	\$1,467.02
g1	-\$1,717.12	-\$568.44
g1	\$797.80	\$383.56
g1	\$85,923.31	\$4,676.10
g1	\$6,641.60	\$0.00
g1	\$0.00	\$114.46
g1	\$0.00	\$1,457.63
g1	\$0.00	\$461.76
g1	-\$3,454.07	-\$1,836.25
g1	\$3,465.57	\$1,146.44
g1	-\$646.46	-\$148.84
g1	-\$42,108.40	-\$13,927.28
g1	-\$1,368.92	-\$1,133.16
g1	\$41,682.45	\$14,402.85
g1	\$3,194.11	\$241.86
		\$298.52
		\$1,110.39
	\$121,008.37	\$10,571.77

Return on Equity - Regulated	6.5%	9.8%	7.2%
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= to a5 & f5 Check against OR & WA files

Return on Equity - Book	5.8%	6.4%	5.9%
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= to e3

Average Rate Base (February)	383,158	115,267	498,425
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c1 - Rate Base File 13 month average of averages

Average Rate Base (March)	387,555	116,324	503,879
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d1 - Rate Base File 13 month average of averages

Authorized Return on Equity	9.40%	9.40%	
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Rate of Return - Regulated	5.6%	7.2%	5.9%
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= to a4 & f4

Authorized Rate of Return	7.31%	7.28%	
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Rate of Return - Book	5.6%	7.2%	6.0%
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= to e2

Investment Tax Credit	32	10	42
Book Operating Income	\$21,569	\$8,338	\$29,907

b4 - FERC Income Statement  
 Check against Tony's File

Capital Ratios

	Averages	Ratio	Weighted Cost	Cost of
Long-Term Debt	309,847	51.50%	4.80%	2.47%
Common Stock	291,820	48.50%	9.40%	4.56% OR
	601,667	100.00%	9.40%	4.56% WA
Return required for common stock	3.1300%	4.7300%		
Common Equity - Book			293,940	
Common Equity - Regulated			291,820	
Rate Base Ratios (February) from above	76.87%	23.13%		
Rate Base Ratios (February)	76.87%	23.13%	384,843	115,789 500,632
Rate Base Ratios (March) from above	76.91%	23.09%		

a1 - OES & WA Files  
 a1 - OES & WA Files  
 f1 - OES & WA Files

e1 - Tony's File 12 month average  
 OES File 13 month average of averages

c2 - Rate Base File 12 month average

PASTE SPECIAL

**Cascade Natural Gas Corporation**  
**Regulated and Book Returns**  
**For the Twelve Months Ended March 31, 2020**

	Washington	Oregon	Total CNG
Utility Net Operating Income	\$21,548	\$8,327	\$29,875
Less: Interest Expense	11,623	3,973	15,596
<b>Regulated Income</b>	<b>\$9,925</b>	<b>\$4,354</b>	<b>\$14,279</b>
Add:			
Tax Reform Adjustment	0	0	0
Promotional Advertising Adj.	(2)	0	(2)
Removal of 25% Membership Fees	0	(14)	(14)
Normalize Uncollectible Expense	0	15	15
Interest Coordination Adj.	0	212	212
Officer's Incentive Comp. Adj.	0	(78)	(78)
Annualizing Wage Rate Adj.	55	21	76
PGA Commodity Sharing Adj.	0	(135)	(135)
Weather Normalization Adj.	0	0	0
Other Income & Deductions	4,479	127	4,606
Nonregulated Income Taxes	(1,365)	(179)	(1,544)
Prior period adjustment	0	0	0
<b>Total Adjustments</b>	<b>3,167</b>	<b>(31)</b>	<b>3,136</b>
<b>Book Income</b>	<b>\$13,092</b>	<b>\$4,323</b>	<b>\$17,415</b>
Common Equity - Ratemaking	\$152,692	\$44,429	\$197,121
Difference in method	73,260	23,559	96,819
<b>Common Equity - Book</b>	<b>\$225,952</b>	<b>\$67,988</b>	<b>\$293,940</b>
<b>Return on Equity - Regulated*</b>	<b>6.5%</b>	<b>9.8%</b>	<b>7.2%</b>
<b>Return on Equity - Book</b>	<b>5.8%</b>	<b>6.4%</b>	<b>5.9%</b>
<b>Average Rate Base</b>	<b>387,555</b>	<b>116,324</b>	<b>503,879</b>
<b>Authorized Return on Equity</b>	<b>9.40%</b>	<b>9.40%</b>	
End of Period:			
Rate Base	411,266	121,680	532,946
CWIP (not included in rate base)	31,289	2,226	33,515

Rate Base file end of period regulated WA, end of period OR  
 file from Jordan Harris (201803 - Utility Group Fixed Asset Monthly Juris Reconciliation)

**Cascade Natural Gas Corporation**  
**Regulated and Book Returns**  
**For the Twelve Months Ended December 31, 2019**

	<u>Washington</u>	<u>Oregon</u>	<u>Total CNG</u>
Utility Net Operating Income	\$20,751	\$7,175	\$27,926
Less: Interest Expense	11,276	3,897	15,173
<b>Regulated Income</b>	<b>\$9,475</b>	<b>\$3,278</b>	<b>\$12,753</b>
Add:			
Tax Reform Adjustment	0	0	0
Promotional Advertising Adj.	(1)	(1)	(2)
Removal of 25% Membership Fees	0	(16)	(16)
Normalize Uncollectible Expense	0	(1)	(1)
Interest Coordination Adj.	0	191	191
Officer's Incentive Comp. Adj.	0	(78)	(78)
Annualizing Wage Rate Adj.	55	21	76
PGA Commodity Sharing Adj.	0	(643)	(643)
Weather Normalization Adj.	0	0	0
Other Income & Deductions	4,857	393	5,250
Nonregulated Income Taxes	(1,103)	(99)	(1,202)
Prior period adjustment	0	0	0
<b>Total Adjustments</b>	<b>3,808</b>	<b>(233)</b>	<b>3,575</b>
<b>Book Income</b>	<b>\$13,283</b>	<b>\$3,045</b>	<b>\$16,328</b>
Common Equity - Ratemaking	\$155,328	\$42,571	\$197,899
Difference in method	61,450	22,071	83,521
<b>Common Equity - Book</b>	<b>\$216,778</b>	<b>\$64,642</b>	<b>\$281,420</b>
<b>Return on Equity - Regulated*</b>	<b>6.1%</b>	<b>7.7%</b>	<b>6.4%</b>
<b>Return on Equity - Book</b>	<b>6.1%</b>	<b>4.7%</b>	<b>5.8%</b>
<b>Average Rate Base</b>	<b>375,260</b>	<b>113,100</b>	<b>488,360</b>
<b>Authorized Return on Equity</b>	<b>9.40%</b>	<b>9.40%</b>	
End of Period:			
Rate Base	399,327	119,881	519,208
CWIP (not included in rate base)	29,021	2,085	31,106

December 2019

	Washington	Oregon	Total CNG
Utility Net Operating Income	\$20,751	\$7,175	\$27,926
Less: Interest Expense	(11,276)	(3,897)	(15,173)
Less: Prior period adjustment	-	-	-
Regulated Income	\$9,475	\$3,278	\$12,753

Add:

Tax Reform Adjustment	-	-	-
Promotional Advertising Adj.	(1)	(1)	(2)
Removal of 25% Membership Fees	-	(16)	(16)
Normalize Uncollectible Expense	-	(1)	(1)
Interest Coordination Adj.	-	191	191
Officer's Incentive Comp. Adj.	-	(78)	(78)
Annualizing Wage Rate Adj.	55	21	76
PGA Commodity Sharing Adj.	-	(643)	(643)
Weather Normalization Adj.	-	-	-
Other Income & Deductions	4,857	393	5,250
Nonregulated Income Taxes	(1,103)	(99)	(1,202)
Prior period adjustment	-	-	-
Total Adjustments	3,808	(233)	3,575

Book Utility Net Income	\$13,283	\$3,045	\$16,328
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Common Equity - Ratemaking	\$155,328	\$42,571	\$197,899
Add:			
CWIP	19,810	2,230	22,040
Nonutility Property	200	-	200
Utility SERP/SISP	4,549	1,504	6,053
Intercompany A/R & A/P	(1,638)	(542)	(2,180)
Accum Deferred DIT's	888	425	1,313
PGA	81,496	3,952	85,448
Conservation	6,572	-	6,572
Intervener Funding	-	98	98
OR Eugene MGP	-	1,625	1,625
MAOP	-	358	358
Decoupling Mechanisms	(3,487)	(1,721)	(5,208)
MDUR I/C Asset-Net Benefit Funding	3,333	1,102	4,435
Customer Deposits	(647)	(175)	(822)
FAS109	(42,813)	(14,152)	(56,965)
EDIT's & Tax Credits	(1,503)	(718)	(2,221)
Accum DIT's	42,369	14,618	56,987
Non-Operating Working Capital	2,236	176	2,412
Cash	-	222	222
Pension	-	1,604	1,604
Other	(49,915)	11,465	(38,450)
Total Difference in Method	61,450	22,071	83,521
Common Equity - Book	\$216,778	\$64,642	\$281,420

Return on Equity - Regulated	6.1%	7.7%	6.4%
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Return on Equity - Book	6.1%	4.7%	5.8%
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Average Rate Base (November)	371,822	111,988	483,810
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Average Rate Base (December)	375,260	113,100	488,360
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Authorized Return on Equity	9.40%	9.40%	
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Rate of Return - Regulated	5.5%	6.3%	5.7%
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Authorized Rate of Return	7.31%	7.28%	
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Rate of Return - Book	5.6%	5.9%	5.7%
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Investment Tax Credit	32	10	42
Book Operating Income	\$20,773	\$6,638	\$27,411

Capital Ratios

	Averages	Ratio	Weighted Cost	Cost of
Long-Term Debt	287,679	50.73%	4.93%	2.50%
Common Stock	279,350	49.27%	9.40%	4.63% OR
	567,029	100.00%	9.40%	4.63% WA

Return required for common stock	3.0000%	3.8000%		
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Common Equity - Book			281,420	
Common Equity - Regulated			279,350	

Rate Base Ratios (November) from above	76.85%	23.15%		
Rate Base Ratios (November)	77.03%	22.97%	377,545	112,594

Rate Base Ratios (December) from above	76.84%	23.16%		
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Inputs to check for rounding

OES & WA Files	f2	\$20,750.73	\$7,174.77	a2
FERC Income Statement	b2	-\$11,276.37	-\$3,897.16	b2
Adj.'s from OES & WA Files		\$9,474.36	\$3,277.62	

Adj.'s Jurisdictional Returns	e4			e4
Adj.'s from OES & WA Files	f3	-\$1.43	-\$0.75	a3
Adj.'s from OES & WA Files			-\$15.60	a3
Adj.'s from OES & WA Files			-\$0.85	a3
Adj.'s from OES & WA Files			\$191.57	a3
Adj.'s from OES & WA Files			-\$77.99	a3
Adj.'s from OES & WA Files	f3	\$55.08	\$20.75	a3
Adj.'s from OES & WA Files			-\$643.18	a3
Adj.'s from OES & WA Files				
FERC Income Statement	b1	\$4,856.99	\$393.31	b1
FERC Income Statement	b3	-\$1,102.74	-\$99.09	b3
copied from above		\$0.00	\$0.00	
		\$3,807.91	-\$231.84	

Book Utility Net Income	\$13,283	\$3,045	\$16,328	\$16,328 tie to 12-month IS for rounding issues	\$13,282.26	\$3,045.78
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- Working Capital File 13 month average of averages	g1	\$19,810.06	\$2,229.96	g2
	g1	\$199.83	\$0.00	g2
	g1	\$4,548.54	\$1,503.63	
	g1	-\$1,638.46	-\$541.55	
	g1	\$888.39	\$425.05	g2
	g1	\$81,495.93	\$3,952.12	g2
	g1	\$6,572.31	\$0.00	g2
	g1	\$0.00	\$98.41	
	g1	\$0.00	\$1,624.77	g2
	g1	\$0.00	\$358.47	g2
	g1	-\$3,487.46	-\$1,721.33	g2
	g1	\$3,333.02	\$1,101.74	g2
	g1	-\$647.49	-\$174.98	g2
	g1	-\$42,812.83	-\$14,152.27	g2
	g1	-\$1,502.99	-\$718.41	g2
	g1	\$42,368.78	\$14,617.91	g2
g1	\$2,235.81	\$176.27	g2	
		\$221.71	g3	
		\$1,604.17	g4	
	\$11,363.44	\$10,605.67		

