

e-FILING REPORT COVER SHEET

REPORT NAME: Annual Report (FERC Form No. 2), Oregon Supplement, Annual Report to Stockholders

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 860-027-0070
 Statute Enter Statute; e.g., ORS 757.135
 Order Enter Commission Order No.; e.g., 95-1335
 Other Enter reason; e.g., at Request of Lee Sparling

Is this report associated with a specific docket/case? No Yes
If Yes, enter docket number: Enter docket number; e.g.; UM 1484

Key words: Annual Report / FERC Form No. 2 / Oregon Supplement

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.

THIS FILING IS

Item 1: An Initial (Original) Submission OR Resubmission No. _____

Form 2 Approved
OMB No. 1902-0028
(Expires 6/30/2011)



FERC FINANCIAL REPORT

FERC FORM No. 2: Annual Report of Major Natural Gas Companies

These reports are mandatory under the Natural Gas Act, Sections 10(a), and 16 and 18 CFR Parts 260.1 and 260.300. Failure to report may result in criminal fines, civil penalties, and other sanctions as provided by law. The Federal Energy Regulatory Commission does not consider these reports to be of a confidential nature.

Exact Legal Name of Respondent (Company)

Cascade Natural Gas Corporation

Year/Period of Report

End of 2011



INSTRUCTIONS FOR FILING FERC FORMS 2, 2-A and 3-Q

GENERAL INFORMATION

I Purpose

FERC Forms 2, 2-A, and 3-Q are designed to collect financial and operational information from natural gas companies subject to the jurisdiction of the Federal Energy Regulatory Commission. These reports are also considered to be a non-confidential public use forms.

II. Who Must Submit

Each natural gas company whose combined gas transported or stored for a fee exceed 50 million dekatherms in each of the previous three years must submit FERC Form 2 and 3-Q.

Each natural gas company not meeting the filing threshold for FERC Form 2, but having total gas sales or volume transactions exceeding 200,000 dekatherms in each of the previous three calendar years must submit FERC Form 2-A and 3-Q.

Newly established entities must use projected data to determine whether they must file the FERC Form 3-Q and FERC Form 2 or 2-A.

III. What and Where to Submit

(a) Submit Forms 2, 2-A and 3-Q electronically through the submission software at <http://www.ferc.gov/docs-filing/eforms/form-2/elec-subm-soft.asp> .

(b) The Corporate Officer Certification must be submitted electronically as part of the FERC Form 2 and 3-Q filings.

(c) Submit immediately upon publication, by either eFiling or mailing two (2) copies to the Secretary of the Commission, the latest Annual Report to Stockholders and any annual financial or statistical report regularly prepared and distributed to bondholders, security analysts, or industry associations. Do not include monthly and quarterly reports. Indicate by checking the appropriate box on Form 2, Page 3, List of Schedules, if the reports to stockholders will be submitted or if no annual report to stockholders is prepared. Unless eFiling the Annual Report to Stockholders, mail these reports to the Secretary of the Commission at:

Secretary of the Commission
Federal Energy Regulatory Commission
888 First Street, NE
Washington, DC 20426

(d) For the Annual CPA certification, submit with the original submission of this form, a letter or report (not applicable to respondents classified as Class C or Class D prior to January 1, 1984) prepared in conformity with the current standards of reporting which will:

(i) Contain a paragraph attesting to the conformity, in all material respects, of the schedules listed below with the Commission's applicable Uniform Systems of Accounts (including applicable notes relating thereto and the Chief Accountant's published accounting releases), and

(ii) be signed by independent certified public accountants or an independent licensed public accountant certified or licensed by a regulatory authority of a State or other political subdivision of the U. S. (See 18 C.F.R. §§ 158.10-158.12 for specific qualifications.)

Reference	<u>Reference</u> <u>Schedules Pages</u>
Comparative Balance Sheet	110-113
Statement of Income	114-117
Statement of Retained Earnings	118-119
Statement of Cash Flows	120-121
Notes to Financial Statements	122-123

Filers should state in the letter or report, which, if any, of the pages above do not conform to the Commission's requirements. Describe the discrepancies that exist

(e) Filers are encouraged to file their Annual Report to Stockholders, and the CPA Certification Statement using eFiling. To further that effort, new selections, "Annual Report to Stockholders" and "CPA Certification Statement," have been added to the dropdown "pick list" from which companies must choose when eFiling. Further instructions are found on the Commission website at <http://www.ferc.gov/help/how-to.asp>

(f) Federal, State and Local Governments and other authorized users may obtain additional blank copies of FERC Form 2 and 2-A free of charge from: <http://www.ferc.gov/docs-filing/eforms/form-2/form-2.pdf> and <http://www.ferc.gov/docs-filing/eforms/form-2a/form-2a.pdf>, respectively. Copies may also be obtained from the Public Reference and Files Maintenance Branch, Federal Energy Regulatory Commission, 888 First Street, NE, Room 2A, Washington, DC 20426 or by calling (202).502-8371

IV. When to Submit:

FERC Forms 2, 2-A, and 3-Q must be filed by the dates:

- (a) FERC Form 2 and 2-A --- by April 18th of the following year (18 C.F.R. §§ 260.1 and 260.2)
- (b) FERC Form 3-Q --- Natural gas companies that file a FERC Form 2 must file the FERC Form 3-Q within 60 days after the reporting quarter (18 C.F.R. § 260.300), and
- (c) FERC Form 3-Q --- Natural gas companies that file a FERC Form 2-A must file the FERC Form 3-Q within 70 days after the reporting quarter (18 C.F.R. § 260.300).

V. Where to Send Comments on Public Reporting Burden.

The public reporting burden for the Form 2 collection of information is estimated to average 1,623 hours per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data-needed, and completing and reviewing the collection of information. The public reporting burden for the Form 2A collection of information is estimated to average 250 hours per response. The public reporting burden for the Form 3-Q collection of information is estimated to average 165 hours per response.

