

e-FILING REPORT COVER SHEET

REPORT NAME: Gas Utility New Construction Budget for 2013

COMPANY NAME: Cascade Natural Gas Corporation

DOES REPORT CONTAIN CONFIDENTIAL INFORMATION? No Yes

If yes, please submit only the cover letter electronically. Submit confidential information as directed OAR 860-001-0070 or the terms of an applicable protective order.

If known, please select designation: RE (Electric) RG (Gas) RW (Water)
 RO (Other)

Report is required by: OAR 860-027-0015
 Statute
 Order
 Other

Is this report associated with a specific docket/case? No Yes
If Yes, enter docket number:

Key words: List applicable keywords for this report to facilitate electronic search

If known, please select the PUC Section to which the report should be directed:

- Corporate Analysis and Water Regulation
- Economic and Policy Analysis
- Electric and Natural Gas Revenue Requirements
- Electric Rates and Planning
- Natural Gas Rates and Planning
- Utility Safety, Reliability & Security
- Administrative Hearings Division
- Consumer Services Section

PLEASE NOTE: Do NOT use this form or e-filing with the PUC Filing Center for:

- Annual Fee Statement form and payment remittance or
- OUS or RSPF Surcharge form or surcharge remittance or
- Any other Telecommunications Reporting or
- Any daily safety or safety incident reports or
- Accident reports required by ORS 654.715.



PUBLIC UTILITY COMMISSION OF OREGON
 550 CAPITOL ST NE SUITE 215, SALEM, OR 97301-2551
 PO BOX 2148, SALEM, OR 97308-2148
PUC.FilingCenter@state.or.us

GAS UTILITY NEW CONSTRUCTION BUDGET FOR 2013

GENERAL INSTRUCTIONS

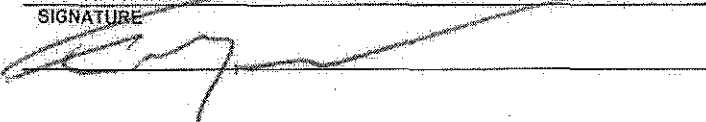
1. Each energy utility operating within the State of Oregon and having gross operating revenues of \$50,000 or more per year is required to file a New Construction Budget annually on or before December 31st, and report information on new construction extension, and new additions to property of the utility in accordance with Oregon Administrative Rule 860-027-0015.
2. The New Construction Budget should be completed and filed with the Public Utility Commission of Oregon Filing Center. Complete the e-Filing Report Cover Sheet found at http://egov.oregon.gov/PUC/eFiling/eReports/efiling_report_cover_sheet.docx; Email both the report and cover sheet to PUC.FilingCenter@state.or.us not later than December 31st of the year preceding that for which the budget is made.

For major projects (total project cost greater than \$300,000) a narrative supplying the following information is required:

PROJECT NARRATIVE

1. Project Description: Include a brief technical specification of the project, ownership, if jointly owned, operating date, stage of construction, and other relevant information.
2. Need for the Project: Attach all prepared information documenting the need for the project, including the specific need the project is intended to fill. Economic comparisons with alternatives are to be provided. All the underlying assumptions of the economic analyses are to be specified.
3. Contingencies: Provide a listing of existing or potential future problems which might impact the final cost or successful completion and operation of the project, such as licensing problems, labor difficulties, litigation, etc.
4. Reconciliation with Prior Budget: Each successive year's budget can be expected to reflect differing estimates of project costs as the project progresses. For each major project, prepare a reconciliation with the prior budget's estimates and provide specific reasons for the changes.

In addition, please attach copies of prepared documentation or plans describing transmission, distribution, and general plant projects located in Oregon exceeding \$100,000 in total cost and for which construction will commence in the budget year. Information submitted should contain a brief project description, location, and total budgeted cost.

FULL NAME OF GAS UTILITY Cascade Natural Gas Corporation			
ADDRESS: PO BOX OR STREET NUMBER 8113 W. Grandridge Blvd.	CITY Kennewick	STATE WA	ZIP CODE 99336
CERTIFICATION: I CERTIFY THAT THE INFORMATION REPORTED IS TRUE AND COMPLETE TO THE BEST OF MY KNOWLEDGE.			
SIGNATURE 	TITLE VP - OPERATIONS	DATE 12-27-12	

INSTRUCTIONS

1. Report percent ownership, scheduled operating dates, and expenditures required to complete project for major production, transmission, and general plant projects.
2. Major projects are defined as those projects having a total estimated cost to completion exceeding \$300,000.
3. Under "Distribution," report specific line item expenditures for the budget year only. All expenditures for distribution following the budget year should be aggregated for the year and only total distribution expenditures reported for the period.
4. Non-major project expenditures within each category should be aggregated and only the totals reported.
5. Report all expenditures in thousands of dollars.