= to a5 & f5 Check against OR & WA files

= to e3

c1 - Rate Base File 13 month average of averages

d1 - Rate Base File 13 month average of averages

= to a4 & f4

= to e2

b4 - FERC Income Statement

Check against Tony's File

a1 - OES & WA Files

a1 - OES & WA Files

f1 - OES & WA Files

e1 - Tony's File 12 month average

OES File 13 month average of averages

c2 - Rate Base File 12 month average

PASTE SPECIAL

**Cascade Natural Gas Corporation**  
**Regulated and Book Returns**  
**For the Twelve Months Ended December 31, 2019**

	Washington	Oregon	Total CNG
Utility Net Operating Income	\$20,751	\$7,175	\$27,926
Less: Interest Expense	11,276	3,897	15,173
<b>Regulated Income</b>	<b>\$9,475</b>	<b>\$3,278</b>	<b>\$12,753</b>
<b>Add:</b>			
Tax Reform Adjustment	0	0	0
Promotional Advertising Adj.	(1)	(1)	(2)
Removal of 25% Membership Fees	0	(16)	(16)
Normalize Uncollectible Expense	0	(1)	(1)
Interest Coordination Adj.	0	191	191
Officer's Incentive Comp. Adj.	0	(78)	(78)
Annualizing Wage Rate Adj.	55	21	76
PGA Commodity Sharing Adj.	0	(643)	(643)
Weather Normalization Adj.	0	0	0
Other Income & Deductions	4,857	393	5,250
Nonregulated Income Taxes	(1,103)	(99)	(1,202)
Prior period adjustment	0	0	0
<b>Total Adjustments</b>	<b>3,808</b>	<b>(233)</b>	<b>3,575</b>
<b>Book Income</b>	<b>\$13,283</b>	<b>\$3,045</b>	<b>\$16,328</b>
Common Equity - Ratemaking	\$155,328	\$42,571	\$197,899
Difference in method	61,450	22,071	83,521
<b>Common Equity - Book</b>	<b>\$216,778</b>	<b>\$64,642</b>	<b>\$281,420</b>
<b>Return on Equity - Regulated*</b>	<b>6.1%</b>	<b>7.7%</b>	<b>6.4%</b>
<b>Return on Equity - Book</b>	<b>6.1%</b>	<b>4.7%</b>	<b>5.8%</b>
<b>Average Rate Base</b>	<b>375,260</b>	<b>113,100</b>	<b>488,360</b>
<b>Authorized Return on Equity</b>	<b>9.40%</b>	<b>9.40%</b>	
<b>End of Period:</b>			
Rate Base	399,327	119,881	519,208
CWIP (not included in rate base)	29,021	2,085	31,106

Rate Base file end of period regulated WA, end of period OR  
 file from Jordan Harris (201803 - Utility Group Fixed Asset Monthly Juris Reconciliation)

September 2019

	Washington	Oregon	Total CNG
Utility Net Operating Income	\$21,385	\$7,261	\$28,646
Less: Interest Expense	(10,796)	(3,636)	(14,432)
Less: Prior period adjustment	-	-	-
Regulated Income	\$10,589	\$3,625	\$14,214

OES & WA Files  
 FERC Income Statement  
 Adj.'s from OES & WA Files

Inputs to check for rounding		
f2	\$21,385.49	\$7,260.83
b2	-\$10,796.33	-\$3,635.87
	\$10,589.16	\$3,624.96

Add:

Tax Reform Adjustment	-	-	-
Promotional Advertising Adj.	(2)	(1)	(3)
Removal of 25% Membership Fees		(15)	(15)
Normalize Uncollectible Expense		(3)	(3)
Interest Coordination Adj.		154	154
Officer's Incentive Comp. Adj.		(98)	(98)
Annualizing Wage Rate Adj.	54	20	74
PGA Commodity Sharing Adj.		(406)	(406)
Weather Normalization Adj.	-	-	-
Other Income & Deductions	3,200	166	3,366
Nonregulated Income Taxes	(748)	(155)	(903)
Prior period adjustment	-	-	-
Total Adjustments	2,504	(338)	2,166

Adj.'s Jurisdictional Returns  
 Adj.'s from OES & WA Files  
 Adj.'s from OES & WA Files  
 Adj.'s from OES & WA Files  
 Adj.'s from OES & WA Files  
 Adj.'s from OES & WA Files  
 Adj.'s from OES & WA Files  
 Adj.'s from OES & WA Files  
 Adj.'s from OES & WA Files  
 FERC Income Statement  
 FERC Income Statement  
 copied from above

e4		
f3	-\$1.75	-\$1.16
		-\$14.58
		-\$2.76
		\$153.71
		-\$98.45
f3	\$54.05	\$20.36
		-\$406.51
b1	\$3,199.51	\$166.30
b3	-\$747.60	-\$155.29
	\$0.00	\$0.00
	\$2,504.21	-\$338.37

Book Utility Net Income **\$13,093** **\$3,287** **\$16,380** **\$16,380 tie to 12-month IS for rounding issues**

**\$13,093.37** **\$3,286.59**

Common Equity - Ratemaking	\$160,439	\$44,207	\$204,646
Add:			
CWIP	14,724	2,129	16,853
Nonutility Property	201	-	201
Utility SERP/SISP	4,152	1,377	5,529
Intercompany A/R & A/P	(1,527)	(507)	(2,034)
Accum Deferred DIT's	1,014	484	1,498
PGA	64,003	2,336	66,339
Conservation	6,583	-	6,583
Intervener Funding	-	83	83
OR Eugene MGP	-	1,776	1,776
MAOP	-	243	243
Decoupling Mechanisms	(4,132)	(1,370)	(5,502)
MDUR I/C Asset-Net Benefit Funding	3,307	1,098	4,405
Customer Deposits	(657)	(194)	(851)
FAS109	(43,458)	(14,428)	(57,886)
EDIT's & Tax Credits	(1,818)	(340)	(2,158)
Accum DIT's	43,012	14,897	57,909
Non-Operating Working Capital	1,836	163	1,999
Cash		190	190
Pension		2,705	2,705
Other	(40,579)	6,838	(33,741)
Total Difference in Method	46,661	17,480	64,141
Common Equity - Book	\$207,100	\$61,687	\$268,787

- Working Capital File 13 month average of averages

g1	\$14,724.34	\$2,128.69
g1	\$200.84	\$0.00
g1	\$4,152.00	\$1,376.89
g1	-\$1,527.37	-\$506.58
g1	\$1,013.51	\$484.08
g1	\$64,002.67	\$2,335.62
g1	\$6,583.22	\$0.00
g1	\$0.00	\$83.48
g1	\$0.00	\$1,776.10
g1	\$0.00	\$243.03
g1	-\$4,132.43	-\$1,369.91
g1	\$3,307.29	\$1,097.93
g1	-\$657.01	-\$193.79
g1	-\$43,457.64	-\$14,428.36
g1	-\$1,818.22	-\$340.31
g1	\$43,012.49	\$14,896.90
g1	\$1,835.77	\$163.01
		\$189.76
		\$2,705.31
	\$87,239.47	\$10,641.86

Return on Equity - Regulated **6.6%** **8.2%** **6.9%**

= to a5 & f5 **Check against OR & WA files**

Return on Equity - Book **6.3%** **5.3%** **6.1%**

= to e3

Average Rate Base (August) **363,544** **108,232** **471,776**

c1 - Rate Base File 13 month average of averages

Average Rate Base (September) **366,491** **109,505** **475,996**

d1 - Rate Base File 13 month average of averages

Authorized Return on Equity **9.40%** **9.40%**

Rate of Return - Regulated **5.8%** **6.6%** **6.0%**

= to a4 & f4

Authorized Rate of Return **7.31%** **7.28%**

Rate of Return - Book **5.9%** **6.4%** **6.0%**

= to e2

Investment Tax Credit **32** **10** **42**

b4 - FERC Income Statement

Book Operating Income **\$21,405** **\$6,902** **\$28,307**

**Check against Tony's File**

Capital Ratios

	Averages	Ratio	Weighted Cost	Cost of
Long-Term Debt	270,555	50.33%	5.01%	2.52%
Common Stock	266,985	49.67%	9.40%	4.67% OR
	537,540	100.00%	9.40%	4.67% WA

a1 - OES & WA Files  
 a1 - OES & WA Files  
 f1 - OES & WA Files

Return required for common stock **3.2800%** **4.0800%**

Common Equity - Book **268,787**

e1 - Tony's File 12 month average

Common Equity - Regulated **266,985**

OES File 13 month average of averages

Rate Base Ratios (August) from above **77.06%** **22.94%**

Rate Base Ratios (August) **77.05%** **22.95%** **365,642** **108,912** **474,554**

c2 - Rate Base File 12 month average

Rate Base Ratios (September) from above **76.99%** **23.01%**

PASTE SPECIAL

**Cascade Natural Gas Corporation**  
**Regulated and Book Returns**  
**For the Twelve Months Ended September 30, 2019**

	Washington	Oregon	Total CNG
Utility Net Operating Income	\$21,385	\$7,261	\$28,646
Less: Interest Expense	10,796	3,636	14,432
<b>Regulated Income</b>	<b>\$10,589</b>	<b>\$3,625</b>	<b>\$14,214</b>
Add:			
Tax Reform Adjustment	0	0	0
Promotional Advertising Adj.	(2)	(1)	(3)
Removal of 25% Membership Fees	0	(15)	(15)
Normalize Uncollectible Expense	0	(3)	(3)
Interest Coordination Adj.	0	154	154
Officer's Incentive Comp. Adj.	0	(98)	(98)
Annualizing Wage Rate Adj.	54	20	74
PGA Commodity Sharing Adj.	0	(406)	(406)
Weather Normalization Adj.	0	0	0
Other Income & Deductions	3,200	166	3,366
Nonregulated Income Taxes	(748)	(155)	(903)
Prior period adjustment	0	0	0
<b>Total Adjustments</b>	<b>2,504</b>	<b>(338)</b>	<b>2,166</b>
<b>Book Income</b>	<b>\$13,093</b>	<b>\$3,287</b>	<b>\$16,380</b>
Common Equity - Ratemaking	\$160,439	\$44,207	\$204,646
Difference in method	46,661	17,480	64,141
<b>Common Equity - Book</b>	<b>\$207,100</b>	<b>\$61,687</b>	<b>\$268,787</b>
<b>Return on Equity - Regulated*</b>	<b>6.6%</b>	<b>8.2%</b>	<b>6.9%</b>
<b>Return on Equity - Book</b>	<b>6.3%</b>	<b>5.3%</b>	<b>6.1%</b>
<b>Average Rate Base</b>	<b>366,491</b>	<b>109,505</b>	<b>475,996</b>
<b>Authorized Return on Equity</b>	<b>9.40%</b>	<b>9.40%</b>	
End of Period:			
Rate Base	377,595	116,192	493,787
CWIP (not included in rate base)	25,064	3,110	28,174

Rate Base file end of period regulated WA, end of period OR  
 file from Jordan Harris (201803 - Utility Group Fixed Asset Monthly Juris Reconciliation)

**Cascade Natural Gas Corporation**  
**Regulated and Book Returns**  
**For the Twelve Months Ended September 30, 2019**

	<u>Washington</u>	<u>Oregon</u>	<u>Total CNG</u>
Utility Net Operating Income	\$21,385	\$7,261	\$28,646
Less: Interest Expense	10,796	3,636	14,432
<b>Regulated Income</b>	<b>\$10,589</b>	<b>\$3,625</b>	<b>\$14,214</b>
Add:			
Tax Reform Adjustment	0	0	0
Promotional Advertising Adj.	(2)	(1)	(3)
Removal of 25% Membership Fees	0	(15)	(15)
Normalize Uncollectible Expense	0	(3)	(3)
Interest Coordination Adj.	0	154	154
Officer's Incentive Comp. Adj.	0	(98)	(98)
Annualizing Wage Rate Adj.	54	20	74
PGA Commodity Sharing Adj.	0	(406)	(406)
Weather Normalization Adj.	0	0	0
Other Income & Deductions	3,200	166	3,366
Nonregulated Income Taxes	(748)	(155)	(903)
Prior period adjustment	0	0	0
<b>Total Adjustments</b>	<b>2,504</b>	<b>(338)</b>	<b>2,166</b>
<b>Book Income</b>	<b>\$13,093</b>	<b>\$3,287</b>	<b>\$16,380</b>
Common Equity - Ratemaking	\$203,635	\$44,207	\$247,842
Difference in method	6,153	14,792	20,945
<b>Common Equity - Book</b>	<b>\$209,788</b>	<b>\$58,999</b>	<b>\$268,787</b>
<b>Return on Equity - Regulated*</b>	<b>5.2%</b>	<b>8.2%</b>	<b>5.7%</b>
<b>Return on Equity - Book</b>	<b>6.2%</b>	<b>5.6%</b>	<b>6.1%</b>
<b>Average Rate Base</b>	<b>422,209</b>	<b>109,505</b>	<b>531,714</b>
<b>Authorized Return on Equity</b>	<b>9.40%</b>	<b>9.40%</b>	
End of Period:			
Rate Base	439,867	116,192	556,059
CWIP (not included in rate base)	25,064	3,110	28,174



