



e-FILING REPORT COVER SHEET

COMPANY NAME:

DOES REPORT CONTAIN CONFIDENTIAL INFORMATION? No Yes If yes, submit a redacted public version (or a cover letter) by email. Submit the confidential information as directed in OAR 860-001-0070 or the terms of an applicable protective order.

Select report type: RE (Electric) RG (Gas) RW (Water) RT (Telecommunications)
RO (Other, for example, industry safety information)

Did you previously file a similar report? No Yes, report docket number:

Report is required by: OAR
Statute
Order

Note: A one-time submission required by an order is a compliance filing and not a report (file compliance in the applicable docket)

Other
(For example, federal regulations, or requested by Staff)

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

List Key Words for this report. We use these to improve search results.

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8113 W. GRANDRIDGE BLVD., KENNEWICK, WASHINGTON 99336-7166
TELEPHONE 509-734-4500 FACSIMILE 509-737-7166
www.cngc.com

July 15, 2015

Oregon Public Utility Commission
P.O. Box 1088
Salem, OR 97308-1088

Attn: Filing Center

Re: RG-44(1), CNG's 2012 Replacement Affiliated Interest Report

On May 31, 2013, pursuant to OAR 860-027-0100, Cascade Natural Gas Corporation's (Company) submitted its Affiliated Interest Report (Report) for the 12-month period ending December 31, 2012. The Company identified an error in the original Report and herewith submits a replacement report.

Any questions regarding this filing may be directed to me at (509) 734-4593.

Sincerely,

A handwritten signature in blue ink, appearing to read "Michael Parvinen", with a long, sweeping horizontal line extending to the right.

Michael Parvinen
Director, Regulatory Affairs

Enclosures

CASCADE NATURAL GAS CORPORATION
Affiliated Interest Report to the
Public Utility Commission of Oregon

Calendar Year 2012

1. A. CHANGES IN THE LIST OF DIRECTORS AND/OR OFFICERS COMMON
TO THE REGULATED UTILITY AND TO THE AFFILIATED INTERESTED

See the attached lists. (Common directors and officers among Cascade Natural Gas Corporation, CGC Resources, Inc., Knife River Corporation, Loy Clark Pipeline and WBI Energy Transmission Inc., former name Williston Basin Interstate Pipeline Company, are placed in bold.) Please note that CGC Resources, Inc. had no transactions with the Company in 2012.

B. CHANGES IN SUCCESSIVE OWNERSHIP BETWEEN THE REGULATED
UTILITY AND AFFILIATED INTEREST.

See the attached organizational chart for the affiliates & subsidiaries of Cascade Natural Gas.

C. A NARRATIVE DESCRIPTION OF THE AFFILIATED ENTITY WITH
WHICH THE REGULATED UTILITY DOES BUSINESS.

- MDU Resources Group Inc. - Parent Company to Cascade Natural Gas Corporation. Provides management/consulting/legal services to Cascade Natural Gas Corporation.
- Knife River Corporation - A subsidiary of MDU Resources which provides asphalt services for Cascade Natural Gas Corporation. In addition, Cascade Natural Gas provided distribution system transportation (Tariff Schedule 163) for a Knife River subsidiary company in Central Oregon.
- Loy Clark Pipeline Company, Inc. – Part of MDU Construction Services Group, Inc. and an indirect, wholly-owned subsidiary of MDU Resources Group, Inc. Loy Clark specializes in construction services to the gas pipeline transmission and distribution industry.
- WBI –Part of WBI Holdings, Inc. and an indirect, wholly-owned subsidiary of MDU Resources Group, Inc. Provides 24/7 gas control monitoring of Cascade’s distribution system and provide notifications to the appropriate personnel. WBI currently does all monitoring of the SCADA system for Montana-Dakota Utilities. WBI owns and operates 3,700 miles of transmission, gathering and storage lines and owns or leases and operates thirty compressor stations located in the states of Montana, North Dakota, South Dakota, and Wyoming. Additionally, the company entered into a software licensing arrangement whereby Cascade can utilize WBI’s FLOWCAL measurement accounting software. WBI owns the FLOWCAL software designed to

manage electronic flow measurement data in the natural gas industry and to validate volumes and energy for pipeline operations.

D. A BALANCE SHEET AND INCOME STATEMENT FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2012.

- I. As noted above, CGC Resources, Inc. had no transactions with the Company in 2012.