DESCRIPTION	PERCENT OWNERSHIP %	SCHEDULED OPERATING DATE (MO / YR)	EXPENDITURES (B.Y. = BUDGET YEAR; B.Y.+ 1 = THE FIRST YEAR AFTER THE BUDGET YEAR, ETC.)						REQUIRED TO COMPLETE	TOTAL
			PRIOR TO B.Y.	B.Y.	B.Y. + 1	B.Y. + 2	B.Y. + 3	B.Y. + 4		
Major Production and Storage Projects:										
Non-Major Production and Storage Projects										
Total Production and Storage Projects										
Major Transmission Projects:										
Non-Major Transmission Projects										
Total Transmission Projects										
Distribution (See Instruction 3):										
Mains				16,416						
Measuring & Reg. Sta. Equipment				3,587						
Compressor Station Equipment										
Services				3,192						
Meters and Regulators				1,672						
Meter Installations										
Other (Land, Equipment, Structures)										
Total Distribution				24,867	49,580	45,110	37,080	31,251		187,888
Major General Plant Projects:										
Radio System Replacement	100%	12/2013	475	710						
GL Essentials-Phase 2	100%	12/2013	418	572						
Customer Care & Billing System	100%	12/2015	14,232	2,495						
Gas Management Software	100%	12/2015	0	85						
IVR Web Implementation	100%	12/2015	367	100						
GIS Enhancements	100%	12/2016	1,422	159						
Non-Major General Plant Projects				5,159						
Total General Plant Projects				9,280	4,938	3,733	2,204	1,973		22,128
Total New Construction Budget				34,147	54,518	48,843	39,284	33,224		210,016

INSTRUCTIONS

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- Major projects are defined as those projects having a total estimated cost to completion exceeding \$300,000.
- Under "Distribution," report specific line item expenditures for the budget year only. All expenditures for distribution following the budget year should be aggregated for the year and only total distribution expenditures reported for the period.
- Non-major project expenditures within each category should be aggregated and only the totals reported.
- Report all expenditures in thousands of dollars

DESCRIPTION	PERCENT OWNERSHIP %	SCHEDULED OPERATING DATE (MO / YR)	EXPENDITURES (B.Y. = BUDGET YEAR; B.Y.+ 1 = THE FIRST YEAR AFTER THE BUDGET YEAR, ETC.)						REQUIRED TO COMPLETE	TOTAL
			PRIOR TO B.Y.	B.Y.	B.Y. + 1	B.Y. + 2	B.Y. + 3	B.Y. + 4		
Major Production and Storage Projects:										
Non-Major Production and Storage Projects										
Total Production and Storage Projects										
Major Transmission Projects:										
Non-Major Transmission Projects										
Total Transmission Projects										
Distribution (See Instruction 3):										
Mains				6,236						
Measuring & Reg. Sta. Equipment				497						
Compressor Station Equipment										
Services				617						
Meters and Regulators				413						
Meter Installations										
Other (Land, Equipment, Structures)										
Total Distribution				7,763	7,443	8,529	8,990	9,490		42,215
Major General Plant Projects:										
Radio System Replacement	100%	12/2013	118	176						
Customer Care & Billing System	100%	12/2015	3,519	617						
Gas Management Software	100%	12/2015	0	21						
IVR Web Implementation	100%	12/2015	91	25						
GIS Enhancements	100%	12/2016	352	39						
Non-Major General Plant Projects				1,209						
Total General Plant Projects				2,228	1,448	1,086	677	620		6,059
Total New Construction Budget				9,991	8,891	9,615	9,667	10,110		48,274

**Cascade Natural Gas Corporation
Gas Utility New Construction Budget for 2013
Public Utility Commission of Oregon
Major Project Narrative (over \$300,000)**

Radio System Replacement: \$710,000

1. Project Description: Replacement for CNG Radio System.
2. Need for the Project: CNG's current radio system is obsolete. Much of the equipment has not been manufactured since the mid - 1990s. This project is being completed in phases.
3. Contingencies: Cascade Natural Gas will continue to use the existing system until the new equipment is ready for production.
4. Reconciliation with Prior Budget: This is a multi-year project.

Gas Essentials-Phase 2: \$571,546

1. Project Description: Project is referred to as Essentials; its primary purpose is to automate the maintenance, tracking, and resolution of GAS operations and equipment to meet the regulations that the Utility companies are required to accomplish by Federal and State Laws. Each of the MDUG organizations used various automated and manual systems to ensure compliance in the past. Essentials consolidates systems into a single environment for planning, reporting, and analysis for the MDU Utilities Group.
2. Need for the Project: All utility companies within the MDU Utilities Group have experienced increased demand to ensure that we are in compliance with Federal and State requirements for public safety and security. The project automates and provides unified control of the previous disparate systems.
3. Contingencies: Project is in multiple phases allowing Cascade Natural Gas to continue to use the existing processes until the implementation of the new software.
4. Reconciliation with Prior Budget: This is the second year of the two year project; first phase of the project has been implemented.