September 2019

	Washington	Oregon	Total CNG
Utility Net Operating Income	\$21,385	\$7,261	\$28,646
Less: Interest Expense	(10,796)	(3,636)	(14,432)
Less: Prior period adjustment	-	-	-
Regulated Income	\$10,589	\$3,625	\$14,214

OES & WA Files  
 FERC Income Statement  
 Adj.'s from OES & WA Files

Inputs to check for rounding		
f2	\$21,385.49	\$7,260.83
b2	-\$10,796.33	-\$3,635.87
	\$10,589.16	\$3,624.96

Add:

Tax Reform Adjustment	-	-	-
Promotional Advertising Adj.	(2)	(1)	(3)
Removal of 25% Membership Fees		(15)	(15)
Normalize Uncollectible Expense		(3)	(3)
Interest Coordination Adj.		154	154
Officer's Incentive Comp. Adj.		(98)	(98)
Annualizing Wage Rate Adj.	54	20	74
PGA Commodity Sharing Adj.		(406)	(406)
Weather Normalization Adj.	-	-	-
Other Income & Deductions	3,200	166	3,366
Nonregulated Income Taxes	(748)	(155)	(903)
Prior period adjustment	-	-	-
Total Adjustments	2,504	(338)	2,166

Adj.'s Jurisdictional Returns  
 Adj.'s from OES & WA Files  
 Adj.'s from OES & WA Files  
 Adj.'s from OES & WA Files  
 Adj.'s from OES & WA Files  
 Adj.'s from OES & WA Files  
 Adj.'s from OES & WA Files  
 Adj.'s from OES & WA Files  
 Adj.'s from OES & WA Files  
 FERC Income Statement  
 FERC Income Statement  
 copied from above

e4		
f3	-\$1.75	-\$1.16
		-\$14.58
		-\$2.76
		\$153.71
		-\$98.45
f3	\$54.05	\$20.36
		-\$406.51
b1	\$3,199.51	\$166.30
b3	-\$747.60	-\$155.29
	\$0.00	\$0.00
	\$2,504.21	-\$338.37

Book Utility Net Income **\$13,093** **\$3,287** **\$16,380** **\$16,380 tie to 12-month IS for rounding issues**

**\$13,093.37** **\$3,286.59**

Common Equity - Ratemaking	\$203,635	\$44,207	\$247,842
Add:			
CWIP	14,724	2,129	16,853
Nonutility Property	201	-	201
Utility SERP/SISP	8,997	2,987	11,984
Intercompany A/R & A/P	(1,527)	(507)	(2,034)
Accum Deferred DIT's	1,763	772	2,535
PGA	64,003	2,336	66,339
Conservation	6,583	-	6,583
Intervener Funding	-	83	83
OR Eugene MGP	-	1,776	1,776
MAOP	-	243	243
Decoupling Mechanisms	(4,132)	(1,370)	(5,502)
MDUR I/C Asset-Net Benefit Funding	3,307	1,098	4,405
Customer Deposits	(657)	(194)	(851)
FAS109	(43,458)	(14,428)	(57,886)
EDIT's & Tax Credits	(1,818)	(340)	(2,158)
Accum DIT's	42,979	14,388	57,367
Non-Operating Working Capital	16,084	1,587	17,671
Cash		190	190
Pension		1,103	1,103
Other	(100,896)	2,939	(97,957)
Total Difference in Method	6,153	14,792	20,945
Common Equity - Book	\$209,788	\$58,999	\$268,787

- Working Capital File 13 month average of averages

g1	\$14,724.34	\$2,128.69
g1	\$200.84	\$0.00
g1	\$8,996.60	\$2,987.19
g1	-\$1,527.37	-\$506.58
g1	\$1,762.93	\$772.16
g1	\$64,002.67	\$2,335.62
g1	\$6,583.22	\$0.00
g1	\$0.00	\$83.48
g1	\$0.00	\$1,776.10
g1	\$0.00	\$243.03
g1	-\$4,132.43	-\$1,369.91
g1	\$3,307.29	\$1,097.93
g1	-\$657.01	-\$193.79
g1	-\$43,457.64	-\$14,428.36
g1	-\$1,818.22	-\$340.31
g1	\$42,979.46	\$14,388.30
g1	\$16,083.85	\$1,586.65
		\$189.76
		\$1,102.56
	\$107,048.54	\$11,852.52

Return on Equity - Regulated **5.2%** **8.2%** **5.7%**

= to a5 & f5 **Check against OR & WA files**

Return on Equity - Book **6.2%** **5.6%** **6.1%**

= to e3

Average Rate Base (August) **413,748** **108,232** **521,980**

c1 - Rate Base File 13 month average of averages

Average Rate Base (September) **422,209** **109,505** **531,714**

d1 - Rate Base File 13 month average of averages

Authorized Return on Equity **9.40%** **9.40%**

Rate of Return - Regulated **5.1%** **6.6%** **5.4%**

= to a4 & f4

Authorized Rate of Return **7.31%** **7.28%**

Rate of Return - Book **5.2%** **6.4%** **5.4%**

= to e2

Investment Tax Credit **32** **10** **42**

b4 - FERC Income Statement

Book Operating Income **\$21,405** **\$6,902** **\$28,307**

**Check against Tony's File**

Capital Ratios

	Averages	Ratio	Weighted Cost	Cost of
Long-Term Debt	270,555	50.33%	5.01%	2.52%
Common Stock	266,985	49.67%	9.40%	4.67% OR
	537,540	100.00%	9.40%	4.67% WA

a1 - OES & WA Files  
 a1 - OES & WA Files  
 f1 - OES & WA Files

Return required for common stock **2.5800%** **4.0800%**

Common Equity - Book **268,787**

e1 - Tony's File 12 month average

Common Equity - Regulated **266,985**

OES File 13 month average of averages

Rate Base Ratios (August) from above **79.27%** **20.73%**

Rate Base Ratios (August) **78.05%** **21.95%** **387,293** **108,912** **496,205** c2 - Rate Base File 12 month average

Rate Base Ratios (September) from above **79.41%** **20.59%**

PASTE SPECIAL

**Cascade Natural Gas Corporation**  
**Regulated and Book Returns**  
**For the Twelve Months Ended September 30, 2019**

	Washington	Oregon	Total CNG
Utility Net Operating Income	\$21,385	\$7,261	\$28,646
Less: Interest Expense	10,796	3,636	14,432
<b>Regulated Income</b>	<b>\$10,589</b>	<b>\$3,625</b>	<b>\$14,214</b>
<b>Add:</b>			
Tax Reform Adjustment	0	0	0
Promotional Advertising Adj.	(2)	(1)	(3)
Removal of 25% Membership Fees	0	(15)	(15)
Normalize Uncollectible Expense	0	(3)	(3)
Interest Coordination Adj.	0	154	154
Officer's Incentive Comp. Adj.	0	(98)	(98)
Annualizing Wage Rate Adj.	54	20	74
PGA Commodity Sharing Adj.	0	(406)	(406)
Weather Normalization Adj.	0	0	0
Other Income & Deductions	3,200	166	3,366
Nonregulated Income Taxes	(748)	(155)	(903)
Prior period adjustment	0	0	0
<b>Total Adjustments</b>	<b>2,504</b>	<b>(338)</b>	<b>2,166</b>
<b>Book Income</b>	<b>\$13,093</b>	<b>\$3,287</b>	<b>\$16,380</b>
Common Equity - Ratemaking	\$203,635	\$44,207	\$247,842
Difference in method	6,153	14,792	20,945
<b>Common Equity - Book</b>	<b>\$209,788</b>	<b>\$58,999</b>	<b>\$268,787</b>
<b>Return on Equity - Regulated*</b>	<b>5.2%</b>	<b>8.2%</b>	<b>5.7%</b>
<b>Return on Equity - Book</b>	<b>6.2%</b>	<b>5.6%</b>	<b>6.1%</b>
<b>Average Rate Base</b>	<b>422,209</b>	<b>109,505</b>	<b>531,714</b>
<b>Authorized Return on Equity</b>	<b>9.40%</b>	<b>9.40%</b>	
<b>End of Period:</b>			
Rate Base	439,867	116,192	556,059
CWIP (not included in rate base)	25,064	3,110	28,174

Rate Base file end of period regulated WA, end of period OR  
 file from Jordan Harris (201803 - Utility Group Fixed Asset Monthly Juris Reconciliation)

**Cascade Natural Gas Corporation**  
**Regulated and Book Returns**  
**For the Twelve Months Ended June 30, 2019**

	<u>Washington</u>	<u>Oregon</u>	<u>Total CNG</u>
Utility Net Operating Income	\$22,675	\$6,620	\$29,295
Less: Interest Expense	10,170	3,373	13,543
<b>Regulated Income</b>	<b>\$12,505</b>	<b>\$3,247</b>	<b>\$15,752</b>
Add:			
Tax Reform Adjustment	0	0	0
Promotional Advertising Adj.	(1)	(1)	(2)
Removal of 25% Membership Fees	0	(14)	(14)
Normalize Uncollectible Expense	0	24	24
Interest Coordination Adj.	0	84	84
Officer's Incentive Comp. Adj.	0	(98)	(98)
Annualizing Wage Rate Adj.	54	20	74
PGA Commodity Sharing Adj.	0	(378)	(378)
Weather Normalization Adj.	0	0	0
Other Income & Deductions	2,285	117	2,402
Nonregulated Income Taxes	(666)	(205)	(871)
Prior period adjustment	0	0	0
<b>Total Adjustments</b>	<b>1,672</b>	<b>(451)</b>	<b>1,221</b>
<b>Book Income</b>	<b>\$14,177</b>	<b>\$2,796</b>	<b>\$16,973</b>
Common Equity - Ratemaking	\$205,000	\$44,479	\$249,479
Difference in method	(6,079)	12,876	6,797
<b>Common Equity - Book</b>	<b>\$198,921</b>	<b>\$57,355</b>	<b>\$256,276</b>
<b>Return on Equity - Regulated*</b>	<b>6.1%</b>	<b>7.3%</b>	<b>6.3%</b>
<b>Return on Equity - Book</b>	<b>7.1%</b>	<b>4.9%</b>	<b>6.6%</b>
<b>Average Rate Base</b>	<b>395,919</b>	<b>105,358</b>	<b>501,277</b>
<b>Authorized Return on Equity</b>	<b>9.40%</b>	<b>9.40%</b>	
End of Period:			
Rate Base	416,768	114,499	531,267
CWIP (not included in rate base)	16,566	1,611	18,177

June 2019

	Washington	Oregon	Total CNG
Utility Net Operating Income	\$22,675	\$6,620	\$29,295
Less: Interest Expense	(10,170)	(3,373)	(13,543)
Less: Prior period adjustment	-	-	-
Regulated Income	\$12,505	\$3,247	\$15,752

OES & WA Files  
 FERC Income Statement  
 Adj.'s from OES & WA Files

Inputs to check for rounding		
f2	\$22,675.17	\$6,620.35
b2	-\$10,170.49	-\$3,373.25
	\$12,504.68	\$3,247.11

Add:

Tax Reform Adjustment	-	-	-
Promotional Advertising Adj.	(1)	(1)	(2)
Removal of 25% Membership Fees		(14)	(14)
Normalize Uncollectible Expense		24	24
Interest Coordination Adj.		84	84
Officer's Incentive Comp. Adj.		(98)	(98)
Annualizing Wage Rate Adj.	54	20	74
PGA Commodity Sharing Adj.		(378)	(378)
Weather Normalization Adj.	-	-	-
Other Income & Deductions	2,285	117	2,402
Nonregulated Income Taxes	(666)	(205)	(871)
Prior period adjustment	-	-	-
Total Adjustments	1,672	(451)	1,221