Send comments regarding these burden estimates or any aspect of these collections of information, including suggestions for reducing burden, to the Federal Energy Regulatory Commission, 888 First Street NE, Washington, DC 20426 (Attention: Information Clearance Officer); and to the Office of Information and Regulatory Affairs, Office of Management and Budget, Washington, DC 20503 (Attention: Desk Officer for the Federal Energy Regulatory Commission). No person shall be subject to any penalty if any collection of information does not display a valid control number (44 U.S.C. § 3512 (a)).

GENERAL INSTRUCTIONS

- I. Prepare all reports in conformity with the Uniform System of Accounts (USofA) (18 C.F.R. Part 201). Interpret all accounting words and phrases in accordance with the USofA.
- II. Enter in whole numbers (dollars or Dth) only, except where otherwise noted. (Enter cents for averages and figures per unit where cents are important. The truncating of cents is allowed except on the four basic financial statements where rounding is required.) The amounts shown on all supporting pages must agree with the amounts entered on the statements that they support. When applying thresholds to determine significance for reporting purposes, use for balance sheet accounts the balances at the end of the current reporting period, and use for statement of income accounts the current year's year to date amounts.
- III. Complete each question fully and accurately, even if it has been answered in a previous report. Enter the word "None" where it truly and completely states the fact.
- IV. For any page(s) that is not applicable to the respondent, omit the page(s) and enter "NA," "NONE," or "Not Applicable" in column (d) on the List of Schedules, pages 2 and 3.
- V. Enter the month, day, and year for all dates. Use customary abbreviations. **The "Date of Report" included in the header of each page is to be completed only for resubmissions.**
- VI. Generally, except for certain schedules, all numbers, whether they are expected to be debits or credits, must be reported as positive. Numbers having a sign that is different from the expected sign must be reported by enclosing the numbers in parentheses.
- VII. For any resubmissions, submit the electronic filing using the form submission only. Please explain the reason for the resubmission in a footnote to the data field.
- VIII. Footnote and further explain accounts or pages as necessary.
- IX. Do not make references to reports of previous periods/years or to other reports in lieu of required entries, except as specifically authorized.
- X. Wherever (schedule) pages refer to figures from a previous period/year, the figures reported must be based upon those shown by the report of the previous period/year, or an appropriate explanation given as to why the different figures were used.
- XI. Report all gas volumes in Dth unless the schedule specifically requires the reporting in another unit of measurement.

DEFINITIONS

- I. Btu per cubic foot – The total heating value, expressed in Btu, produced by the combustion, at constant pressure, of the amount of the gas which would occupy a volume of 1 cubic foot at a temperature of 60°F if saturated with water vapor and under a pressure equivalent to that of 30°F, and under standard gravitational force (980.665 cm. per sec) with air of the same temperature and pressure as the gas, when the products of combustion are cooled to the initial temperature of gas and air when the water formed by combustion is condensed to the liquid state (called gross heating value or total heating value).
- II. Commission Authorization -- The authorization of the Federal Energy Regulatory Commission, or any other Commission. Name the commission whose authorization was obtained and give date of the authorization.
- III. Dekatherm – A unit of heating value equivalent to 10 therms or 1,000,000 Btu.
- IV Respondent – The person, corporation, licensee, agency, authority, or other legal entity or instrumentality on whose behalf the report is made.

EXCERPTS FROM THE LAW
(Natural Gas Act, 15 U.S.C. 717-717w)

"Sec. 10(a). Every natural-gas company shall file with the Commission such annual and other periodic or special reports as the Commission may by rules and regulations or order prescribe as necessary or appropriate to assist the Commission in the proper administration of this act. The Commission may prescribe the manner and form in which such reports shall be made and require from such natural-gas companies specific answers to all questions upon which the Commission may need information. The Commission may require that such reports include, among other things, full information as to assets and liabilities, capitalization, investment and reduction thereof, gross receipts, interest dues and paid, depreciation, amortization, and other reserves, cost of facilities, costs of maintenance and operation of facilities for the production, transportation, delivery, use, or sale of natural gas, costs of renewal and replacement of such facilities, transportation, delivery, use and sale of natural gas..."

"Section 16. The Commission shall have power to perform all and any acts, and to prescribe, issue, make, amend, and rescind such orders, rules, and regulations as it may find necessary or appropriate to carry out the provisions of this act. Among other things, such rules and regulations may define accounting, technical, and trade terms used in this act; and may prescribe the form or forms of all statements declarations, applications, and reports to be filed with the Commission, the information which they shall contain, and time within they shall be filed..."

General Penalties

The Commission may assess up to \$1 million per day per violation of its rules and regulations. See NGA § 22(a), 15 U.S.C. § 717t-1(a).

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ANNUAL REPORT OF MAJOR NATURAL GAS COMPANIES

IDENTIFICATION

01 Exact Legal Name of Respondent Cascade Natural Gas Corporation		02 Year of Report End of December 31, 2011	
03 Previous Name and Date of Change (If name changed during year) Not applicable			
04 Address of Principal Office at End of Year (Street, City, State, Zip Code) 8113 West Grandridge Boulevard, Kennewick, Washington 99336-7166			
05 Name of Contact Person Tammy Nygard		06 Title of Contact Person Manager, Accounting & Finance	
07 Address of Contact Person (Street, City, State, Zip Code) 8113 West Grandridge Boulevard, Kennewick, Washington 99336-7166			
08 Telephone of Contact Person, Including Area Code (509) 734-4516		09 This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	
		10 Date of Report (Mo, Da, Yr) December 31, 2011	

ANNUAL CORPORATE OFFICER CERTIFICATION

The undersigned officer certifies that:

I have examined this report and to the best of my knowledge, information, and belief all statements of fact contained in this report are correct statements of the business affairs of the respondent and the financial statements, and other financial information contained in this report, conform in all material respects to the Uniform System of Accounts.

11 Name Tammy Nygard		12 Title Manager, Accounting & Finance	
13 Signature <i>Tammy Nygard</i>		14 Date Signed 3-22-12	

Title 18, U.S.C. 1001, makes it a crime for any person knowingly and willingly to make to any Agency or Department of the United States any false, fictitious or fraudulent statements as to any matter within its jurisdiction.