Customer Care & Billing: \$2,494,559

1. Project Description: Implementation of Oracle's Customer and Care Billing application (CC&B) to replace the three legacy systems installed at Cascade, Great Plains, Montana-Dakota, and Intermountain Gas.
2. Need for the Project: To provide an application that the four utilities could migrate to a single installation and continue with their unique brands. The single installation was selected to reduce ongoing support costs both internal and external. Also going to a common application allowed the four utilities to migrate to common business processes wherever possible. CC&B is versioning software which will allow us to take advantage of enhancements made to the product by Oracle.
3. Contingencies: All four utilities have current CIS applications in place today that continue to bill their customers and will continue processing until the implementation of CC&B is tested and user accepted for move to production. The implementation is three phases: Cascade was first in August 2010, with MDU and Great Plains next, and Intermountain last.
4. Reconciliation with Prior Budget: The Customer Care and Billing application is a utility-wide platform. The costs of the entire project are being shared across the entire utility group in order that the first utility to implement is not unduly burdened. Cascade Natural Gas was the first utility within the utility group to go live with the customer billing portion of the project. Post billing module implementation activity continues with report building and additional module implementation.

Gas Management System (GMS): \$84,572

1. **Project Description:** The project is referred to as the GMS (Gas Management System) project. The primary purpose of the project is to centralize, track and automate nomination, daily forecast, measurement, contract, pricing, pipeline and customer imbalance management data, and customize reporting and upload file creation for both internal and external parties (Accounting, pipelines, customers, suppliers, federal and state regulatory reporting, etc.)
2. **Need for the Project:** Montana Dakota, Great Plains and Cascade each maintain separate applications (MD uses a Microsoft Access database, GP uses a series of spreadsheets, and CNGC uses a gas management system application purchased from SunGard. IGC does not currently have a system as the bulk of their nomination process is handled by IGI—however, as has been noted by Corporate Audit, IGC needs to improve its oversight of IGI's contract, supplies and nomination activities. The SunGard system is an aged, over-complicated application that is approximately 15 years old and has limited internal support. Most importantly, vendor support will be ending during the next few years. The MD database is several years old, and has been patched together over time. Neither IGC nor GP have relational databases. With the loss of vendor support, CNGC critical nomination and reporting functions will be compromised resulting in increased manual transactions, likely human-error and potential costly pipeline penalties from missed or bad nominations. Similarly, the MD database has limited documentation and requires substantial development in order to meet the continuously evolving nomination requirements of the upstream pipelines. It seems prudent and necessary to find a best practice system that can be utilized by all four utilities.
3. **Contingencies:** Project is in multiple phases allowing each of the utilities to continue to use the existing processes until the implementation of the new application.
4. **Reconciliation with Prior Budget:** The project budget's first year is in the latter part of 2012. 2013 is the second year of the anticipated 2 ½ year project. The first phase, information gathering and flow charting of existing processes is expected to be complete in late January.

IVR and Web Implementation: \$100,465

1. **Project Description:** The project is referred to as Self-Service Applications; its primary purpose is to provide convenient ways for our customers to access their account balance, view their statements, pay their bill or perform other account maintenance related tasks. The self-service applications will allow customers utilizing IVR or Web applications on various devices to have access to their information and create transactions on a 24x7 timeframe that normally would have required interaction with call center personnel. The Self-Service application does not take away the ability to talk directly to a Customer Service Agent but provides another mechanism to accomplish their business needs in a time more convenient for them.
2. **Need for the Project:** Today's utility customer expects to have a wide variety of ways to interact with and manage their account. Self-Service Applications project aims to deliver convenient and an exceptional customer service experience to our customers. Self Service options include ability to pay their bill on line either by check or credit card. Ability to check account balance and get an update on when their last payment was received by the utility. Customers who want a paper copy of their bill can have a copy sent to their email address or have it mailed to them. Customers may also receive more detailed information about the usage, billing, and payment history. Customers who find themselves in situations where they cannot pay their bill or are behind in previous payments may request payment plan.
3. **Contingencies:** All transactions are available via the Customer Service Center or Credit Center. Payment methodology can still be accomplished by mailing a check or at one of the many third party providers for payment processing.
4. **Reconciliation with Prior Budget:** 2012 was the second year of a five year project. Various stages of the project have already been implemented. First phase of the Web and IVR implementations have been completed for CNG.

GIS Enhancements: \$158,758

1. **Project Description:** This project is to continue the conversion of GIS assets from an AutoCAD environment to the new ESRI GIS platform which was installed in 2010. Additionally this project will allow us to enhance GIS environment with other modules and components which increase efficiency, accuracy and reliability. The GIS Environment is a key operational system for safety, pipeline maintenance and regulatory compliance. Our goal is to ensure that every natural gas pipeline asset is tracked in GIS indicating location and description information. We continue to work to convert assets from the legacy system into the new ESRI GIS system.

2. Need for the Project: All utility companies have experienced increase demand to ensure that we are in compliance with Federal and State requirements for public safety and security. Additionally, the GIS system is the system of record for line locating activities. Accuracy in GIS is critical to the operations.
3. Contingencies: Project is in multiple phases allowing Cascade Natural Gas to continue to use the base system, which was converted in 2010, until the full implementation of the new software.
4. Reconciliation with Prior Budget: This is the continuation of the multi-year project; prior phases have been implemented.

e-FILING REPORT COVER SHEET

REPORT NAME: Budget of Expenditures Report for the year 2013

COMPANY NAME: Cascade Natural Gas Corporation

DOES REPORT CONTAIN CONFIDENTIAL INFORMATION? No Yes

If yes, please submit only the cover letter electronically. Submit confidential information as directed OAR 860-001-0070 or the terms of an applicable protective order.