Adj.'s Jurisdictional Returns  
 Adj.'s from OES & WA Files  
 Adj.'s from OES & WA Files  
 Adj.'s from OES & WA Files  
 Adj.'s from OES & WA Files  
 Adj.'s from OES & WA Files  
 Adj.'s from OES & WA Files  
 Adj.'s from OES & WA Files  
 FERC Income Statement  
 FERC Income Statement  
 copied from above

e4		
f3	-\$0.97	-\$1.34
		-\$13.79
		\$23.91
		\$84.20
		-\$98.45
f3	\$54.05	\$20.36
		-\$378.58
b1	\$2,285.24	\$117.39
b3	-\$665.98	-\$204.63
	\$0.00	\$0.00
	\$1,672.35	-\$450.93

Book Utility Net Income \$14,177 \$2,796 \$16,973 **\$16,973 tie to 12-month IS for rounding issues**

\$14,177.03 \$2,796.17

Common Equity - Ratemaking	\$205,000	\$44,479	\$249,479
Add:			
CWIP	11,899	1,964	13,863
Nonutility Property	202	-	202
Utility SERP/SISP	9,140	3,048	12,188
Intercompany A/R & A/P	(1,465)	(487)	(1,952)
Accum Deferred DIT's	1,900	839	2,739
PGA	42,123	357	42,480
Conservation	6,470	-	6,470
Intervener Funding	-	68	68
OR Eugene MGP	-	1,917	1,917
MAOP	-	115	115
Decoupling Mechanisms	(5,057)	(1,320)	(6,377)
MDUR I/C Asset-Net Benefit Funding	3,304	1,101	4,405
Customer Deposits	(669)	(206)	(875)
FAS109	(44,111)	(14,708)	(58,819)
EDIT's & Tax Credits	(1,810)	(141)	(1,951)
Accum DIT's	43,676	14,679	58,355
Non-Operating Working Capital	9,145	1,007	10,152
Cash		182	182
Pension		2,213	2,213
Other	(80,826)	2,248	(78,578)
Total Difference in Method	(6,079)	12,876	6,797
Common Equity - Book	\$198,921	\$57,355	\$256,276

- Working Capital File 13 month average of averages

g1	\$11,899.29	\$1,964.49
g1	\$201.86	\$0.00
g1	\$9,139.84	\$3,047.83
g1	-\$1,464.88	-\$487.32
g1	\$1,899.52	\$839.22
g1	\$42,123.06	\$356.65
g1	\$6,469.89	\$0.00
g1	\$0.00	\$68.39
g1	\$0.00	\$1,917.26
g1	\$0.00	\$115.44
g1	-\$5,057.49	-\$1,320.46
g1	\$3,303.76	\$1,101.45
g1	-\$668.67	-\$206.37
g1	-\$44,111.09	-\$14,708.34
g1	-\$1,810.10	-\$141.25
g1	\$43,675.50	\$14,679.07
g1	\$9,144.77	\$1,007.32
		\$181.85
		\$2,213.40
	\$74,745.26	\$10,628.63

Return on Equity - Regulated 6.1% 7.3% 6.3%

= to a5 & f5 **Check against OR & WA files**

Return on Equity - Book 7.1% 4.9% 6.6%

= to e3

Average Rate Base (May) 386,963 103,961 490,924

c1 - Rate Base File 13 month average of averages

Average Rate Base (June) 395,919 105,358 501,277

d1 - Rate Base File 13 month average of averages

Authorized Return on Equity 9.40% 9.40%

Rate of Return - Regulated 5.7% 6.3% 5.8%

= to a4 & f4

Authorized Rate of Return 7.31% 7.28%

Rate of Return - Book 5.9% 6.0% 5.9%

= to e2

Investment Tax Credit 32 10 42

b4 - FERC Income Statement

Book Operating Income \$22,696 \$6,247 \$28,943

**Check against Tony's File**

Capital Ratios

	Averages	Ratio	Weighted Cost	Cost of
Long-Term Debt	251,158	49.69%	5.33%	2.65%
Common Stock	254,328	50.31%	9.40%	4.73% OR
	505,486	100.00%	9.40%	4.73% WA
Return required for common stock	3.0500%	3.6500%		
Common Equity - Book			256,276	e1 - Tony's File 12 month average
Common Equity - Regulated			254,328	OES File 13 month average of averages
Rate Base Ratios (May) from above	78.82%	21.18%		
Rate Base Ratios (May)	77.62%	22.38%	362,912 104,621 467,533	c2 - Rate Base File 12 month average
Rate Base Ratios (June) from above	78.98%	21.02%		

PASTE SPECIAL

**Cascade Natural Gas Corporation**  
**Regulated and Book Returns**  
**For the Twelve Months Ended June 30, 2019**

	Washington	Oregon	Total CNG
Utility Net Operating Income	\$22,675	\$6,620	\$29,295
Less: Interest Expense	10,170	3,373	13,543
<b>Regulated Income</b>	<b>\$12,505</b>	<b>\$3,247</b>	<b>\$15,752</b>
<b>Add:</b>			
Tax Reform Adjustment	0	0	0
Promotional Advertising Adj.	(1)	(1)	(2)
Removal of 25% Membership Fees	0	(14)	(14)
Normalize Uncollectible Expense	0	24	24
Interest Coordination Adj.	0	84	84
Officer's Incentive Comp. Adj.	0	(98)	(98)
Annualizing Wage Rate Adj.	54	20	74
PGA Commodity Sharing Adj.	0	(378)	(378)
Weather Normalization Adj.	0	0	0
Other Income & Deductions	2,285	117	2,402
Nonregulated Income Taxes	(666)	(205)	(871)
Prior period adjustment	0	0	0
<b>Total Adjustments</b>	<b>1,672</b>	<b>(451)</b>	<b>1,221</b>
<b>Book Income</b>	<b>\$14,177</b>	<b>\$2,796</b>	<b>\$16,973</b>
Common Equity - Ratemaking	\$205,000	\$44,479	\$249,479
Difference in method	(6,079)	12,876	6,797
<b>Common Equity - Book</b>	<b>\$198,921</b>	<b>\$57,355</b>	<b>\$256,276</b>
<b>Return on Equity - Regulated*</b>	<b>6.1%</b>	<b>7.3%</b>	<b>6.3%</b>
<b>Return on Equity - Book</b>	<b>7.1%</b>	<b>4.9%</b>	<b>6.6%</b>
<b>Average Rate Base</b>	<b>395,919</b>	<b>105,358</b>	<b>501,277</b>
<b>Authorized Return on Equity</b>	<b>9.40%</b>	<b>9.40%</b>	
<b>End of Period:</b>			
Rate Base	416,768	114,499	531,267
CWIP (not included in rate base)	16,566	1,611	18,177

Rate Base file end of period regulated WA, end of period OR  
 file from Jordan Harris (201803 - Utility Group Fixed Asset Monthly Juris Reconciliation)

**Cascade Natural Gas Corporation**  
**Regulated and Book Returns**  
**For the Twelve Months Ended March 31, 2019**

	<u>Washington</u>	<u>Oregon</u>	<u>Total CNG</u>
Utility Net Operating Income	\$21,303	\$5,573	\$26,876
Less: Interest Expense	9,384	3,068	12,452
<b>Regulated Income</b>	<b>\$11,919</b>	<b>\$2,505</b>	<b>\$14,424</b>
Add:			
Tax Reform Adjustment	0	0	0
Promotional Advertising Adj.	(1)	(2)	(3)
Removal of 25% Membership Fees	0	(15)	(15)
Normalize Uncollectible Expense	0	10	10
Interest Coordination Adj.	0	82	82
Officer's Incentive Comp. Adj.	0	(98)	(98)
Annualizing Wage Rate Adj.	54	20	74
PGA Commodity Sharing Adj.	0	(339)	(339)
Weather Normalization Adj.	0	0	0
Other Income & Deductions	(23)	(10)	(33)
Nonregulated Income Taxes	330	165	495
Prior period adjustment	0	0	0
<b>Total Adjustments</b>	<b>360</b>	<b>(187)</b>	<b>173</b>
<b>Book Income</b>	<b>\$12,279</b>	<b>\$2,318</b>	<b>\$14,597</b>
Common Equity - Ratemaking	\$186,234	\$43,190	\$229,424
Difference in method	3,751	12,919	16,670
<b>Common Equity - Book</b>	<b>\$189,985</b>	<b>\$56,109</b>	<b>\$246,094</b>
<b>Return on Equity - Regulated*</b>	<b>6.4%</b>	<b>5.8%</b>	<b>6.3%</b>
<b>Return on Equity - Book</b>	<b>6.5%</b>	<b>4.1%</b>	<b>5.9%</b>
<b>Average Rate Base</b>	<b>368,331</b>	<b>101,501</b>	<b>469,832</b>
<b>Authorized Return on Equity</b>	<b>9.40%</b>	<b>9.40%</b>	
End of Period:			
Rate Base	395,111	108,836	503,947
CWIP (not included in rate base)	14,271	831	15,102

March 2019

Inputs to check for rounding		
f2	\$21,302.78	\$5,573.24 a2
b2	-\$9,384.06	-\$3,068.33 b2
	\$11,918.72	\$2,504.91

	Washington	Oregon	Total CNG
Utility Net Operating Income	\$21,303	\$5,573	\$26,876
Less: Interest Expense	(9,384)	(3,068)	(12,452)
Less: Prior period adjustment	-	-	-
Regulated Income	\$11,919	\$2,505	\$14,424

OES & WA Files  
 FERC Income Statement  
 Adj.'s from OES & WA Files

	Washington	Oregon	Total CNG
Add:			
Tax Reform Adjustment	-	-	-
Promotional Advertising Adj.	(1)	(2)	(3)
Removal of 25% Membership Fees		(15)	(15)
Normalize Uncollectible Expense		10	10
Interest Coordination Adj.		82	82
Officer's Incentive Comp. Adj.		(98)	(98)
Annualizing Wage Rate Adj.	54	20	74
PGA Commodity Sharing Adj.		(339)	(339)
Weather Normalization Adj.	-	-	-
Other Income & Deductions	(23)	(10)	(33)
Nonregulated Income Taxes	330	165	495
Prior period adjustment	-	-	-
Total Adjustments	360	(187)	173

Adj.'s Jurisdictional Returns  
 Adj.'s from OES & WA Files  
 Adj.'s from OES & WA Files  
 Adj.'s from OES & WA Files  
 Adj.'s from OES & WA Files  
 Adj.'s from OES & WA Files  
 Adj.'s from OES & WA Files  
 Adj.'s from OES & WA Files  
 FERC Income Statement  
 FERC Income Statement  
 copied from above

e4		
f3	-\$1.03	-\$1.55 a3
		-\$14.56 a3
		\$10.27 a3
		\$81.54 a3
		-\$98.45 a3
f3	\$54.05	\$20.36 a3
		-\$339.14 a3
b1	-\$23.13	-\$9.55 b1
b3	\$329.84	\$165.20 b3
	\$0.00	\$0.00
	\$359.72	-\$185.88

Book Utility Net Income \$12,279 \$2,318 \$14,597 **\$14,597 tie to 12-month IS for rounding issues**

\$12,278.44 \$2,319.03

	Washington	Oregon	Total CNG
Common Equity - Ratemaking	\$186,234	\$43,190	\$229,424
Add:			
CWIP	10,501	2,029	12,530
Nonutility Property	202	-	202
Utility SERP/SISP	9,289	3,110	12,399
Intercompany A/R & A/P	(1,440)	(481)	(1,921)
Accum Deferred DIT's	1,973	878	2,851
PGA	20,154	(1,372)	18,782
Conservation	6,282	-	6,282
Intervener Funding	-	57	57
OR Eugene MGP	-	1,942	1,942
Decoupling Mechanisms	(5,899)	(1,372)	(7,271)
MDUR I/C Asset-Net Benefit Funding	3,289	1,101	4,390
Customer Deposits	(689)	(216)	(905)
FAS109	(44,782)	(14,995)	(59,777)
WA EDIT's & Tax Credits	(1,488)	-	(1,488)
Accum DIT's	44,386	14,979	59,365
Non-Operating Working Capital	4,123	559	4,682
Cash		197	197
Pension		3,298	3,298
Other	(42,150)	3,205	(38,945)
Total Difference in Method	3,751	12,919	16,670
Common Equity - Book	\$189,985	\$56,109	\$246,094

- Working Capital File 13 month average of averages

g1	\$10,500.74	\$2,029.30 g2
g1	\$202.03	\$0.00 g2
g1	\$9,289.04	\$3,110.25 g2
g1	-\$1,439.57	-\$480.71 g2
g1	\$1,973.03	\$877.52 g2
g1	\$20,153.52	-\$1,372.34 g2
g1	\$6,281.67	\$0.00 g2
g1	\$0.00	\$57.35 g2
g1	\$0.00	\$1,942.40 g2
g1	-\$5,899.03	-\$1,371.52 g2
g1	\$3,289.12	\$1,101.24 g2
g1	-\$689.04	-\$215.59 g2
g1	-\$44,781.80	-\$14,995.07 g2
g1	-\$1,487.60	\$0.00 g2
g1	\$44,385.99	\$14,978.77 g2
g1	\$4,123.21	\$558.76 g2
		\$197.49 g3
		\$3,297.59 g4
	\$45,901.33	\$9,715.44