Name of Respondent Cascade Natural Gas Corporation	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr)	Year of report Dec. 31, 2011
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LIST OF SCHEDULES (Natural Gas Company)

Enter in column (d) the terms "none", "not applicable", or "NA" as appropriate, where no information or amounts have been reported for certain pages. Omit pages where the responses are "none", "not applicable", or "NA".

Line No.	Title of Schedule (a)	Reference Page No. (b)	Date Revised (c)	Remark (d)
	GENERAL CORPORATE INFORMATION AND FINANCIAL STATEMENTS			
1	General Information	101		
2	Control Over Respondent	102		
3	Corporations Controlled by Respondent	103		
4	Security Holders and Voting Powers	107		
5	Important Changes During the Year	108		
6	Comparative Balance Sheet	110-113		
7	Statement of Income for the Year	114-116		
8	Statement of Accum Comprehensive Income and Hedging Activities	117		
9	Statement of Retained Earnings for the Year	118-119		
10	Statement of Cash Flows	120-121		
11	Notes to Financial Statements (Overview)	122		
	BALANCE SHEET SUPPORTING SCHEDULES (Assets and Other Debits)			
12	Summary of Utility Plant and Accumulated Provisions for Depreciation, Amortization, and Depletion	200-201		
13	Gas Plant In-Service	204-209		
14	Gas Property and Capacity Leased from Others	212		None
15	Gas Property and Capacity Leased to Others	213		None
16	Gas Plant Held for Future Use	214		None
17	Construction Work in Progress - Gas	216		
18	General Description of Construction Overhead Procedure	218		
19	Accumulated Provision for Depreciation of Gas Utility Plant	219		
20	Gas Stored	220		
21	Investments	222-223		
22	Investments in Subsidiary Companies	224-225		
23	Prepayments	230		
24	Extraordinary Property Losses	230		
25	Unrecovered Plant and Regulatory Study Costs	230		
26	Other Regulatory Assets	232		
27	Miscellaneous Deferred Debits	233		
28	Accumulated Deferred Income Taxes	234-235		
	BALANCE SHEET SUPPORTING SCHEDULES (Liabilities and Other Credits)			
29	Capital Stock	250-251		
30	Capital Stock Subscribed, Capital Stock Liability for Conversion, Premium on Capital Stock, and Instalments Received on Capital Stock	252		
31	Other Paid-in Capital	253		
32	Discount on Capital Stock	254		
33	Capital Stock Expense	254		
34	Securities issued or Assumed & Securities Refunded or Retired during the Year	255		
35	Long Term Debt	256-257		
36	Unamortized Debt Expense, Premium and Discount on Long-Term Debt	258-259		

Name of Respondent Cascade Natural Gas Corporation	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr)	Year of report Dec. 31, 2011
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Line No.	Title of Schedule (a)	Reference Page No. (b)	Date Revised (c)	Remark (d)
38	Unamortized Loss and Gain on Reacquired Debt	260		
39	Reconciliation of Reported Net Income with Taxable Income for Federal Income Taxes	261-261a		
40	Taxes Accrued, Prepaid and Charged during the Year	262-263		
41	Miscellaneous Current and Accrued Liabilities	268		
42	Other Deferred Credits	269		
43	Accumulated Deferred Income Taxes - Other Property (Account 282)	274-275		
44	Accumulated Deferred Income Taxes - Other (Account 283)	276-277		
45	Other Regulatory Liabilities (Account 254)	278		
INCOME ACCOUNT SUPPORTING SCHEDULES				
46	Gas Operating Revenues	300-301		
47	Revenues from Transportation of Gas of Others Through Gathering Facilities	302-303		None
48	Revenues from Transportation of Gas of Others Through Trans. Facilities	304-305		None
49	Revenues from Storing Gas of Others	306-307		None
50	Other Gas Revenues	308		
51	Gas Operation and Maintenance Expenses	317-325		
52	Exchange and Imbalance Transactions	328		None
53	Gas Used in Utility Operations	331		
54	Transmission and Compression of Gas by Others	332		None
55	Other Gas Supply Expenses	334		None
56	Miscellaneous General Expenses-Gas	335		
57	Depreciation, Depletion and Amortization of Gas Plant	336-338		
58	Particulars Concerning Certain Income Deductions and Interest Charges Accounts	340		
COMMON SECTION				
59	Regulatory Commission Expenses	350-351		
60	Distribution of Salaries and Wages	354-355		
61	Charges for Outside Professional and Other Consultative Services	357		
62	Transactions with Associated (Affiliated Companies)	358		
GAS PLANT STATISTICAL DATA				
63	Compressor Stations	508-509		
64	Gas Storage Projects	512-513		
65	Transmission Lines	514		None
66	Transmission System Peak Deliveries	518		None
67	Auxiliary Peaking Facilities	519		None
68	Gas Account - Natural Gas	520		
69	System Map	522		
70	Footnote Reference	551		None
71	Footnote Text	552		None
72	Stockholders' Reports (check appropriate box)			
	<input checked="" type="checkbox"/> Four Copies will be submitted <input type="checkbox"/> No annual report to stockholders is prepared			

Name of Respondent Cascade Natural Gas Corporation	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr)	Year of report Dec. 31, 2011
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GENERAL INFORMATION

1. Provide the name and title of officer having custody of the general corporate books of account and address of office where the general corporate books are kept, and address of office where any other corporate books of account are kept, if different from that where general corporate books are kept.

Tammy Nygard
Manager, Accounting & Finance

**8113 West Grandridge Boulevard,
Kennewick, Washington 99336-7166**

2. Provide the name of the state under the laws which respondent is incorporated, and the date of incorporation. If incorporated under a special law, give reference to such law. If not incorporated, state that fact and give the type of organization and the date organized.

Incorporated in the State of Washington - January 2, 1953

3. If at any time during the year the property of respondent was held by a receiver or trustee, give (a) name of receiver or trustee, (b) date such receiver or trustee took possession, (c) the authority by which the receivership or trustee was created, and (d) date when possession by receiver or trustee ceased.