If known, please select designation: RE (Electric) RG (Gas) RW (Water)
 RO (Other)

Report is required by: OAR
 Statute ORS 757.105
 Order
 Other

Is this report associated with a specific docket/case? No Yes
If Yes, enter docket number:

Key words:

If known, please select the PUC Section to which the report should be directed:

- Corporate Analysis and Water Regulation
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- Electric and Natural Gas Revenue Requirements
- Electric Rates and Planning
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 PUC.FilingCenter@state.or.us

BUDGET OF EXPENDITURES REPORT FOR THE YEAR 2013

GENERAL INSTRUCTIONS

1. A Budget of Expenditures Report must be submitted by all utilities operating within the State of Oregon in accordance with Oregon Revised Statute 757.105.
2. The Budget of Expenditures Report should be completed and filed with the Public Utility Commission of Oregon Filing Center. Complete the e-Filing Report Cover Sheet found at: http://egov.oregon.gov/PUC/eFiling/eReports/efiling_report_cover_sheet.docx. Email both the report and cover sheet to PUC.FilingCenter@state.or.us by November 1st of the year preceding that for which the report is made.
3. Each section should be completed fully and accurately. Where the words "None" or "Not Applicable" truly and completely state the fact, they should be given as the answer.
4. Any additional statements or explanatory remarks should be included in the email as an attachment in Microsoft Word document format or text-searchable PDF.
5. Expenditures should be referenced by the applicable account number of the Uniform System of Accounts, adopted by the Commission, and to which the utility is subject.
6. All entries should be typewritten or made with permanent ink.
7. Report all amounts in whole dollars only, omit cents.

FULL NAME OF UTILITY CASCADE NATURAL GAS CORPORATION			
ADDRESS OF PRINCIPAL OFFICE 8113 W GRANDRIDGE BLVD	CITY KENNEWICK	STATE WA	ZIP CODE 99336
ADDRESS OF PRINCIPAL OFFICE IN OREGON (IF OTHER THAN ABOVE)	CITY	STATE	ZIP CODE
STATE OF INCORPORATION WASHINGTON	DATE OF INCORPORATION JANUARY 2, 1953	TYPE OF ORGANIZATION IF NOT INCORPORATED	DATE ORGANIZED

STATE THE CLASSES OF UTILITY AND OTHER SERVICES FURNISHED BY THE UTILITY IN EACH STATE IN WHICH THE UTILITY OPERATES

NATURAL GAS DISTRIBUTION IN WASHINGTON AND OREGON

DIRECTORS AT DATE OF BUDGET			
NAME OF DIRECTOR	CITY AND STATE OF RESIDENCE	LENGTH OF TERM	TERM EXPIRES
DAVID L GOODIN	BISMARCK, ND	1 YEAR	*
K FRANK MOREHOUSE	BISMARCK, ND	1 YEAR	*
PAUL K SANDNESS	BISMARCK, ND	1 YEAR	*
DORAN N SCHWARZ	BISMARCK, ND	1 YEAR	*
*THE DIRECTORS WILL BE RE-ELECTED AT CASCADE'S ANNUAL MEETING IN APRIL 23, 2013.			

ANNUAL SALARY AND OTHER COMPENSATION OF OFFICERS AND RETIRED EXECUTIVES

INSTRUCTIONS: Complete the information requested for each active and retired Executive Officer. An Executive Officer's salary and other compensation paid by an affiliated company should also be shown. An Executive Officer directs or controls the policies and business of the utility or is entrusted or charged with administrative duties to carry those policies into effect. All proposed changes in position and salaries of Executive Officers from the previous Budget of Expenditures Report or supplemental budgets should be fully explained. Please report bonus information for the bonus earned the prior year but forecast to be paid in the budget year. Report whole dollars only.

NAME MARK A CHILES			TITLE ASSISTANT TREASURER AND ASSISTANT SECRETARY			
NO.	DESCRIPTION OF COMPENSATION	PAID BY COMPANY	ACCOUNT #	PAID BY AFFILIATED CO.	NAME OF AFFILIATED CO.	
1	Annual Salary	\$72,800	920	\$87,200	Intermountain Gas Co.	
2	Amount Assigned to Oregon	\$17,858				
3	OTHER COMPENSATION	Medical and Dental Insurance	926	\$5,516		
4		Life and Disability Insurance				
5		Income Protection Insurance				
6		Discount on Utility Service				
7		Pension Plan	\$6,195	926		\$7,421
8		Savings Plan	\$3,815	926		\$4,569
9		Stock Purchase Plan				
10		Paid Parking				
11		Memberships				
12		Other Benefits				
13		Total Other Compensation	\$14,615			\$17,506
14		Percent Assigned to Oregon	24.53%			
15		Deferred Comb. In Salary				
16	Bonus Earned in Prior Year					