Return on Equity - Regulated	6.4%	5.8%	6.3%
Return on Equity - Book	6.5%	4.1%	5.9%
Average Rate Base (February)	359,497	100,314	459,811
Average Rate Base (March)	368,331	101,501	469,832
Authorized Return on Equity	9.40%	9.40%	
Rate of Return - Regulated	5.8%	5.5%	5.7%
Authorized Rate of Return	7.31%	7.28%	
Rate of Return - Book	5.9%	5.2%	5.8%
Investment Tax Credit	32	10	42
Book Operating Income	\$21,324	\$5,221	\$26,545

= to a5 & f5 **Check against OR & WA files**  
 = to e3  
 c1 - Rate Base File 13 month average of averages  
 d1 - Rate Base File 13 month average of averages  
 = to a4 & f4  
 = to e2  
 b4 - FERC Income Statement  
**Check against Tony's File**

**Capital Ratios**

	Averages	Ratio	Weighted Cost	Cost of
Long-Term Debt	237,926	49.30%	5.16%	2.54%
Common Stock	244,665	50.70%	9.40%	4.77% <b>OR</b>
	482,591	100.00%	9.40%	4.77% <b>WA</b>
Return required for common stock	3.2600%	2.9600%		
Common Equity - Book			246,094	e1 - Tony's File 12 month average
Common Equity - Regulated			244,665	OES File 13 month average of averages
Rate Base Ratios (February) from above	78.18%	21.82%		
Rate Base Ratios (February)	77.20%	22.80%	341,641 100,902 442,543	c2 - Rate Base File 12 month average
Rate Base Ratios (March) from above	78.40%	21.60%		

PASTE SPECIAL

**Cascade Natural Gas Corporation**  
**Regulated and Book Returns**  
**For the Twelve Months Ended March 31, 2019**

	Washington	Oregon	Total CNG
Utility Net Operating Income	\$21,303	\$5,573	\$26,876
Less: Interest Expense	9,384	3,068	12,452
<b>Regulated Income</b>	<b>\$11,919</b>	<b>\$2,505</b>	<b>\$14,424</b>
Add:			
Tax Reform Adjustment	0	0	0
Promotional Advertising Adj.	(1)	(2)	(3)
Removal of 25% Membership Fees	0	(15)	(15)
Normalize Uncollectible Expense	0	10	10
Interest Coordination Adj.	0	82	82
Officer's Incentive Comp. Adj.	0	(98)	(98)
Annualizing Wage Rate Adj.	54	20	74
PGA Commodity Sharing Adj.	0	(339)	(339)
Weather Normalization Adj.	0	0	0
Other Income & Deductions	(23)	(10)	(33)
Nonregulated Income Taxes	330	165	495
Prior period adjustment	0	0	0
<b>Total Adjustments</b>	<b>360</b>	<b>(187)</b>	<b>173</b>
<b>Book Income</b>	<b>\$12,279</b>	<b>\$2,318</b>	<b>\$14,597</b>
Common Equity - Ratemaking	\$186,234	\$43,190	\$229,424
Difference in method	3,751	12,919	16,670
<b>Common Equity - Book</b>	<b>\$189,985</b>	<b>\$56,109</b>	<b>\$246,094</b>
<b>Return on Equity - Regulated*</b>	<b>6.4%</b>	<b>5.8%</b>	<b>6.3%</b>
<b>Return on Equity - Book</b>	<b>6.5%</b>	<b>4.1%</b>	<b>5.9%</b>
<b>Average Rate Base</b>	<b>368,331</b>	<b>101,501</b>	<b>469,832</b>
<b>Authorized Return on Equity</b>	<b>9.40%</b>	<b>9.40%</b>	
End of Period:			
Rate Base	395,111	108,836	503,947
CWIP (not included in rate base)	14,271	831	15,102

Rate Base file end of period regulated WA, end of period OR  
 file from Jordan Harris (201803 - Utility Group Fixed Asset Monthly Juris Reconciliation)



**Cascade Natural Gas Corporation**  
**Regulated and Book Returns**  
**For the Twelve Months Ended December 31, 2018**

	<u>Washington</u>	<u>Oregon</u>	<u>Total CNG</u>
Utility Net Operating Income	\$21,562	\$5,870	\$27,432
Less: Interest Expense	9,083	2,914	11,997
<b>Regulated Income</b>	<b>\$12,479</b>	<b>\$2,956</b>	<b>\$15,435</b>
Add:			
Tax Reform Adjustment	0	0	0
Promotional Advertising Adj.	(1)	(1)	(2)
Removal of 25% Membership Fees	0	(14)	(14)
Normalize Uncollectible Expense	0	18	18
Interest Coordination Adj.	0	62	62
Officer's Incentive Comp. Adj.	0	(100)	(100)
Annualizing Wage Rate Adj.	54	21	75
PGA Commodity Sharing Adj.	0	(265)	(265)
Weather Normalization Adj.	0	0	0
Other Income & Deductions	(693)	(94)	(787)
Nonregulated Income Taxes	176	57	233
Prior period adjustment	0	0	0
<b>Total Adjustments</b>	<b>(464)</b>	<b>(316)</b>	<b>(780)</b>
<b>Book Income</b>	<b>\$12,015</b>	<b>\$2,640</b>	<b>\$14,655</b>
Common Equity - Ratemaking	\$140,213	\$43,471	\$183,684
Difference in method	43,388	11,867	55,255
<b>Common Equity - Book</b>	<b>\$183,601</b>	<b>\$55,338</b>	<b>\$238,939</b>
<b>Return on Equity - Regulated*</b>	<b>8.9%</b>	<b>6.8%</b>	<b>8.4%</b>
<b>Return on Equity - Book</b>	<b>6.6%</b>	<b>4.8%</b>	<b>6.2%</b>
<b>Average Rate Base</b>	<b>302,980</b>	<b>98,079</b>	<b>401,059</b>
<b>Authorized Return on Equity</b>	<b>9.40%</b>	<b>9.40%</b>	
End of Period:			
Rate Base	333,938	107,743	441,681
CWIP (not included in rate base)	10,813	2,041	12,854

December 2018

	Washington	Oregon	Total CNG
Utility Net Operating Income	\$21,562	\$5,870	\$27,432
Less: Interest Expense	(9,083)	(2,914)	(11,997)
Less: Prior period adjustment	-	-	-
Regulated Income	\$12,479	\$2,956	\$15,435

OES & WA Files  
 FERC Income Statement  
 Adj.'s from OES & WA Files

Inputs to check for rounding		
f2	\$21,562.23	\$5,870.36
b2	-\$9,083.27	-\$2,914.00
	\$12,478.96	\$2,956.36

Add:

Tax Reform Adjustment	-	-	-
Promotional Advertising Adj.	(1)	(1)	(2)
Removal of 25% Membership Fees		(14)	(14)
Normalize Uncollectible Expense		18	18
Interest Coordination Adj.		62	62
Officer's Incentive Comp. Adj.		(100)	(100)
Annualizing Wage Rate Adj.	54	21	75
PGA Commodity Sharing Adj.		(265)	(265)
Weather Normalization Adj.	-	-	-
Other Income & Deductions	(693)	(94)	(787)
Nonregulated Income Taxes	176	57	233
Prior period adjustment	-	-	-
Total Adjustments	(464)	(316)	(780)

Adj.'s Jurisdictional Returns  
 Adj.'s from OES & WA Files  
 Adj.'s from OES & WA Files  
 Adj.'s from OES & WA Files  
 Adj.'s from OES & WA Files  
 Adj.'s from OES & WA Files  
 Adj.'s from OES & WA Files  
 Adj.'s from OES & WA Files  
 FERC Income Statement  
 FERC Income Statement  
 copied from above

e4		
f3	-\$0.99	-\$0.94
		-\$13.86
		\$17.38
		\$61.88
		-\$99.72
f3	\$53.82	\$20.62
		-\$265.22
b1	-\$693.22	-\$93.77
b3	\$176.35	\$57.02
	\$0.00	\$0.00
	-\$464.04	-\$316.60

Book Utility Net Income \$12,015 \$2,640 \$14,655 **\$14,655 tie to 12-month IS for rounding issues**

\$12,014.92 \$2,639.76

Common Equity - Ratemaking	\$140,213	\$43,471	\$183,684
Add:			
CWIP	9,207	2,096	11,303
Intercompany	(1,361)	(457)	(1,818)
PGA	6,744		6,744
OR Eugene MGP		1,841	1,841
Conservation	5,662	-	5,662
Customer Deposits	(693)	(221)	(914)
Non-Operating Working Capital	(1,974)	(457)	(2,431)
Nonutility Property	202		202
Utility SERP/SISP	9,195	3,088	12,283
MDUR I/C Asset-Net Benefit Funding	3,220	1,081	4,301
Cash		268	268
Pension		5,142	5,142
Other	13,186	(514)	12,672
Total Difference in Method	43,388	11,867	55,255
Common Equity - Book	\$183,601	\$55,338	\$238,939

- Working Capital File 13 month average of averages

g1	\$9,206.78	\$2,096.15
g1	-\$1,360.91	-\$457.27
g1	\$6,743.57	\$24.72
g1		\$1,841.05
g1	\$5,662.33	
g1	-\$692.72	-\$220.85
g1	-\$1,973.61	-\$457.19
g1	\$202.03	
g1	\$9,194.85	\$3,088.28
g1	\$3,219.82	\$1,081.45
		\$267.83
		\$5,141.95
	\$30,202.15	\$12,406.11

Return on Equity - Regulated 8.9% 6.8% 8.4%

= to a5 & f5 **Check against OR & WA files**

Return on Equity - Book 6.6% 4.8% 6.2%

= to e3

Average Rate Base (November) 301,209 96,903 398,112

c1 - Rate Base File 13 month average of averages

Average Rate Base (December) 302,980 98,079 401,059

d1 - Rate Base File 13 month average of averages

Authorized Return on Equity 9.40% 9.40%

Rate of Return - Regulated 7.1% 6.0% 6.8%

= to a4 & f4

Authorized Rate of Return 7.31% 7.28%

Rate of Return - Book 7.2% 5.8% 6.8%

= to e2

Investment Tax Credit 32 10 42

b4 - FERC Income Statement

Book Operating Income \$21,583 \$5,581 \$27,164

**Check against Tony's File**

Capital Ratios

	Averages	Ratio	Weighted Cost	Cost of	
Long-Term Debt	228,995	49.25%	5.19%	2.56%	a1 - OES & WA Files
Common Stock	236,004	50.75%	9.40%	4.77% OR	a1 - OES & WA Files
	464,999	100.00%	9.40%	4.77% WA	f1 - OES & WA Files
Return required for common stock	4.5400%	3.4400%			
Common Equity - Book			238,939		e1 - Tony's File 12 month average
Common Equity - Regulated			236,004		OES File 13 month average of averages
Rate Base Ratios (November) from above	75.66%	24.34%			
Rate Base Ratios (November)	76.84%	23.16%	323,379	97,492 420,871	c2 - Rate Base File 12 month average
Rate Base Ratios (December) from above	75.54%	24.46%			

PASTE SPECIAL

**Cascade Natural Gas Corporation**  
**Regulated and Book Returns**  
**For the Twelve Months Ended December 31, 2018**

	Washington	Oregon	Total CNG
Utility Net Operating Income	\$21,562	\$5,870	\$27,432
Less: Interest Expense	9,083	2,914	11,997
<b>Regulated Income</b>	<b>\$12,479</b>	<b>\$2,956</b>	<b>\$15,435</b>
Add:			
Tax Reform Adjustment	0	0	0
Promotional Advertising Adj.	(1)	(1)	(2)
Removal of 25% Membership Fees	0	(14)	(14)
Normalize Uncollectible Expense	0	18	18
Interest Coordination Adj.	0	62	62
Officer's Incentive Comp. Adj.	0	(100)	(100)
Annualizing Wage Rate Adj.	54	21	75
PGA Commodity Sharing Adj.	0	(265)	(265)
Weather Normalization Adj.	0	0	0
Other Income & Deductions	(693)	(94)	(787)
Nonregulated Income Taxes	176	57	233
Prior period adjustment	0	0	0
<b>Total Adjustments</b>	<b>(464)</b>	<b>(316)</b>	<b>(780)</b>
<b>Book Income</b>	<b>\$12,015</b>	<b>\$2,640</b>	<b>\$14,655</b>
Common Equity - Ratemaking	\$140,213	\$43,471	\$183,684
Difference in method	43,388	11,867	55,255
<b>Common Equity - Book</b>	<b>\$183,601</b>	<b>\$55,338</b>	<b>\$238,939</b>
<b>Return on Equity - Regulated*</b>	<b>8.9%</b>	<b>6.8%</b>	<b>8.4%</b>
<b>Return on Equity - Book</b>	<b>6.6%</b>	<b>4.8%</b>	<b>6.2%</b>
<b>Average Rate Base</b>	<b>302,980</b>	<b>98,079</b>	<b>401,059</b>
<b>Authorized Return on Equity</b>	<b>9.40%</b>	<b>9.40%</b>	
End of Period:			
Rate Base	333,938	107,743	441,681
CWIP (not included in rate base)	10,813	2,041	12,854