Not applicable

4. State the classes of utility and other services furnished by respondent during the year in each state in which the respondent operated.

Natural gas distribution in the states of Washington and Oregon

5. Have you engaged as the principal accountant to audit your financial statements an accountant who is not the principal accountant for your previous year's certified financial statements?

(1) Yes... Enter the date when such independent accountant was initially engage:

(2) No

Name of Respondent Cascade Natural Gas Corporation	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) Dec. 31, 2011	Year of report Dec. 31, 2011
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CONTROL OVER RESPONDENT

1. Report in column (a) the names of all corporations, partnerships, business trusts, and similar organizations that directly, indirectly, or jointly held control (see page 103 for definition of control) over the respondent at the end of the year. If control is in a holding company organization, report in a footnote the chain of organization.
2. If control is held by trustee, state in a footnote the names of trustees, the names of beneficiaries for whom the trust is maintained, and the purpose of the trust.
3. In column (b) designate type of control over the respondent. Report an "M" if the company is the main parent or controlling company having ultimate control over the respondent. Otherwise, report a "D" for direct, an "I" for indirect, or a "J" for joint control.

Line No.	Company Name (a)	Type of Control (b)	State of Incorporation (c)	Percent Voting Stock Owned (d)
1	MDU Resources Group, Inc.	M	Delaware	100%
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Name of Respondent Cascade Natural Gas Corporation	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr)	Year of report Dec. 31, 2011
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Corporations Controlled by Respondent

1. Report below the names of all corporations, business trusts, and similar organizations, controlled directly or indirectly by respondent at any time during the year. If control ceased prior to end of year, give particulars (details) in a footnote.
2. If control was by other means than a direct holding of voting rights, state in a footnote the manner in which control was held, naming any intermediaries involved.
3. If control was held jointly with one or more other interests, state the fact in a footnote and name the other interests.
4. In column (b) designate type of control of the respondent as "D" for direct, and "I" for indirect, or a "J" for joint control.

DEFINITIONS

1. See the Uniform System of Accounts for definition of control.
2. Direct control is that which is exercised without interposition of an intermediary.
3. Indirect control is that which is exercised by the interposition of an intermediary which exercises direct control.
4. Joint control is that in which neither interest can effectively control or direct action without the consent of the other, as where the voting control is equally divided between two holders, or each party holds a veto power over the other. Joint control may exist by mutual agreement or understanding between two or more parties who together have control within the meaning of the definition of control in the uniform System of Accounts, regardless of the relative voting rights of each party.

Line No.	Name of Company Controlled (a)	Type of Control (b)	Kind of Business (c)	Percent Voting Stock Owned (d)	Footnote Reference (e)
1	CGC Resources, Inc.	D	Pipeline Capacity Management	100%	
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Name of Respondent Cascade Natural Gas Corporation	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr)	Year of report Dec. 31, 2011
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SECURITY HOLDERS AND VOTING POWERS

1. Give the names and addresses of the 10 security holders of the respondent who, at the date of the latest closing of the stock book or compilation of list of stockholders of the respondent, prior to the end of the year, had the highest voting powers in the respondent, and state the number of votes that each could cast on that date if a meeting were held. If any such holder held in trust, give in a footnote the known particulars of the trust (whether voting trust, etc.), duration of trust, and principal holders of beneficiary interests in the trust. If the company did not close the stock book or did not compile a list of stockholders within one year prior to the end of the year, or if since it compiled the previous list of stockholders, some other class of security has become vested with voting rights, then show such 10 security holders as of the close of the year. Arrange the names of the security holders in the order of voting power, commencing with the highest. Show in column (a) the titles of officers and directors included in such list of 10 security holders.
2. If any security other than stock carries voting rights, explain in a supplemental statement how such security became vested with voting rights and give other important details concerning the voting rights of such security. State whether voting rights are actual or contingent; if contingent, describe the contingency.
3. If any class or issue of security has any special privileges in the election of directors, trustees or managers, or in the determination of corporate action by any method, explain briefly in a footnote.
4. Furnish details concerning any options, warranties, or rights outstanding at the end of the year for others to purchase securities of the respondent or any securities or other assets owned by the respondent, including prices, expiration dates, and other material information relating to exercise of the options, warrants or rights. Specify the amount of such securities or assets any officer, director, associated company, or any of the 10 largest security holders is entitled to purchase. This instruction is inapplicable to convertible securities or to any securities substantially all of which are outstanding in the hands of the general public where the options, warrants.

1. Give date of the latest closing of the stock book prior to end of year, and state the purpose of such closing:	2. State the total number of votes cast at the latest general meeting prior to the end of year for election of directors of the respondent and number of such votes cast by proxy: Total: By Proxy: N/A	3. Give the date and place of such meeting. N/A
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Line No.	Name (Title) and Address of Security Holder (a)	VOTING SECURITIES			
		Total Votes (b)	Common Stock (c)	Preferred Stock (d)	Other (e)
5	TOTAL votes of all voting securities	-	-		
6	TOTAL number of security holders	-	-		
7	TOTAL votes of security holders listed below:				
	Cascade is a wholly-owned subsidiary of MDU Resources Group, Inc.				

Name of Respondent Cascade Natural Gas Corporation	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr)	Year of report Dec. 31, 2011
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IMPORTANT CHANGES DURING THE YEAR

Give details concerning the matters indicated below. Make the statements explicit and precise, and number them in accordance with the inquiries. Answer each inquiry. Enter "none" or "not applicable" where applicable. If the answer is given elsewhere in the report, refer to the schedule in which it appears.