NAME DAVID L GOODIN			TITLE CHAIRMAN OF THE BOARD			
NO.	DESCRIPTION OF COMPENSATION	PAID BY COMPANY	ACCOUNT #	PAID BY AFFILIATED CO.	NAME OF AFFILIATED CO.	
1	Annual Salary	\$65,625	920	\$559,375	Intermountain Gas Co. / Montana-Dakota Utilities/ MDU Resources Group Inc	
2	Amount Assigned to Oregon	\$16,098				
3	OTHER COMPENSATION	Medical and Dental Insurance	926	\$6,464		
4		Life and Disability Insurance	\$758			
5		Income Protection Insurance				
6		Discount on Utility Service				
7		Pension Plan	\$2,002	926		\$17,061
8		Savings Plan	\$7,496	926		\$63,896
9		Stock Purchase Plan				
10		Paid Parking				
11		Memberships				
12		Other Benefits				
13		Total Other Compensation	\$10,256			\$87,421
14		Percent Assigned to Oregon	24.53%			
15		Deferred Comb. In Salary				
16	Bonus Paid in Prior Year	\$32,654		\$278,339		

NAME SCOTT W MADISON			TITLE EXECUTIVE VICE PRESIDENT AND GENERAL MANAGER			
NO.	DESCRIPTION OF COMPENSATION	PAID BY COMPANY	ACCOUNT #	PAID BY AFFILIATED CO.	NAME OF AFFILIATED CO.	
1	Annual Salary	\$94,640	920	\$113,360	Intermountain Gas Co.	
2	Amount Assigned to Oregon	\$23,007				
3	OTHER COMPENSATION	Medical and Dental Insurance	926	\$5,516		
4		Life and Disability Insurance	\$4,605			
5		Income Protection Insurance				
6		Discount on Utility Services				
7		Pension Plan	\$8,054	926		\$9,647
8		Savings Plan	\$4,959	926		\$5,940
9		Stock Purchase Plan				
10		Paid Parking				
11		Memberships				
12		Other Benefits				
13		Total Other Compensation	\$17,618			\$21,103
14		Percent Assigned to Oregon	24.53%			
15		Deferred Comb. In Salary				
16	Bonus Paid in Prior Year	\$42,317		\$50,688		

INSTRUCTIONS: Complete the information requested for each active and retired Executive Officer. An Executive Officer's salary and other compensation paid by an affiliated company should also be shown. An Executive Officer directs or controls the policies and business of the utility or is entrusted or charged with administrative duties to carry those policies into effect. All proposed changes in position and salaries of Executive Officers from the previous Budget of Expenditures Report or supplemental budgets should be fully explained. Please report bonus information for the bonus earned the prior year but forecast to be paid in the budget year. Report whole dollars only.

NAME			TITLE		
DOUGLASS A MAHOWALD			TREASURER		
NO.	DESCRIPTION OF COMPENSATION	PAID BY COMPANY	ACCOUNT #	PAID BY AFFILIATED CO.	NAME OF AFFILIATED CO.
1	Annual Salary	\$20,528	920	\$174,973	Intermountain Gas Co. / Montana-Dakota Utilities/ MDU Resources Group Inc
2	Amount Assigned to Oregon	\$5,035			
3	Medical and Dental Insurance	\$758	926	\$6,464	
4	Life and Disability Insurance				
5	Income Protection Insurance				
6	Discount on Utility Service				
7	Pension Plan	\$626	926	\$5,337	
8	Savings Plan	\$2,345	926	\$19,987	
9	Stock Purchase Plan				
10	Paid Parking				
11	Memberships				
12	Other Benefits				
13	Total Other Compensation	\$3,729		\$31,787	
14	Percent Assigned to Oregon	24.53%			
15	Deferred Comb. In Salary				
16	Bonus Earned in Prior Year	\$9,648		\$82,235	
NAME			TITLE		
K FRANK MOREHOUSE			PRESIDENT AND CHIEF EXECUTIVE OFFICER		
NO.	DESCRIPTION OF COMPENSATION	PAID BY COMPANY	ACCOUNT #	PAID BY AFFILIATED CO.	NAME OF AFFILIATED CO.
1	Annual Salary	\$78,000	920	\$234,000	Intermountain Gas Co. / Montana-Dakota Utilities
2	Amount Assigned to Oregon	\$19,133			
3	Medical and Dental Insurance	\$1,951	926	\$5,854	
4	Life and Disability Insurance				
5	Income Protection Insurance				
6	Discount on Utility Service				
7	Pension Plan	\$2,721	926	\$8,164	
8	Savings Plan	\$9,729	926	\$29,188	
9	Stock Purchase Plan				
10	Paid Parking				
11	Memberships				
12	Other Benefits				
13	Total Other Compensation	\$14,402		\$43,206	
14	Percent Assigned to Oregon	24.53%			
15	Deferred Comb. In Salary				
16	Bonus Paid in Prior Year	\$35,525		\$106,575	
NAME			TITLE		
DENNIS L HAIDER			EXECUTIVE VICE PRESIDENT - BUSINESS DEVELOPMENT AND GAS SUPPLY		
NO.	DESCRIPTION OF COMPENSATION	PAID BY COMPANY	ACCOUNT #	PAID BY AFFILIATED CO.	NAME OF AFFILIATED CO.
1	Annual Salary	\$37,188	920	\$210,733	Intermountain Gas Co. / Montana-Dakota Utilities
2	Amount Assigned to Oregon	\$9,122			
3	Medical and Dental Insurance	\$1,171	926	\$6,634	
4	Life and Disability Insurance				
5	Income Protection Insurance				
6	Discount on Utility Services				
7	Pension Plan	\$1,297	926	\$7,352	
8	Savings Plan	\$4,639	926	\$26,286	
9	Stock Purchase Plan				
10	Paid Parking				
11	Memberships				
12	Other Benefits				
13	Total Other Compensation	\$7,107		\$40,273	
14	Percent Assigned to Oregon	24.53%			
15	Deferred Comb. In Salary				
16	Bonus Paid in Prior Year	\$21,563		\$122,191	