Rate Base file end of period regulated WA, end of period OR  
 file from Jordan Harris (201803 - Utility Group Fixed Asset Monthly Juris Reconciliation)

September 2018

	Washington	Oregon	Total CNG
Utility Net Operating Income	\$18,816	\$4,500	\$23,316
Less: Interest Expense	(9,224)	(2,952)	(12,176)
Less: Prior period adjustment	-	-	-
Regulated Income	\$9,592	\$1,548	\$11,140

Add:			
Tax Reform Adjustment	1,430	74	1,504
Promotional Advertising Adj.	(1)	(1)	(2)
Removal of 25% Membership Fees		(11)	(11)
Normalize Uncollectible Expense		2	2
Interest Coordination Adj.		104	104
Officer's Incentive Comp. Adj.	(222)	(70)	(292)
Annualizing Wage Rate Adj.	57	18	75
PGA Commodity Sharing Adj.		49	49
Weather Normalization Adj.	-	-	-
Other Income & Deductions	2	164	166
Nonregulated Income Taxes	(47)	(19)	(66)
Prior period adjustment	-	-	-
Total Adjustments	1,219	310	1,529

Book Utility Net Income \$10,811 \$1,858 \$12,669 **\$11,165 tie to 12-month IS for rounding issues**

Common Equity - Ratemaking			
Add:			
CWIP	9,839	2,434	12,273
Intercompany	(1,332)	(448)	(1,780)
PGA	6,600		6,600
OR Eugene MGP		1,821	1,821
Conservation	3,806	51	3,857
Customer Deposits	(682)	(227)	(909)
Non-Operating Working Capital	(1,102)	(277)	(1,379)
Nonutility Property	202		202
Utility SERP/SISP	8,814	2,953	11,767
MDUR I/C Asset-Net Benefit Funding	3,155	1,057	4,212
Cash		373	373
Pension		4,539	4,539
Other	7,759	4,704	12,463
Total Difference in Method	37,059	16,980	54,039
Common Equity - Book	\$176,073	\$52,980	\$229,053

Return on Equity - Regulated 6.9% 4.3% 6.4%

Return on Equity - Book 6.1% 3.5% 5.5%

Average Rate Base (August) 310,458 93,588 404,046

Average Rate Base (September) 306,361 94,600 400,961

Authorized Return on Equity 9.40% 9.40%

Rate of Return - Regulated 6.1% 4.8% 5.8%

Authorized Rate of Return 7.31% 7.28%

Rate of Return - Book 6.4% 5.0% 6.1%

Investment Tax Credit 30 9 39

Tax Reform Adjustment (Regulated Difference) 45 19 64

Book Operating Income \$20,005 \$4,637 \$24,642



Capital Ratios	Averages	Ratio	Weighted Cost	Cost of
Long-Term Debt	227,809	50.18%	5.28%	2.65%
Common Stock	226,143	49.82%	9.40%	4.68% OR
	453,952	100.00%	9.40%	4.68% WA
Return required for common stock	3.4500%	2.1500%		
Common Equity - Book			229,053	
Common Equity - Regulated			226,143	
Rate Base Ratios (August) from above	76.84%	23.16%		
Rate Base Ratios (August)	76.87%	23.13%	312,476	94,045 406,521 c2 - Rate Base File 12 month average
Rate Base Ratios (Jun) from above	76.41%	23.59%		

Inputs to check for rounding		
OES & WA Files	f2	\$18,816.07 \$4,499.95 a2
FERC Income Statement	b2	-\$9,223.89 -\$2,951.96 b2
Adj.'s from OES & WA Files		\$9,592.18 \$1,547.99

Adj.'s Jurisdictional Returns	e4	\$1,429.63 \$74.23 e4
Adj.'s from OES & WA Files	f3	-\$0.69 -\$0.44 a3
Adj.'s from OES & WA Files		
Adj.'s from OES & WA Files		-\$10.97 a3
Adj.'s from OES & WA Files		\$2.46 a3
Adj.'s from OES & WA Files		\$103.56 a3
Adj.'s from OES & WA Files	f3	-\$222.46 -\$70.15 a3
Adj.'s from OES & WA Files	f3	\$56.68 \$17.87 a3
Adj.'s from OES & WA Files		\$49.50 a3
Adj.'s from OES & WA Files		
FERC Income Statement	b1	\$1.88 \$163.76 b1
FERC Income Statement	b3	-\$46.81 -\$19.46 b3
copied from above		\$0.00 \$0.00
		\$1,218.22 \$310.36

Book Utility Net Income \$10,810.40 \$1,858.35

	g1	\$9,839.12 \$2,434.26 g2
	g1	-\$1,332.27 -\$447.65 g2
	g1	\$6,600.03
	g1	
	g1	\$1,820.63
	g1	\$3,805.55 \$50.96 g2
	g1	-\$681.70 -\$226.67 g2
	g1	-\$1,102.36 -\$277.09 g2
	g1	\$202.03
	g1	\$8,813.89 \$2,953.15 g2
	g1	\$3,155.06 \$1,057.12 g2
		\$373.18 g3
		\$4,539.10 g4
		\$29,299.36 \$12,276.98

- Working Capital File 13 month average of averages

= to a5 & f5 **Check against OR & WA files**

= to e3

c1 - Rate Base File 13 month average of averages

d1 - Rate Base File 13 month average of averages

= to a4 & f4

= to e2

b4 - FERC Income Statement

e - Tony's File 12 month average

**Check against Tony's File**

PASTE SPECIAL

**Cascade Natural Gas Corporation**  
**Regulated and Book Returns**  
**For the Twelve Months Ended September 30, 2018**

	Washington	Oregon	Total CNG
Utility Net Operating Income	\$18,816	\$4,500	\$23,316
Less: Interest Expense	9,224	2,952	12,176
<b>Regulated Income</b>	<b>\$9,592</b>	<b>\$1,548</b>	<b>\$11,140</b>
<b>Add:</b>			
Tax Reform Adjustment	1,430	74	1,504
Promotional Advertising Adj.	(1)	(1)	(2)
Removal of 25% Membership Fees	0	(11)	(11)
Normalize Uncollectible Expense	0	2	2
Interest Coordination Adj.	0	104	104
Officer's Incentive Comp. Adj.	(222)	(70)	(292)
Annualizing Wage Rate Adj.	57	18	75
PGA Commodity Sharing Adj.	0	49	49
Weather Normalization Adj.	0	0	0
Other Income & Deductions	2	164	166
Nonregulated Income Taxes	(47)	(19)	(66)
Prior period adjustment	0	0	0
<b>Total Adjustments</b>	<b>1,219</b>	<b>310</b>	<b>1,529</b>
<b>Book Income</b>	<b>\$10,811</b>	<b>\$1,858</b>	<b>\$12,669</b>
Common Equity - Ratemaking	\$139,014	\$36,000	\$175,014
Difference in method	37,059	16,980	54,039
<b>Common Equity - Book</b>	<b>\$176,073</b>	<b>\$52,980</b>	<b>\$229,053</b>
<b>Return on Equity - Regulated*</b>	<b>6.9%</b>	<b>4.3%</b>	<b>6.4%</b>
<b>Return on Equity - Book</b>	<b>6.1%</b>	<b>3.5%</b>	<b>5.5%</b>
<b>Average Rate Base</b>	<b>306,361</b>	<b>94,600</b>	<b>400,961</b>
<b>Authorized Return on Equity</b>	<b>9.40%</b>	<b>9.40%</b>	
<b>End of Period:</b>			
Rate Base	321,837	101,975	423,812
CWIP (not included in rate base)	8,045	1,319	9,364

Rate Base file end of period regulated WA, end of period OR  
 file from Jordan Harris (201803 - Utility Group Fixed Asset Monthly Juris Reconciliation)

**Cascade Natural Gas Corporation**  
**Regulated and Book Returns**  
**For the Twelve Months Ended September 30, 2018**

	<u>Washington</u>	<u>Oregon</u>	<u>Total CNG</u>
Utility Net Operating Income	\$18,594	\$4,500	\$23,094
Less: Interest Expense	9,224	2,952	12,176
<b>Regulated Income</b>	<b>\$9,370</b>	<b>\$1,548</b>	<b>\$10,918</b>
<b>Add:</b>			
Tax Reform Adjustment	1,430	74	1,504
Promotional Advertising Adj.	(1)	(1)	(2)
Removal of 25% Membership Fees	0	(11)	(11)
Normalize Uncollectible Expense	0	2	2
Interest Coordination Adj.	0	104	104
Officer's Incentive Comp. Adj.	0	(70)	(70)
Annualizing Wage Rate Adj.	57	18	75
PGA Commodity Sharing Adj.	0	49	49
Weather Normalization Adj.	0	0	0
Other Income & Deductions	2	164	166
Nonregulated Income Taxes	(47)	(19)	(66)
Prior period adjustment	0	0	0
<b>Total Adjustments</b>	<b>1,441</b>	<b>310</b>	<b>1,751</b>
<b>Book Income</b>	<b>\$10,811</b>	<b>\$1,858</b>	<b>\$12,669</b>
Common Equity - Ratemaking	\$135,797	\$36,000	\$171,797
Difference in method	40,276	16,980	57,256
<b>Common Equity - Book</b>	<b>\$176,073</b>	<b>\$52,980</b>	<b>\$229,053</b>
<b>Return on Equity - Regulated*</b>	<b>6.9%</b>	<b>4.3%</b>	<b>6.4%</b>
<b>Return on Equity - Book</b>	<b>6.1%</b>	<b>3.5%</b>	<b>5.5%</b>
<b>Average Rate Base</b>	<b>306,361</b>	<b>94,600</b>	<b>400,961</b>
<b>Authorized Return on Equity</b>	<b>9.40%</b>	<b>9.40%</b>	
<b>End of Period:</b>			
Rate Base	321,837	101,975	423,812
CWIP (not included in rate base)	8,045	1,319	9,364

September 2018

	Washington	Oregon	Total CNG
Utility Net Operating Income	\$18,594	\$4,500	\$23,094
Less: Interest Expense	(9,224)	(2,952)	(12,176)
Less: Prior period adjustment	-	-	-
Regulated Income	\$9,370	\$1,548	\$10,918

Add:			
Tax Reform Adjustment	1,430	74	1,504
Promotional Advertising Adj.	(1)	(1)	(2)
Removal of 25% Membership Fees		(11)	(11)
Normalize Uncollectible Expense		2	2
Interest Coordination Adj.		104	104
Officer's Incentive Comp. Adj.		(70)	(70)
Annualizing Wage Rate Adj.	57	18	75
PGA Commodity Sharing Adj.		49	49
Weather Normalization Adj.	-	-	-
Other Income & Deductions	2	164	166
Nonregulated Income Taxes	(47)	(19)	(66)
Prior period adjustment	-	-	-
Total Adjustments	1,441	310	1,751

Book Utility Net Income \$10,811 \$1,858 \$12,669 **\$11,165 tie to 12-month IS for rounding issues**

Common Equity - Ratemaking			
Add:	\$135,797	\$36,000	\$171,797
CWIP	9,839	2,434	12,273
Intercompany	(1,332)	(448)	(1,780)
PGA	6,600		6,600
OR Eugene MGP		1,821	1,821
Conservation	(16)	51	35
Customer Deposits	(682)	(227)	(909)
Non-Operating Working Capital	(346)	(97)	(443)
Nonutility Property	202		202
Utility SERP/SISP	8,814	2,953	11,767
MDUR I/C Asset-Net Benefit Funding	3,155	1,057	4,212
Cash		373	373
Pension		4,539	4,539
Other	14,042	4,524	18,566
Total Difference in Method	40,276	16,980	57,256
Common Equity - Book	\$176,073	\$52,980	\$229,053