WBI Energy Transmission Inc., former name Williston Basin Interstate Pipeline Company, is part of MDU Resources Pipeline and Energy Services. Below is the Income Statement and Balance Sheet for Pipeline and Energy Services.

Pipeline and Energy Services

Year ended December 31,	2012
Income statement data (000's)	
Operating revenues	\$193,157
Operating expenses:	
Purchased natural gas sold	50,542
Operation and maintenance	52,155
Depreciation, depletion and amortization	27,684
Taxes, other than income	13,637
	<u>144,018</u>
Operating income	49,139
Other income	482
Interest expense	7,742
Income (loss) before taxes	41,879
Income taxes	15,291
Earnings (loss) on common stock	<u>\$26,588</u>

Pipeline and Energy Services

Year ended December 31,	2012
Balance sheet data (000's)	
Property, plant and equipment	\$816,533
Less accumulated depreciation, depletion and amortization	292,893
Net property, plant and equipment	523,640
Other assets	98,830
Total identifiable assets	<u>\$622,470</u>

Knife River Corporation and Loy Clark Pipeline Co., are part of MDU Resources Construction Materials and Contracting. Below is the Income Statement and Balance Sheet for Construction Materials and Contracting.

Construction Materials and Contracting	
Year ended December 31,	2012
Income statement data (000's)	
Operating revenues	\$1,617,425
Operating expenses:	
Operation and maintenance	1,442,551
Depreciation, depletion and amortization	79,527
Taxes, other than income	37,483
	1,559,561
Operating income	57,864
Earnings from equity method investments	3,905
Other income	(39)
Interest expense	15,211
Income (loss) before taxes	46,519
Income taxes	14,099
Earnings (loss) on common stock	\$32,420

Construction Materials and Contracting	
Year ended December 31,	2012
Balance sheet data (000's)	
Property, plant and equipment	\$1,504,981
Less accumulated depreciation, depletion and amortization	726,647
Net property, plant and equipment	778,334
Other assets	592,918
Total identifiable assets	\$1,371,252

II. SERVICE PAYMENTS BY THE UTILITY TO THE AFFILIATE

MDU Resources Group Inc:

<u>Account</u>	<u>Description</u>	<u>Total Company</u>	<u>Total Oregon</u>
426.1	Donation Expense	\$ 8,954.92	\$ 2,196.64
426.4	Political Activities	\$ 3,726.93	\$ 914.22
813	Other Gas Supply Expenses	\$ 185,730.31	\$ 45,559.65
875	Measuring & Regulating Station Expenses	\$ 143,802.66	\$ 35,274.79
880	Other Expenses	\$ 255,220.78	\$ 62,605.66
902	Meter Reading Expenses	\$ 126,108.46	\$ 30,934.41
903	Customer Records & Collection Expenses	\$ 4,214,962.98	\$ 1,033,930.42
909	Informational & Instructional Advertising	\$ 1,856.85	\$ 455.49
920	Administrative Salaries	\$ 4,265,246.40	\$ 1,046,264.94
921	Office Supplies & Expenses	\$ 3,536,154.36	\$ 867,418.66
922	Administrative Expenses Transferred-Credit	\$ (2,680.84)	\$ (657.61)
923	Outside Services	\$ 236,185.62	\$ 57,936.33
925	Injuries and Damages	\$ 736.79	\$ 180.73
926	Benefits	\$ 138,079.60	\$ 33,870.93
930.1	Advertising	\$ 34,099.26	\$ 8,364.55
930.2	Cost of Service	\$ 212,359.04	\$ 52,091.67
931	Rents	\$ 1,287,716.68	\$ 315,876.90
	Grand Total	\$ 14,648,260.80	\$ 3,593,218.37
	Capital Work Orders	\$ 5,149,094.42	\$ 1,263,072.86

Knife River Corporation:

<u>Account</u>	<u>Description</u>	<u>Total Company</u>	<u>Total Oregon</u>
380	Tariffed Distribution Services (R/S 163)	\$ 29,989.84	\$ 29,989.84

Williston Basin Interstate Pipeline Company (WBI):

<u>Account</u>	<u>Description</u>	<u>Total Company</u>	<u>Total Oregon</u>
871	Distribution Load Dispatch	\$ 147,823.81	\$ 36,261.18