1. Changes in and important additions to franchise rights: Describe the actual consideration and state from whom the franchise rights were acquired. If the franchise rights were acquired without the payment of consideration, state that fact.
 2. Acquisition of ownership in other companies by reorganization, merger, or consolidation with other companies: Give names of companies involved, particulars concerning the transactions, name of the Commission authorizing the transaction, and reference to Commission authorization.
 3. Purchase or sale of an operating unit or system: Briefly describe the property, and the related transactions, and cite Commission authorization, if any was required. Give date journal entries called for by Uniform System of Accounts were submitted to the Commission.
 4. Important leaseholds (other than leaseholds for natural gas lands) that have been acquired or given, assigned or surrendered: Give effective dates, lengths of terms, names of parties, rents, and other conditions. State name of Commission authorizing lease and give reference to such authorization.
 5. Important extension or reduction of transmission or distribution system: State territory added or relinquished and date operations began or ceased and cite Commission authorization, if any was required. State also the approximate number of customers added or lost and approximate annual revenues of each class of service.
- Each natural gas company must also state major new continuing sources of gas made available to it from purchases, development, purchase contract or otherwise, giving location and approximate total gas volumes available, period of contracts, and other parties to any such arrangements, etc.
6. Obligations incurred or assumed by respondent as guarantor for the performance by another of any agreement or obligation, including ordinary commercial paper maturing on demand or not later than one year after date of issue: State on behalf of whom the obligation was assumed and amount of the obligation. Cite Commission authorization if any was required.
 7. Changes in articles of incorporation or amendments to charter: Explain the nature and purpose of such changes or amendments.
 8. State the estimated annual effect and nature of any important wage scale changes during the year.
 9. State briefly the status of any materially important legal proceedings pending at the end of the year, and the results of any such proceedings culminated during the year.
 10. Describe briefly any materially important transactions of the respondent not disclosed elsewhere in this report in which an officer, director, security holder, voting trustee, associated company or known associate of any of these persons was a party or in which any such person had a material interest.
 11. Estimated increase or decrease in annual revenues caused by important rate changes: State effective date and approximate amount of increase or decrease for each revenue classification. State the number of customers affected.
 12. Describe fully any changes in officers, directors, major security holders and voting powers of the respondent that may have occurred during the reporting period.
 13. In the event that the respondent participates in a cash management program(s) and its proprietary capital ratio is less than 30 percent please describe the significant events or transactions causing the proprietary capital ratio to be less than 30 percent, and the extent to which the respondent has amounts loaned or money advanced to its parent, subsidiary, or affiliated companies through a cash management program(s). Additionally, please describe plans, if any to regain at least a 30 percent proprietary ratio.

Name of Respondent This Report is:

- | | |
|----|---|
| 1 | None |
| 2 | None |
| 3 | None |
| 4 | None |
| 5 | None |
| 6 | None |
| 7 | None |
| 8 | Wages for hourly employees increased by 3.0% in April 2011. |
| 9 | None |
| 10 | None |
| 11 | None |
| 12 | |
| 13 | |

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[Next page is 110]

Name of Respondent Cascade Natural Gas Corporation	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr)	Year of report Dec. 31, 2011
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COMPARATIVE BALANCE SHEET (ASSETS AND OTHER DEBITS)

Line No.	Title of Account (a)	Reference Page Number (b)	Current Year End of Year Balance (c)	Prior Year End Balance 12/31 (d)
1	UTILITY PLANT			
2	Utility Plant (101-106, 114)	200-201	702,854,763	684,283,856
3	Construction Work in Progress (107)	200-201	15,114,040	9,378,651
4	TOTAL Utility Plant (Total of lines 2 and 3)	200-201	717,968,803	693,662,507
5	(Less) Accum. Provision for Depr., Amort. Depl. (108, 111, 115)		(355,227,629)	(338,049,323)
6	Net Utility Plant (Total of line 4 less 5)	-	362,741,174	355,613,184
7	Nuclear Fuel (120.1-120.4, and 120.6)	-	0	0
8	(Less) Accum. Provision for Amort., of Nucl. Fuel Assem. (120.5)	-	0	0
9	Nuclear Fuel (Enter Total of line 7 less 8)	-	-	-
10	Net Utility Plant (Total of lines 6 and 9)	-	362,741,174	355,613,184
11	Utility Plant Adjustments (116)	122		
12	Gas Stored-Base Gas (117.1)	220		
13	System Balancing Gas (117.2)	220		
14	Gas Stored in Reservoirs and Pipelines-Noncurrent (117.3)	220		
15	Gas Owned to System Gas (117.4)	220		
16	OTHER PROPERTY AND INVESTMENTS			
17	Nonutility Property (121)		202,030	202,030
18	(Less) Accum. Provision for Depreciation and Amortization (122)			
19	Investments in Associated Companies (123)	222-223		
20	Investment in Subsidiary Companies (123.1)	224-225		
21	(For Cost of Account 123.1, See Footnote Page 224, line 40)	-		
22	Noncurrent Portion of Allowances	-		
23	Other Investments (124)	222-223	9,479,236	9,924,166
24	Sinking Funds (125)	-		
25	Depreciation Fund (126)			
26	Amortization Fund - Federal (127)			
27	Other Special Funds (128)			
28	Long-Term Portion of Derivative Assets (175)			
29	Long-Term Portion of Derivative Assets - Hedges (176)			
30	TOTAL Other Property & Investments (Total of lines 17-20, 22-29)	-	9,681,267	10,126,196
31	CURRENT AND ACCRUED ASSETS			
32	Cash (131)		29,029,983	15,433,311
33	Speical Deposits (132-134)		350,000	350,000
34	Working Funds (135)		2,950	3,950
35	Temporary Cash Investments (136)	222-223		
36	Notes Receivable (141)		7,573,692	7,400,000
37	Customer Accounts Receivable (142)	-	16,479,418	18,272,246
38	Other Accounts Receivable (143)	-	2,556,747	1,943,666
39	(Less) Accum. Provision for Uncollectible Accounts - Credit (144)	-	(561,058)	(1,382,633)
40	Notes Receivable from Associated Companies (145)	-		
41	Accounts Receivable from Associated Companies (146)		17,010	99,789
42	Fuel Stock (151)			
43	Fuel Stock Expenses Undistributed (152)			

Name of Respondent Cascade Natural Gas Corporation	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr)	Year of report Dec. 31, 2011
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COMPARATIVE BALANCE SHEET (ASSETS AND OTHER DEBITS) (continued)