Return on Equity - Regulated 6.9% 4.3% 6.4%

Return on Equity - Book 6.1% 3.5% 5.5%

Average Rate Base (August) 310,458 93,588 404,046

Average Rate Base (September) 306,361 94,600 400,961

Authorized Return on Equity 9.40% 9.40%

Rate of Return - Regulated 6.1% 4.8% 5.8%

Authorized Rate of Return 7.31% 7.28%

Rate of Return - Book 6.4% 5.0% 6.1%

Investment Tax Credit 30 9 39

Tax Reform Adjustment (Regulated Difference) 45 19 64

Book Operating Income \$20,005 \$4,637 \$24,642

**Inputs to check for rounding**

OES & WA Files	f2	\$18,593.60	\$4,499.95	a2
FERC Income Statement	b2	-\$9,223.89	-\$2,951.96	b2
Adj.'s from OES & WA Files		\$9,369.71	\$1,547.99	

Adj.'s Jurisdictional Returns	e4	\$1,429.63	\$74.23	e4
Adj.'s from OES & WA Files	f3	-\$0.69	-\$0.44	a3
Adj.'s from OES & WA Files			-\$10.97	a3
Adj.'s from OES & WA Files			\$2.46	a3
Adj.'s from OES & WA Files			\$103.56	a3
Adj.'s from OES & WA Files			-\$70.15	a3
Adj.'s from OES & WA Files	f3	\$56.68	\$17.87	a3
Adj.'s from OES & WA Files			\$49.50	a3
Adj.'s from OES & WA Files			\$1.88	b1
FERC Income Statement	b1	-\$46.81	-\$19.46	b3
FERC Income Statement	b3	\$0.00	\$0.00	
copied from above		\$1,440.68	\$310.36	

\$10,810.40 \$1,858.35

- Working Capital File 13 month average of averages

	g1	\$9,839.12	\$2,434.26	g2
	g1	-\$1,332.27	-\$447.65	g2
	g1	\$6,600.03		
	g1		\$1,820.63	
	g1	-\$15.51	\$50.96	g2
	g1	-\$681.70	-\$226.67	g2
	g1	-\$346.48	-\$97.09	g2
	g1	\$202.03		
	g1	\$8,813.89	\$2,953.15	g2
	g1	\$3,155.06	\$1,057.12	g2
			\$373.18	g3
			\$4,539.10	g4
		\$26,234.18	\$12,456.98	

= to a5 & f5 **Check against OR & WA files**

= to e3

c1 - Rate Base File 13 month average of averages

d1 - Rate Base File 13 month average of averages

= to a4 & f4

= to e2

b4 - FERC Income Statement

e - Tony's File 12 month average

**Check against Tony's File**

**Capital Ratios**

	Averages	Ratio	Weighted Cost	Cost of
Long-Term Debt	227,809	50.18%	5.28%	2.65%
Common Stock	226,143	49.82%	9.40%	4.68% OR
	453,952	100.00%	9.40%	4.68% WA

a1 - OES & WA Files

a1 - OES & WA Files

f1 - OES & WA Files

Return required for common stock 3.4500% 2.1500%

Common Equity - Book 229,053

Common Equity - Regulated 226,143

e1 - Tony's File 12 month average

OES File 13 month average of averages

Rate Base Ratios (August) from above 76.84% 23.16%

Rate Base Ratios (August) 76.87% 23.13% 312,476 94,045 406,521

c2 - Rate Base File 12 month average

Rate Base Ratios (Jun) from above 76.41% 23.59%

PASTE SPECIAL

**Cascade Natural Gas Corporation**  
**Regulated and Book Returns**  
**For the Twelve Months Ended September 30, 2018**

	Washington	Oregon	Total CNG
Utility Net Operating Income	\$18,594	\$4,500	\$23,094
Less: Interest Expense	9,224	2,952	12,176
<b>Regulated Income</b>	<b>\$9,370</b>	<b>\$1,548</b>	<b>\$10,918</b>
Add:			
Tax Reform Adjustment	1,430	74	1,504
Promotional Advertising Adj.	(1)	(1)	(2)
Removal of 25% Membership Fees	0	(11)	(11)
Normalize Uncollectible Expense	0	2	2
Interest Coordination Adj.	0	104	104
Officer's Incentive Comp. Adj.	0	(70)	(70)
Annualizing Wage Rate Adj.	57	18	75
PGA Commodity Sharing Adj.	0	49	49
Weather Normalization Adj.	0	0	0
Other Income & Deductions	2	164	166
Nonregulated Income Taxes	(47)	(19)	(66)
Prior period adjustment	0	0	0
<b>Total Adjustments</b>	<b>1,441</b>	<b>310</b>	<b>1,751</b>
<b>Book Income</b>	<b>\$10,811</b>	<b>\$1,858</b>	<b>\$12,669</b>
Common Equity - Ratemaking	\$135,797	\$36,000	\$171,797
Difference in method	40,276	16,980	57,256
<b>Common Equity - Book</b>	<b>\$176,073</b>	<b>\$52,980</b>	<b>\$229,053</b>
<b>Return on Equity - Regulated*</b>	<b>6.9%</b>	<b>4.3%</b>	<b>6.4%</b>
<b>Return on Equity - Book</b>	<b>6.1%</b>	<b>3.5%</b>	<b>5.5%</b>
<b>Average Rate Base</b>	<b>306,361</b>	<b>94,600</b>	<b>400,961</b>
<b>Authorized Return on Equity</b>	<b>9.40%</b>	<b>9.40%</b>	
End of Period:			
Rate Base	321,837	101,975	423,812
CWIP (not included in rate base)	8,045	1,319	9,364

Rate Base file end of period regulated WA, end of period OR  
 file from Jordan Harris (201803 - Utility Group Fixed Asset Monthly Juris Reconciliation)



**Cascade Natural Gas Corporation**  
**Regulated and Book Returns**  
**For the Twelve Months Ended June 30, 2018**

	<u>Washington</u>	<u>Oregon</u>	<u>Total CNG</u>
Utility Net Operating Income	\$18,405	\$5,308	\$23,713
Less: Interest Expense	9,196	2,977	12,173
<b>Regulated Income</b>	<b>\$9,209</b>	<b>\$2,331</b>	<b>\$11,540</b>
Add:			
Tax Reform Adjustment	1,430	74	1,504
Promotional Advertising Adj.	(2)	(1)	(3)
Removal of 25% Membership Fees	0	(10)	(10)
Normalize Uncollectible Expense	0	1	1
Interest Coordination Adj.	0	116	116
Officer's Incentive Comp. Adj.	0	(70)	(70)
Annualizing Wage Rate Adj.	57	18	75
PGA Commodity Sharing Adj.	0	23	23
Weather Normalization Adj.	0	0	0
Other Income & Deductions	(251)	126	(125)
Nonregulated Income Taxes	210	93	303
Prior period adjustment	0	0	0
<b>Total Adjustments</b>	<b>1,444</b>	<b>370</b>	<b>1,814</b>
<b>Book Income</b>	<b>\$10,653</b>	<b>\$2,701</b>	<b>\$13,354</b>
Common Equity - Ratemaking	\$127,903	\$36,422	\$164,325
Difference in method	41,413	14,668	56,081
<b>Common Equity - Book</b>	<b>\$169,316</b>	<b>\$51,090</b>	<b>\$220,406</b>
<b>Return on Equity - Regulated*</b>	<b>7.2%</b>	<b>6.4%</b>	<b>7.0%</b>
<b>Return on Equity - Book</b>	<b>6.3%</b>	<b>5.3%</b>	<b>6.1%</b>
<b>Average Rate Base</b>	<b>295,626</b>	<b>91,648</b>	<b>387,274</b>
<b>Authorized Return on Equity</b>	<b>9.40%</b>	<b>9.40%</b>	
End of Period:			
Rate Base	314,808	96,821	411,629
CWIP (not included in rate base)	10,110	1,785	11,895



PASTE SPECIAL

**Cascade Natural Gas Corporation**  
**Regulated and Book Returns**  
**For the Twelve Months Ended June 30, 2018**

	Washington	Oregon	Total CNG
Utility Net Operating Income	\$18,405	\$5,308	\$23,713
Less: Interest Expense	9,196	2,977	12,173
<b>Regulated Income</b>	<b>\$9,209</b>	<b>\$2,331</b>	<b>\$11,540</b>
<b>Add:</b>			
Tax Reform Adjustment	1,430	74	1,504
Promotional Advertising Adj.	(2)	(1)	(3)
Removal of 25% Membership Fees	0	(10)	(10)
Normalize Uncollectible Expense	0	1	1
Interest Coordination Adj.	0	116	116
Officer's Incentive Comp. Adj.	0	(70)	(70)
Annualizing Wage Rate Adj.	57	18	75
PGA Commodity Sharing Adj.	0	23	23
Weather Normalization Adj.	0	0	0
Other Income & Deductions	(251)	126	(125)
Nonregulated Income Taxes	210	93	303
Prior period adjustment	0	0	0
<b>Total Adjustments</b>	<b>1,444</b>	<b>370</b>	<b>1,814</b>
<b>Book Income</b>	<b>\$10,653</b>	<b>\$2,701</b>	<b>\$13,354</b>
Common Equity - Ratemaking	\$127,903	\$36,422	\$164,325
Difference in method	41,413	14,668	56,081
<b>Common Equity - Book</b>	<b>\$169,316</b>	<b>\$51,090</b>	<b>\$220,406</b>
<b>Return on Equity - Regulated*</b>	<b>7.2%</b>	<b>6.4%</b>	<b>7.0%</b>
<b>Return on Equity - Book</b>	<b>6.3%</b>	<b>5.3%</b>	<b>6.1%</b>
<b>Average Rate Base</b>	<b>295,626</b>	<b>91,648</b>	<b>387,274</b>
<b>Authorized Return on Equity</b>	<b>9.40%</b>	<b>9.40%</b>	
<b>End of Period:</b>			
Rate Base	314,808	96,821	411,629
CWIP (not included in rate base)	10,110	1,785	11,895

Rate Base file end of period regulated WA, end of period OR  
 file from Jordan Harris (201803 - Utility Group Fixed Asset Monthly Juris Reconciliation)

March 2018

	Washington	Oregon	Total CNG
Utility Net Operating Income	\$20,469	\$5,699	\$26,168
Less: Interest Expense	(9,192)	(3,031)	(12,223)
Less: Prior period adjustment	-	-	-
Regulated Income	\$11,277	\$2,668	\$13,945

Add:

Tax Reform Adjustment	1,430	74	1,504
Promotional Advertising Adj.	(2)	1	(1)
Removal of 25% Membership Fees		(10)	(10)
Normalize Uncollectible Expense		5	5
Interest Coordination Adj.		122	122
Officer's Incentive Comp. Adj.		(70)	(70)
Annualizing Wage Rate Adj.	57	18	75
PGA Commodity Sharing Adj.		(26)	(26)
Weather Normalization Adj.			
Other Income & Deductions	828	151	979
Nonregulated Income Taxes	(88)	(42)	(130)
Prior period adjustment	-	-	-
Total Adjustments	2,225	223	2,448

Book Utility Net Income	\$13,502	\$2,891	\$16,393
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Common Equity - Ratemaking	\$128,148	\$35,105	\$163,253
Add:			
CWIP	9,969	3,246	13,215
Intercompany	(1,308)	(440)	(1,748)
PGA	9,853		9,853
OR Eugene MGP		1,789	1,789
Conservation	(16)	16	-
Customer Deposits	(641)	(235)	(876)
Non-Operating Working Capital	424	118	542
Nonutility Property	202		202
Utility SERP/SISP	8,474	2,825	11,299
MDUR I/C Asset-Net Benefit Funding	3,037	1,012	4,049
Cash		907	907
Pension		4,381	4,381
Other	4,981	332	5,313
Total Difference in Method	34,975	13,951	48,926
Common Equity - Book	\$163,123	\$49,056	\$212,179

Return on Equity - Regulated	8.8%	7.6%	8.5%
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Return on Equity - Book	8.3%	5.9%	7.7%
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Average Rate Base (Feb)	290,879	87,902	378,781
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Average Rate Base (Mar)	293,759	88,800	382,559
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Authorized Return on Equity	9.40%	9.40%	
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Rate of Return - Regulated	7.0%	6.4%	6.8%
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Authorized Rate of Return	7.35%	7.28%	
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Rate of Return - Book	7.5%	6.6%	7.3%
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Investment Tax Credit	29	9	38
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Book Operating Income	\$21,925	\$5,804	\$27,729
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Inputs to check for rounding