Loy Clark Pipeline Company:

<u>Account</u>	<u>Description</u>	<u>Total Company</u>	<u>Total Oregon</u>
211	Subcontract Labor	\$ 159,704.00	\$ 159,704.00

SERVICE PAYMENTS BY THE AFFILIATE TO THE UTILITY

Knife River Corporation:

<u>Account</u>	<u>Description</u>	<u>Total Company</u>	<u>Total Oregon</u>
Various	Tariffed Distribution Services (R/S 163)	\$ 56,415.70	\$ 56,415.70

GRAND TOTAL **\$20,191,288.57** **\$5,138,661.96**

DESCRIPTION OF BASIS OF PRICING

See the attached Intercompany Administrative Services Agreement for costing method procedures regarding MDU Resources Group, Inc.

III. FOR INTER-COMPANY LOANS TO AFFILIATES:

A. Month-end amounts outstanding;

There were no loans made to any of the Affiliates during 2012.

B. The highest amount during the year.

N/A

C. A description of the terms and conditions for loans including interest rate.

N/A.

D. The total amount of interest charged and the weighted average rate of interest.

N/A.

E. Commission Order approving the transactions.

N/A.

IV. PARENT GUARANTEED DEBT OF AFFILIATE

None

V. TRANSACTIONS OTHER THAN SERVICES

None

Attachments

Cascade Natural Gas Corporation

Directors

David L. Goodin

K. Frank Morehouse

Paul K. Sandness

Doran N. Schwartz

Officers

David L. Goodin	Chairman of the Board
Dennis L. Haider	Executive Vice President - Business Development and Gas Supply
Mark A. Chiles	Vice President, Controller, Assistant Treasurer and Assistant Secretary
Julie A. Krenz	Assistant Secretary
Daniel S. Kuntz	Assistant Secretary
Scott W. Madison	Executive Vice President and General Manager
Douglass A. Mahowald	Treasurer
Eric P. Martuscelli	Vice President - Operations
K. Frank Morehouse	President and Chief Executive Officer
Paul K. Sandness	General Counsel and Secretary

CGC Resources, Inc.

Directors

David L. Goodin

K. Frank Morehouse

Paul K. Sandness

Officers

Douglass A. Mahowald

Treasurer

Scott W. Madison

Vice President

K. Frank Morehouse

Chairman of the Board, President and Chief Executive Officer

Paul K. Sandness

General Counsel and Secretary

WBI Energy Transmission, Inc.

Directors

Steven L. Bietz

David L. Goodin

Paul K. Sandness

Barry D. Haugen

Officers

Steven L. Bietz

President and Chief Executive Officer

Barry D. Haugen

Vice President, Treasurer and Chief Accounting Officer

Paul M. Hopfauf

Vice President – Business Developmen

David L. Goodin

Chairman of the Board

Julie A. Krenz

Assistant Secretary

Timothy W. Michelsen

Vice President - Administration
Treasurer and Chief Accounting Officer

Paul K. Sandness

General Counsel and Secretary

Adam A. Schiche

Assistant Secretary

Loy Clark Pipeline Company

Directors

Paul K. Sandness

Doran N. Schwartz

Jeffrey S. Thiede

Officers

Michael A. Bass

President

Bradley R. Hulquist

Controller and Assistant Secretary

Stephan E. Klepak

Senior Vice President

Thomas D. Nosbusch

Vice President - Business Development and Operations Support

Bryce D. Owen

Vice President - Risk Management and Human Resources

Paul K. Sandness

General Counsel and Secretary

Jeffrey S. Thiede

Chairman of the Board and Chief Executive Officer

Nathan W. Ring

Treasurer

Knife River Corporation

Directors

Paul K. Sandness

Doran N. Schwartz

David C. Barney

David L. Goodin

Officers

David C. Barney President and Chief Executive Officer

Nancy K. Christenson Vice President – Administration

Christopher B. Ford Chief Accounting Officer

David L. Goodin Chairman of the Board

Trevor J. Hastings Vice President – Business Development and Operations Support

Karl A. Liepitz Assistance Secretary

Paul K. Sandness General Counsel and Secretary

Wayne R. Dutra Executive Vice President-Operations and Treasurer

Subsidiaries of MDU Resources Group, Inc.
Effective Date: 5/17/2013
Created Date: 5/17/2013