Line No.	Title of Account (a)	Reference Page Number (b)	Current Year End of Year Balance (c)	Prior Year End Balance 12/31 (d)
44	Residuals (Elec) and Extracted 44 Products (Gas) (153)	-		
45	Plant Materials and Operating Supplies (154)	-	5,925,620	5,447,377
46	Merchandise (155)	-		
47	Other Materials and Supplies (156)	-		
48	Nuclear Materials Held for Sale (157)	-		
49	Allowances (158.1 and 158.2)	-		
50	(Less) Noncurrent Portion of Allowances	-		
51	Stores Expense Undistributed (163)	-		
52	Gas Stored Underground-Current (164.1) 220	-	3,681,969	1,212,106
53	Liquefied Natural Gas Stored and Held for Processing (164.2 thru 164.3) 220	-	3,166,527	3,241,897
54	Prepayments (165) 230	-	4,165,579	6,911,357
55	Advances for Gas (166 thru 167)	-		
56	Interest and Dividends Receivable (171)	220		
57	Rents Receivable (172)	220		
58	Accrued Utility Revenues (173)	230	27,419,077	30,180,648
59	Miscellaneous Current and Accrued Assets (174)			
60	Derivative Instrument Assets (175)	-		
61	(Less) Long-Term Portion of Derivative Instrument Assets (175)	-		
62	Derivative Instrument Assets - Hedges (176)	-		
63	(Less) Long-Term Portion of Derivative Instrument Assets - Hedges (176)			
64	TOTAL Current and Accrued Assets (Total of lines 32 thru 63)	-	99,807,515	89,113,714
65	DEFERRED DEBITS			
66	Unamortized Debt Expense (181)		2,048,113	2,171,967
67	Extraordinary Property Losses (182.1) 230			
68	Unrecovered Plant and Regulatory Study Costs (182.2) 230	259		
69	Other Regulatory Assets (182.3) 232	230	54,822,091	37,146,839
70	Preliminary Survey and Investigation Charges (Electric)(183)	230		
71	Preliminary Survey and Investigation Charges (Gas)(183.1 and 183.2)	232		
72	Clearing Accounts (184)	-	(83,050)	(77,286)
73	Temporary Facilities (185)			
74	Miscellaneous Deferred Debits (186) 233	-	14,567,743	25,379,819
75	Deferred Losses from Disposition of Utility Plant (187)	-		
76	Research, Development, and Demonstration Expend. (188)	233		
77	Unamortized Loss on Reacquired Debt (189)	-	1,265,997	1,534,785
78	Accumulated Deferred Income Taxes (190) 234-235		24,456,261	15,620,251
79	Unrecovered Purchased Gas Costs (191)			
80	TOTAL Deferred Debits (Total of lines 66 thru 79)	234-235	97,077,155	81,776,375
81	TOTAL Assets and Other Debits (Total of lines 10-15,30,64,and 80)	-	569,307,111	536,629,469

Name of Respondent Cascade Natural Gas Corporation	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr)	Year of report Dec. 31, 2011
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COMPARATIVE BALANCE SHEET (Liabilities and Other Credits)

Line No.	Title of Account (a)	Reference Page Number (b)	Current Year End of Year Balance (c)	Prior Year End Balance 12/31/2010 (d)
1	PROPRIETARY CAPITAL			
2	Common Stock Issued (201)	250-251	1,000	1,000
3	Preferred Stock Issued (204)	250-251		
4	Capital Stock Subscribed (202, 205)	252		
5	Stock Liability for Conversion (203, 206)	252		
6	Premium on Capital Stock (207)	252	117,703,952	117,703,952
7	Other Paid-In Capital (208-211)	253	-	0
8	Installments Received on Capital Stock (212)	252		
9	(Less) Discount on Capital Stock (213)	254		
10	(Less) Capital Stock Expense (214)	254	-	
11	Retained Earnings (215, 215.1, 216)	118-119	51,007,810	47,028,199
12	Unappropriated Undistributed Subsidiary Earnings (216.1)	118-119	-	0
13	(Less) Reacquired Capital Stock (217)	250-251		
14	Accumulated Other Comprehensive Income (Loss) (219)	117	-	-
15	TOTAL Proprietary Capital (Enter Total of lines 2 thru 14)	-	168,712,762	164,733,151
16	LONG-TERM DEBT			
17	Bonds (221)	256-257		
18	(Less) Reacquired Bonds (222)	256-257		
19	Advances from Associated Companies (223)	256-257		
20	Other Long-Term Debt (224)	256-257	139,469,000	162,189,000
21	Unamortized Premium on Long-Term Debt (225)	258-259		
22	(Less) Unamortized Discount on Long-Term Debt-Dr. (226)	258-259		
23	(Less) Current Portion of Long-Term Debt		-	-
24	TOTAL Long-Term Debt (Enter Total of lines 17 thru 23)	-	139,469,000	162,189,000
25	OTHER NONCURRENT LIABILITIES			
26	Obligations Under Capital Leases - Noncurrent (227)	-		
27	Accumulated Provision for Property Insurance (228.1)	-		
28	Accumulated Provision for Injuries and Damages (228.2)	-	6,866,075	6,000,883
29	Accumulated Provision for Pensions and Benefits (228.3)	-	13,115,715	10,008,239
30	Accumulated Miscellaneous Operating Provisions (228.4)	-	1,323,934	610,378
31	Accumulated Provision for Rate Refunds (229)	-		

Name of Respondent Cascade Natural Gas Corporation	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr)	Year of report Dec. 31, 2011
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COMPARATIVE BALANCE SHEET (Liabilities and Other Credits) (continued)