INSTRUCTIONS: Complete the information requested for each active and retired Executive Officer. An Executive Officer's salary and other compensation paid by an affiliated company should also be shown. An Executive Officer directs or controls the policies and business of the utility or is entrusted or charged with administrative duties to carry those policies into effect. All proposed changes in position and salaries of Executive Officers from the previous Budget of Expenditures Report or supplemental budgets should be fully explained. Please report bonus information for the bonus earned the prior year but forecast to be paid in the budget year. Report whole dollars only.

NAME ERIC P MARTUSCELLI			TITLE VICE PRESIDENT - OPERATIONS		
NO.	DESCRIPTION OF COMPENSATION	PAID BY COMPANY	ACCOUNT #	PAID BY AFFILIATED CO.	NAME OF AFFILIATED CO.
1	Annual Salary	\$207,316	920		
2	Amount Assigned to Oregon	\$50,855			
3	Medical and Dental Insurance	\$16,743	926		
4	Life and Disability Insurance				
5	Income Protection Insurance				
6	Discount on Utility Service				
7	Pension Plan	\$22,467	926		
8	Savings Plan	\$24,159	926		
9	Stock Purchase Plan				
10	Paid Parking				
11	Memberships				
12	Other Benefits				
13	Total Other Compensation	\$63,369			
14	Percent Assigned to Oregon	24.53%			
15	Deferred Comb. In Salary				
16	Bonus Earned in Prior Year				

NAME PAUL K SANDNESS			TITLE GENERAL COUNSEL AND SECRETARY		
NO.	DESCRIPTION OF COMPENSATION	PAID BY COMPANY	ACCOUNT #	PAID BY AFFILIATED CO.	NAME OF AFFILIATED CO.
1	Annual Salary	\$26,120	920	\$307,880	Intermountain Gas Co. / Montana-Dakota Utilities/ MDU Resources Group Inc
2	Amount Assigned to Oregon	\$8,860			
3	Medical and Dental Insurance	\$758	926	\$6,464	
4	Life and Disability Insurance				
5	Income Protection Insurance				
6	Discount on Utility Service				
7	Pension Plan	\$1,102	926	\$9,391	
8	Savings Plan	\$4,126	926	\$35,168	
9	Stock Purchase Plan				
10	Paid Parking				
11	Memberships				
12	Other Benefits				
13	Total Other Compensation	\$5,986		\$51,023	
14	Percent Assigned to Oregon	24.53%			
15	Deferred Comb. In Salary				
16	Bonus Paid in Prior Year	\$22,322		\$190,269	

NAME JULIE A KRENZ			TITLE ASSISTANT SECRETARY		
NO.	DESCRIPTION OF COMPENSATION	PAID BY COMPANY	ACCOUNT #	PAID BY AFFILIATED CO.	NAME OF AFFILIATED CO.
1	Annual Salary	\$12,705	920	\$108,295	Intermountain Gas Co. / Montana-Dakota Utilities/ MDU Resources Group Inc
2	Amount Assigned to Oregon	\$3,117			
3	Medical and Dental Insurance	\$758	926	\$6,464	
4	Life and Disability Insurance				
5	Income Protection Insurance				
6	Discount on Utility Services				
7	Pension Plan	\$388	926	\$3,303	
8	Savings Plan	\$1,451	926	\$12,370	
9	Stock Purchase Plan				
10	Paid Parking				
11	Memberships				
12	Other Benefits				
13	Total Other Compensation	\$2,597		\$22,137	
14	Percent Assigned to Oregon	24.53%			
15	Deferred Comb. In Salary				
16	Bonus Paid in Prior Year	\$1,155		\$9,844	

INSTRUCTIONS: Complete the information requested for each active and retired Executive Officer. An Executive Officer's salary and

other compensation paid by an affiliated company should also be shown. An Executive Officer directs or controls the policies and business of the utility or is entrusted or charged with administrative duties to carry those policies into effect. All proposed changes in position and salaries of Executive Officers from the previous Budget of Expenditures Report or supplemental budgets should be fully explained. Please report bonus information for the bonus earned the prior year but forecast to be paid in the budget year. Report whole dollars only.