OES & WA Files	f2	\$20,468.62	\$5,699.23	a2
FERC Income Statement	b2	-\$9,191.97	-\$3,030.83	b2
Adj.'s from OES & WA Files		\$11,276.65	\$2,668.40	

Adj.'s Jurisdictional Returns		\$1,429.63	\$74.23	
Adj.'s from OES & WA Files	f3	-\$1.51	-\$0.37	a3
Adj.'s from OES & WA Files			-\$9.79	a3
Adj.'s from OES & WA Files			\$5.11	a3
Adj.'s from OES & WA Files			\$122.29	a3
Adj.'s from OES & WA Files			-\$70.15	a3
Adj.'s from OES & WA Files	f3	\$56.68	\$17.87	a3
Adj.'s from OES & WA Files			-\$25.87	a3
Adj.'s from OES & WA Files				
FERC Income Statement	b1	\$828.21	\$151.33	b1
FERC Income Statement	b3	-\$88.14	-\$41.85	b3
copied from above		\$0.00	\$0.00	
		\$2,224.86	\$222.80	

Book Utility Net Income	\$13,501.51	\$2,891.21	
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	g1	\$9,968.99	\$3,245.76	g2
	g1	-\$1,308.37	-\$439.62	g2
	g1	\$9,853.26		
	g1		\$1,789.38	
	g1	-\$15.51	\$16.00	g2
	g1	-\$640.72	-\$234.85	g2
	g1	\$424.24	\$117.84	g2
	g1	\$202.03		
	g1	\$8,473.56	\$2,824.72	g2
	g1	\$3,036.64	\$1,012.19	g2
			\$906.67	g3
			\$4,380.91	g4
		\$29,994.13	\$13,618.99	

- Working Capital File 13 month average of averages

= to a5 & f5 **Check against OR & WA files**

= to e3

c1 - Rate Base File 13 month average of averages

d1 - Rate Base File 13 month average of averages

= to a4 & f4

= to e2

b4 - FERC Income Statement

**Check against Tony's File**

Capital Ratios

	Averages	Ratio	Weighted Cost	Cost of
Long-Term Debt	226,188	51.82%	5.28%	2.74%
Common Stock	210,261	48.18%	9.40%	4.53% OR
	436,449	100.00%	9.40%	4.53% WA

a1 - OES & WA Files

a1 - OES & WA Files

f1 - OES & WA Files

Return required for common stock	4.2600%	3.6600%	
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Common Equity - Book			212,179
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e1 - Tony's File 12 month average

Common Equity - Regulated			210,261
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OES File 13 month average of averages

Rate Base Ratios (Feb) from above	76.79%	23.21%	
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Rate Base Ratios (Feb)	76.88%	23.12%	293,734 88,345 382,079
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c2 - Rate Base File 12 month average

Rate Base Ratios (Mar) from above	76.79%	23.21%	
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PASTE SPECIAL

**Cascade Natural Gas Corporation**  
**Regulated and Book Returns**  
**For the Twelve Months Ended March 31, 2018**

	Washington	Oregon	Total CNG
Utility Net Operating Income	\$20,469	\$5,699	\$26,168
Less: Interest Expense	9,192	3,031	12,223
<b>Regulated Income</b>	<b>\$11,277</b>	<b>\$2,668</b>	<b>\$13,945</b>
Add:			
Tax Reform Adjustment	1,430	74	1,504
Promotional Advertising Adj.	(2)	1	(1)
Removal of 25% Membership Fees	0	(10)	(10)
Normalize Uncollectible Expense	0	5	5
Interest Coordination Adj.	0	122	122
Officer's Incentive Comp. Adj.	0	(70)	(70)
Annualizing Wage Rate Adj.	57	18	75
PGA Commodity Sharing Adj.	0	(26)	(26)
Weather Normalization Adj.	0	0	0
Other Income & Deductions	828	151	979
Nonregulated Income Taxes	(88)	(42)	(130)
Prior period adjustment	0	0	0
<b>Total Adjustments</b>	<b>2,225</b>	<b>223</b>	<b>2,448</b>
<b>Book Income</b>	<b>\$13,502</b>	<b>\$2,891</b>	<b>\$16,393</b>
Common Equity - Ratemaking	\$128,148	\$35,105	\$163,253
Difference in method	34,975	13,951	48,926
<b>Common Equity - Book</b>	<b>\$163,123</b>	<b>\$49,056</b>	<b>\$212,179</b>
<b>Return on Equity - Regulated*</b>	<b>8.8%</b>	<b>7.6%</b>	<b>8.5%</b>
<b>Return on Equity - Book</b>	<b>8.3%</b>	<b>5.9%</b>	<b>7.7%</b>
<b>Average Rate Base</b>	<b>293,759</b>	<b>88,800</b>	<b>382,559</b>
<b>Authorized Return on Equity</b>	<b>9.40%</b>	<b>9.40%</b>	
End of Period:			
Rate Base	314,100	94,438	408,538
CWIP (not included in rate base)	8,195	1,768	9,963

Rate Base file end of period regulated WA, end of period OR  
 file from Jordan Harris (201803 - Utility Group Fixed Asset Monthly Juris Reconciliation)

**Cascade Natural Gas Corporation**  
**Regulated and Book Returns**  
**For the Twelve Months Ended March 31, 2018**

	<u>Washington</u>	<u>Oregon</u>	<u>Total CNG</u>
Utility Net Operating Income	\$20,469	\$5,699	\$26,168
Less: Interest Expense	9,192	3,031	12,223
<b>Regulated Income</b>	<b>\$11,277</b>	<b>\$2,668</b>	<b>\$13,945</b>
Add:			
Tax Reform Adjustment	1,430	74	1,504
Promotional Advertising Adj.	(2)	1	(1)
Removal of 25% Membership Fees	0	(10)	(10)
Normalize Uncollectible Expense	0	5	5
Interest Coordination Adj.	0	122	122
Officer's Incentive Comp. Adj.	0	(70)	(70)
Annualizing Wage Rate Adj.	57	18	75
PGA Commodity Sharing Adj.	0	(26)	(26)
Weather Normalization Adj.	0	0	0
Other Income & Deductions	828	151	979
Nonregulated Income Taxes	(88)	(42)	(130)
Prior period adjustment	0	0	0
<b>Total Adjustments</b>	<b>2,225</b>	<b>223</b>	<b>2,448</b>
<b>Book Income</b>	<b>\$13,502</b>	<b>\$2,891</b>	<b>\$16,393</b>
Common Equity - Ratemaking	\$134,250	\$35,105	\$169,355
Difference in method	28,873	13,951	42,824
<b>Common Equity - Book</b>	<b>\$163,123</b>	<b>\$49,056</b>	<b>\$212,179</b>
<b>Return on Equity - Regulated*</b>	<b>8.4%</b>	<b>7.6%</b>	<b>8.2%</b>
<b>Return on Equity - Book</b>	<b>8.3%</b>	<b>5.9%</b>	<b>7.7%</b>
<b>Average Rate Base</b>	<b>301,072</b>	<b>88,800</b>	<b>389,872</b>
<b>Authorized Return on Equity</b>	<b>9.40%</b>	<b>9.40%</b>	
End of Period:			
Rate Base	314,100	94,438	408,538
CWIP (not included in rate base)	8,195	1,768	9,963

March 2018

	Washington	Oregon	Total CNG
Utility Net Operating Income	\$20,469	\$5,699	\$26,168
Less: Interest Expense	(9,192)	(3,031)	(12,223)
Less: Prior period adjustment	-	-	-
Regulated Income	\$11,277	\$2,668	\$13,945

Add:

Tax Reform Adjustment	1,430	74	1,504
Promotional Advertising Adj.	(2)	1	(1)
Removal of 25% Membership Fees		(10)	(10)
Normalize Uncollectible Expense		5	5
Interest Coordination Adj.		122	122
Officer's Incentive Comp. Adj.		(70)	(70)
Annualizing Wage Rate Adj.	57	18	75
PGA Commodity Sharing Adj.		(26)	(26)
Weather Normalization Adj.		-	-
Other Income & Deductions	828	151	979
Nonregulated Income Taxes	(88)	(42)	(130)
Prior period adjustment	-	-	-
Total Adjustments	2,225	223	2,448

Book Utility Net Income	\$13,502	\$2,891	\$16,393
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Common Equity - Ratemaking	\$134,250	\$35,105	\$169,355
Add:			
CWIP	9,969	3,246	13,215
Intercompany	(1,308)	(440)	(1,748)
PGA	9,853		9,853
OR Eugene MGP	-	-	-
Conservation	(16)	16	-
Customer Deposits	(641)	(235)	(876)
Non-Operating Working Capital	424	118	542
Nonutility Property	202		202
SERP/SISP			-
I/C Asset-Net Benefit Funding		1,012	1,012
Cash		907	907
Pension		4,381	4,381
Other	10,390	4,946	15,336
Total Difference in Method	28,873	13,951	42,824
Common Equity - Book	\$163,123	\$49,056	\$212,179

Return on Equity - Regulated	8.4%	7.6%	8.2%
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Return on Equity - Book	8.3%	5.9%	7.7%
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Average Rate Base (Feb)	290,879	87,902	378,781
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Average Rate Base (Mar)	301,072	88,800	389,872
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Authorized Return on Equity	9.40%	9.40%	
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Rate of Return - Regulated	6.8%	6.4%	6.7%
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Authorized Rate of Return	7.35%	7.28%	
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Rate of Return - Book	7.5%	6.6%	7.3%
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Investment Tax Credit	29	9	38
Book Operating Income	\$21,925	\$5,804	\$27,729

Inputs to check for rounding

OES & WA Files	f2	\$20,468.62	\$5,699.23	a2
FERC Income Statement	b2	-\$9,191.97	-\$3,030.83	b2
Adj.'s from OES & WA Files		\$11,276.65	\$2,668.40	

Adj.'s Jurisdictional Returns		\$1,429.63	\$74.23	
Adj.'s from OES & WA Files	f3	-\$1.51	-\$0.37	a3
Adj.'s from OES & WA Files			-\$9.79	a3
Adj.'s from OES & WA Files			\$5.11	a3
Adj.'s from OES & WA Files			\$122.29	a3
Adj.'s from OES & WA Files			-\$70.15	a3
Adj.'s from OES & WA Files	f3	\$56.68	\$17.87	a3
Adj.'s from OES & WA Files			-\$25.87	a3
Adj.'s from OES & WA Files				
FERC Income Statement	b1	\$828.21	\$151.33	b1
FERC Income Statement	b3	-\$88.14	-\$41.85	b3
copied from above		\$0.00	\$0.00	
		\$2,224.86	\$222.80	

tie to 12-month IS for rounding issues

	\$13,501.51	\$2,891.21
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- Working Capital File 13 month average of averages

	\$9,968.99	\$3,245.76	g2
	-\$1,308.37	-\$439.62	g2
	\$9,853.26		
		\$1,789.38	
	-\$15.51	\$16.00	g2
	-\$640.72	-\$234.85	g2
	\$424.24	\$117.84	g2
	\$202.03		
	\$8,473.56	\$2,824.72	g2
	\$3,036.64	\$1,012.19	g2
		\$906.67	g3
		\$4,380.91	g4
	\$29,994.13	\$13,618.99	

= to a5 & f5 Check against OR & WA files

= to e3

c1 - Rate Base File 13 month average of averages

d1 - Rate Base File 13 month average of averages

= to a4 & f4

= to e2

b4 - FERC Income Statement

Check against Tony's File

Capital Ratios

	Averages	Ratio	Weighted Cost	Cost of
Long-Term Debt	226,188	51.82%	5.28%	2.74%
Common Stock	210,261	48.18%	9.40%	4.53% OR
	436,449	100.00%	9.40%	4.53% WA

a1 - OES & WA Files

a1 - OES & WA Files

f1 - OES & WA Files

Return required for common stock	4.0600%	3.6600%		
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Common Equity - Book			212,179	
Common Equity - Regulated			210,261	

e1 - Tony's File 12 month average

OES File 13 month average of averages

Rate Base Ratios (Feb) from above	76.79%	23.21%		
Rate Base Ratios (Feb)	76.88%	23.12%	293,734	88,345 382,079

c2 - Rate Base File 12 month average

Rate Base Ratios (Mar) from above	77.22%	22.78%		
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PASTE SPECIAL

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**For the Twelve Months Ended March 31, 2018**

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 file from Jordan Harris (201803 - Utility Group Fixed Asset Monthly Juris Reconciliation)