Line No.	Title of Account (a)	Reference Page Number (b)	Current Year End of Year Balance (c)	Prior Year End Balance 12/31/2010 (d)
32	Long-Term Portion of Derivative Instrument Liabilities			
33	Long-Term Portion of Derivative Instrument Liabilities - Hedges			
34	Asset Retirement Obligations (230)		492,967	492,967
35	TOTAL Other Noncurrent Liabilities (Total of lines 26 thru 34)		21,798,691	17,112,467
36	CURRENT AND ACCRUED LIABILITIES			
37	Current Portion of Long-Term Debt (224.1)		22,000,000	
38	Notes Payable (231)			
39	Accounts Payable (232)		29,061,081	29,478,315
40	Notes Payable to Associated Companies (233)			
41	Accounts Payable to Associated Companies (234)		1,739,028	1,479,304
42	Customer Deposits (235)		1,920,787	1,859,613
43	Taxes Accrued (236)	262-263	9,596,659	8,559,827
44	Interest Accrued (237)		2,818,204	2,828,308
45	Dividends Declared (238)		3,890,000	3,640,000
46	Matured Long-Term Debt (239)			
47	Matured Interest (240)			
48	Tax Collections Payable (241)			
49	Miscellaneous Current and Accrued Liabilities (242)	268	7,255,037	6,774,385
50	Obligations Under Capital Leases-Current (243)			
51	Derivative Instrument Liabilities (244)		436,636	9,359,176
52	(Less) Long-Term Portion of Derivative Instrument Liabilities			
53	Derivative Instrument Liabilities - Hedges (245)			
54	(Less) Long-Term Portion of Derivative Instrument Liabilities - Hedges			
55	TOTAL Current and Accrued Liabilities (Total of lines 37 thru 54)		78,717,432	63,978,928
56	DEFERRED CREDITS			
57	Customer Advances for Construction (252)		6,234,082	5,482,802
58	Accumulated Deferred Investment Tax Credits (255)		564,798	641,780
59	Deferred Gains from Disposition of Utility Plant (256)			
60	Other Deferred Credits (253)	269	52,872,667	35,576,306
61	Other Regulatory Liabilities (254)	278	3,412,345	2,776,101
62	Unamortized Gain on Reacquired Debt (257)	260		
63	Accumulated Deferred Income Taxes - Accelerated Amortization (281)		0	0
64	Accumulated Deferred Income Taxes - Other Property (282)		70,046,020	64,156,548
65	Accumulated Deferred Income Taxes - Other (283)		27,479,313	19,982,386
66	TOTAL Deferred Credits (Total of lines 57 thru 65)		160,609,225	128,615,923
67	TOTAL Liabilities and Other Credits (Total of lines 15,24,35,55,and 66)		569,307,111	536,629,470

Name of Respondent Cascade Natural Gas Corporation	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr)	Year of report Dec. 31, 2011
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STATEMENT OF INCOME

Quarterly

1. Enter in column (d) the balance for the reporting quarter and in column (e) the balance for the same three month period for the prior year.
2. Report in column (f) the quarter to date amounts for electric utility function; in column (h) the quarter to date amounts for gas utility, and in (j) the quarter to date amounts for other utility function for the current year quarter.
3. Report in column (g) the quarter to date amounts for electric utility function; in column (i) the quarter to date amounts for gas utility, and in (k) the quarter to date amounts for other utility function for the prior year quarter.
4. If additional columns are needed place them in a footnote.

Annual or Quarterly, if applicable

5. Do not report fourth quarter data in columns (e) and (f)
6. Report amounts for accounts 412 and 413, Revenues and Expenses from Utility Plant Leased to Others, in another utility column in a similar manner to a utility department. Spread the amount(s) over lines 2 thru 26 as appropriate. Include these amounts in columns (c) and (d) totals.
7. Report amounts in account 414, Other Utility Operating Income, in the same manner as accounts 412 and 413 above.
8. Report data for lines 8, 10 and 11 for Natural Gas companies using accounts 404.1, 404.2, 404.3, 407.1 and 407.2.
9. Use page 122 for important notes regarding the statement of income for any account thereof.
10. Give concise explanations concerning unsettled rate proceedings where a contingency exists such that refunds of a material amount may need to be made to the utility's customers or which may result in material refund to the utility with respect to power or gas purchases. State for each year effected the gross revenues or costs to which the contingency relates and the tax effects together with an explanation of the major factors which affect the rights of the utility to retain such revenues or recover amounts paid with respect to power or gas purchases.
11. Give concise explanations concerning significant amounts of any refunds made or received during the year resulting from settlement of any rate proceeding affecting revenues received or costs incurred for power or gas purchases, and a summary of the adjustments made to balance sheet, income, and expense accounts.
12. If any notes appearing in the report to stockholders are applicable to the Statement of Income, such notes may be included at page 122.
13. Enter on page 122 a concise explanation of only those changes in accounting methods made during the year which had an effect on net income, including the basis of allocations and apportionments from those used in the preceding year. Also, give the appropriate dollar effect of such changes.
14. Explain in a footnote if the previous year's/quarter's figures are different from that reported in prior reports.
15. If the columns are insufficient for reporting additional utility departments, supply the appropriate account titles report the information in a footnote to this schedule.

Line No.	Title of Account (a)	Reference Page No. (b)	Total Current Year to Date Balance for Year (c)	Total Prior Year to Date Balance for Year (d)	Current Three Months Ended Quarterly Only No Fourth Quarter (e)	Prior Three Months Ended Quarterly Only No Fourth Quarter (f)
1	UTILITY OPERATING INCOME					
2	Gas Operating Revenues (400)	300-301	322,598,896	328,116,094		
3	Operating Expenses					
4	Operation Expenses (401)	317-325	229,870,595	246,132,137		
5	Maintenance Expenses (402)	317-325	4,192,321	3,153,306		
6	Depreciation Expense (403)	336-338	18,917,506	18,744,205		
7	Depreciation Expense for Asset Retirement Costs (403.1)	336-338	-	-		
8	Amortization and Depletion of Utility Plant (404-405)	336-338	707,464	205,161		
9	Amortization of Utility Plant Acq. Adj. (406)	336-338	-	-		
10	Amort. of Prop. Losses, Unrecovered Plant and Reg. Study Costs (407.1)		-	-		
11	Amortization of Conversion Expenses (407.2)		-	-		
12	Regulatory Debits (407.3)		(305,000)	305,000		
13	(Less) Regulatory Credits (407.4)		-	-		
14	Taxes Other Than Income Taxes (408.1)	262-263	29,581,713	30,070,928		
15	Income Taxes-Federal (409.1)	262-263	1,966,129	(395,244)		
16	Income Taxes-Other (409.1)	262-263	(45,800)	469,011		
17	Provision for Deferred Income Taxes (410.1)	234-235	6,967,131	2,064,075		
18	(Less) Provision for Deferred Income Taxes-Credit (411.1)	234-235	-	-		
19	Investment Tax Credit Adjustment - Net (411.4)		(76,982)	(79,602)		
20	(Less) Gains from Disposition of Utility Plant (411.6)		-	-		
21	Losses from Disposition of Utility Plant (411.7)		-	-		
22	(Less) Gains from Disposition of Allowances (411.8)		-	-		
23	Losses from Disposition of Allowances (411.9)		-	-		
24	Accretion Expense (411.10)		-	-		
25	TOTAL Utility Operating Expenses (Total of lines 4 thru 24)		291,775,077	300,668,977		
26	Net Utility Operating Income (Total of lines 2 less 25) (Carry forward to page 116, line 27)		30,823,819	27,447,117		