NAME DANIEL S KUNTZ			TITLE ASSISTANT SECRETARY		
NO.	DESCRIPTION OF COMPENSATION	PAID BY COMPANY	ACCOUNT #	PAID BY AFFILIATED CO.	NAME OF AFFILIATED CO.
1	Annual Salary	\$19,215	920	\$163,785	Intermountain Gas Co. / Montana-Dakota Utilities/ MDU Resources Group Inc
2	Amount Assigned to Oregon	\$4,713			
3	Medical and Dental Insurance	\$758	926	\$6,464	
4	Life and Disability Insurance				
5	Income Protection Insurance				
6	Discount on Utility Service				
7	Pension Plan	\$586	926	\$4,996	
8	Savings Plan	\$2,195	926	\$18,709	
9	Stock Purchase Plan				
10	Paid Parking				
11	Memberships				
12	Other Benefits				
13	Total Other Compensation	\$3,539		\$30,168	
14	Percent Assigned to Oregon	24.53%			
15	Deferred Comb. In Salary				
16	Bonus Earned in Prior Year	\$4,174		\$35,582	

The following details the changes within Executives and Officers in 2013 due to the retirement of Terry Hildestad, Chairman of the Board:

OFFICER/DIRECTOR/EMPLOYEE:	OFFICER/DIRECTOR POSITION PREVIOUSLY HELD:	OFFICER/DIRECTOR POSITION NOW HOLDING:	OFFICER/DIRECTOR THEY ARE REPLACING:
K Frank Morehouse	Executive Vice President and General Manager – Western Region	President and Chief Executive Officer	David L Goodin
Scott W Madison	Vice President, Chief Accounting Officer and Assistant Treasurer	Executive Vice President and General Manager – Western Region	K Frank Morehouse
Terry Hildestad	Chairman of the Board	Retired	N/A
David L Goodin	President and Chief Executive Officer	Chairman of the Board	Terry Hildestad
Mark A Chiles	N/A	Assistant Treasurer and Secretary	Scott W Madison

The following officers are the same in 2013 as in 2012:

Douglass A Mahowald - Treasurer

Dennis L. Haider – Executive Vice President Business Development and Gas Supply

Paul K Sandness – General Counsel and Secretary

Julie A Krenz – Assistant Secretary

Daniel S Kuntz – Assistant Secretary

Eric P Martuscelli – Vice President, Operations: Beginning in 2012, Cascade elected their own Vice President, Operations. Previously, the position was held by Tim Clark.

DONATIONS AND MEMBERSHIPS

INSTRUCTIONS: List all donations and membership expenditures proposed to be made by the utility during the coming year and the accounts to be charged. Give the name of each organization to whom a payment is to be made except that items less than \$1000 may be consolidated by category stating the number of organizations included. Group expenditures under headings such as:

1. Contributions to and memberships in charitable organizations
2. Organizations of the utility industry
3. Technical and professional organizations
4. Commercial and trade organizations
5. All other organizations and kinds of donations and contributions

List by type and group the accounts charged. Report whole dollars only. Provide a total for each group.

NAME OF ORGANIZATION, CITY AND STATE	ACCOUNT NUMBER	TOTAL AMOUNT	AMOUNT ASSIGNED TO OREGON
CONTRIBUTIONS TO AND MEMBERSHIPS IN CHARITABLE ORGANIZATIONS:			
1)Various agencies participating in Cascade's Winter Help Fund	426.1	\$34,000	\$8,340
2)MDU Resources Foundation	426.1	\$110,000	\$27,000
3)All Others Under \$1,000	426.1	\$34,000	\$8,340
MEMBERSHIPS IN ORGANIZATIONS OF THE UTILITY INDUSTRY:			
1)American Gas Association	930.2	\$137,000	\$33,600
2)Northwest Gas Association	930.2	\$60,000	\$14,700
MEMBERSHIPS IN TECHNICAL & PROFESSIONAL ORGANIZATIONS:			
1)Association of Washington Cities	921.0	\$8,000	
MEMBERSHIPS IN COMMERCIAL & TRADE ORGANIZATIONS:			
1)Tri-Cities Regional Chamber of Commerce	930.2	\$5,525	\$1,355
MEMBERSHIPS IN OTHER ORGANIZATIONS:			
1)Grandridge Park Business Owners Association	426.5	\$1,500	\$368
2)All Others Under \$1,000	426.5	\$124,805	\$30,615

EXPENDITURES FOR PENSIONS OR A TRUST TO PROVIDE PENSIONS

INSTRUCTIONS: List all proposed payments to persons or trusts to provide pensions for employees and officers. Show all administrative and actuarial costs for formal pension plan. Give a brief description of the plan and show charges for current service costs, past service costs, and future service costs. Report whole dollars only.

PENSION FUND PAYMENTS MADE TO	ACCOUNT NUMBER	TOTAL AMOUNT	AMOUNT ASSIGNED TO OREGON
<p>Cascade Natural Gas Corporation Retirement Trust (The amount shown represents the estimated accrual for fiscal year 2013, as developed by our actuary, under the provisions of SFAS No. 87. Funding amounts are not yet known).</p>	926	\$1,189,828	\$291,865
<p>Postretirement Medical Benefits Plan (The amount shown represents the estimated accrual for fiscal year 2013, as developed by our actuary, under the provisions of SFAS No. 87. Funding amounts are not yet known).</p>	926	\$919,000	\$225,430
<p>Cascade Natural Gas Corporation Retirement Savings Plan and Trust (401(k)) (The amount shown represents the estimated accrual for fiscal year 2013, as developed by our actuary, under the provisions of SFAS No. 87. Funding amounts are not yet known).</p>	926	\$2,267,584	\$556,238
<p>Supplemental Executive Retirement Plan (The amount shown represents the estimated accrual for fiscal year 2013, as developed by our actuary, under the provisions of SFAS No. 87. Funding amounts are not yet known).</p>	926	\$340,000	\$83,402

POLITICAL ADVERTISING

INSTRUCTIONS: List all proposed payments for advertising the purpose of which is to aid or defeat any measure before the people or to promote or prevent the enactment of any national, state, district, or municipal legislation. Give the specific purpose of such advertising, when and where to be placed, and the account or accounts to be charged. Report who dollars only.

None.

POLITICAL CONTRIBUTIONS

INSTRUCTIONS: List all proposed payments or contributions to persons and organizations for the purpose of aiding or defeating any measure before the people or to promote or prevent the enactment of any national, state, district, or municipal legislation. The purpose of all contributions or payments should be clearly explained. Report whole dollars only.

None.

EXPENDITURES AND MAJOR CONTRACTS FOR THE PURCHASE OR SALE OF EQUIPMENT

INSTRUCTIONS: List all proposed expenditures and major contracts for the purchase or sale of equipment. Give the name and address of the person or organization with whom it is proposed to have such dealings and the account or accounts charged. Describe fully the equipment to be purchased or sold. Do not report estimates of routine construction projects. Limit the report to major contracts and expenditures. Report whole dollars only.

NAME AND ADDRESS OF PERSON OR ORGANIZATION, DESCRIPTION OF EQUIPMENT	ACCOUNT NUMBER	TOTAL AMOUNT	AMOUNT ASSIGNED TO OREGON
Vehicle Purchase and Replacement	392	\$1,684,750	\$345,885
Power Equipment Purchase and Replacement	396	<u>\$746,200</u>	<u>\$220,700</u>
Subtotal Vehicles and Power Equipment		\$2,430,950	\$566,585
<i>Description of Vehicles/Equipment to be Purchased:</i>			
1997 Ford F400 4x2 Dump Truck	392	\$75,500	
1992 Peterbilt 377 4x2 SA Dump Truck	392	\$75,500	
1997 Case 580L Backhoe	396	\$76,500	
1997 Case 580L Backhoe	396	\$52,500	
1993 Case 580L Backhoe	396	\$76,500	
1996 Case 580L 4x2 Backhoe	396	\$84,000	
2000 Case 580L Backhoe	396	\$52,500	
1993 Case 580 Backhoe	396		\$76,500
1992 Case 580 Backhoe	396		\$76,500
All Others	392/396	\$1,371,366	\$413,584

EXPENDITURES TO ANY PERSON OR ORGANIZATION HAVING AN AFFILIATED INTEREST FOR SERVICES, ETC.

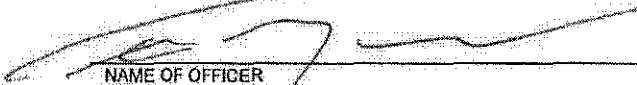
INSTRUCTIONS: Report all proposed expenditures to any person or organization having an affiliated interest for service. Advice, auditing, association, sponsoring, engineering, managing, operating, financial, legal or other services. See Oregon Revised Statutes 757.015 and 759.010 for definition of "Affiliated Interest." Give reference if such proposed expenditures have in the past been approved by the Commission. Describe the services to be received and the account or accounts to be charged. Report whole dollars only.

NAME AND ADDRESS OF PERSON OR ORGANIZATION. DESCRIPTION OF SERVICES	ACCOUNT NUMBER	TOTAL AMOUNT	AMOUNT ASSIGNED TO OREGON
MDU Resources (Corporate level expenditures (legal, auditing, management, etc)	9302	\$3,592,788	\$881,311
Montana-Dakota Utilities and Intermountain Gas Company [Utility group shared services (Information Technology, Customer Service Center, Purchasing, etc)]	9030/9210	\$16,787,797	\$4,118,047

CERTIFICATION

The foregoing report must be certified by an Officer of the reporting company.

I certify that this Budget of Expenditures Report has been prepared under my direction, that I have carefully examined the report and declare it to be a complete and correct estimate of company expenditures for the coming year, to the best of my knowledge, information, and belief.

SIGNATURE OF OFFICER 	DATE 12-27-12
NAME OF OFFICER Eric Matuszewski	DATE 12-27-12