Name of Respondent Cascade Natural Gas Corporation	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr)	Year of report Dec. 31, 2011
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STATEMENT OF INCOME

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Line No.	Elec. Utility Current Year to Date (in dollars) (g)	Elec. Utility Previous Year to Date (in dollars) (h)	Gas Utility Current Year to Date (in dollars) (i)	Gas Utility Previous Year to Date (in dollars) (j)	Other Utility Current Year to Date (in dollars) (k)	Other Utility Previous Year to Date (in dollars) (l)
1						
2	-	-	322,598,896	328,116,094	-	-
3						
4	-	-	229,870,595	246,132,137	-	-
5	-	-	4,192,321	3,153,306	-	-
6	-	-	18,917,506	18,744,205	-	-
7						
8	-	-	707,464	205,161	-	-
9	-	-	-	-	-	-
10	-	-	-	-	-	-
11	-	-	-	-	-	-
12	-	-	(305,000)	305,000	-	-
13	-	-	-	-	-	-
14	-	-	29,581,713	30,070,928	-	-
15	-	-	1,966,129	(395,244)	-	-
16	-	-	(45,800)	469,011	-	-
17	-	-	6,967,131	2,064,075	-	-
18	-	-	-	-	-	-
19	-	-	(76,982)	(79,602)	-	-
20	-	-	-	-	-	-
21	-	-	-	-	-	-
22	-	-	-	-	-	-
23	-	-	-	-	-	-
24	-	-	-	-	-	-
25	-	-	291,775,077	300,668,977	-	-
26	-	-	30,823,819	27,447,117	-	-

Name of Respondent		This Report Is:		Date of Report	Year of report	
Cascade Natural Gas Corporation		(1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		(Mo, Da, Yr)	Dec. 31, 2011	
STATEMENT OF INCOME (continued)						
Line No.	Title of Account	Reference Page No.	Total Current Year to Date Balance for Year	Total Prior Year to Date Balance for Year	Current Three Months Ended Quarterly Only No Fourth Quarter	Prior Three Months Ended Quarterly Only No Fourth Quarter
	(a)	(b)	(c)	(d)	(e)	(f)
27	Net Utility Operating Income (Carried fwd. from page 114)		30,823,819	27,447,117		
28	OTHER INCOME AND DEDUCTIONS					
29	Other Income					
30	Nonutility Operating Income					
31	Rev. From Merchandising, Jobbing & Contract Work (415)		-	-		
32	(Less) Costs & Exp. of Merch., Job, & Contr. Work (416)		-	-		
33	Revenues From Nonutility Operations (417)		31,390	31,687		
34	(Less) Expenses of Nonutility Operations (417.1)		-	-		
35	Nonoperating Rental Income (418)		-	-		
36	Equity in Earnings of Subsidiary Companies (418.1)	119	-	-		
37	Interest and Dividend Income (419)		771,577	722,450		
38	Allow. for Other Finds Used During Construction (419.1)		116,584	627,600		
39	Miscellaneous Nonoperating Income (421)		67,945	(16,073)		
40	Gain on Disposition of Property (421.1)		-	1,736		
41	TOTAL Other Income (Enter Total of Lines 31 thru 40)		987,496	1,367,400		
42	Other Income Deductions					
43	Loss on Disposition of Property (421.2)		-	-		
44	Miscellaneous Amortization (425)		-	-		
45	Donations (426.1)	340	153,213	167,238		
46	Life Insurance (426.2)		-	-		
47	Penalties (426.3)		423,383	5,706		
48	Expenditures for Certain Civic, Political and Related Activities (426.4)		79,344	61,899		
49	Other Deductions (426.5)		226,301	1,040		
50	TOTAL Other Inc. Deductions (Total of Lines 43 thru 49)	340	882,241	235,863		
51	Taxes Applic. to Other Income and Deductions					
52	Taxes Other Than Income Taxes (408.2)	262-263	3,470	3,116		
53	Income Taxes-Federal (409.2)	262-263	(16,479)	(10,636)		
54	Income Taxes-Other (409.2)	262-263	25	12,621		
55	Provision for Deferred Inc. Taxes (410.2)	234-235	-	-		
56	(Less) Provision for Deferred Income Taxes-Cr.(411.2)	234-235	-	-		
57	Investment Tax Credit Adj.-Net (411.5)		-	-		
58	(Less) Investment Tax Credits (420)		-	-		
59	TOTAL Taxes on Other Inc.& Deduct.(Total of 52 thru 58)		(12,984)	5,101		
60	Net Other Inc. & Deduct. (Line 41 less lines 50 and 59)		118,239	1,126,416		
61	INTEREST CHARGES					
62	Interest on Long-Term Debt (427)		10,703,925	10,741,478		
63	Amort. of Debt Disc. and Expense (428)	258-259	123,854	123,854		
64	Amort. of Loss on Recquired Debt (428.1)		268,788	268,789		
65	(Less) Amort. of Premium on Debt-Credit (429)	258-259	-	-		
66	(Less) Amort. of Gain on Recquired Debt-Credit (429.1)		-	-		
67	Interest on Debt to Assoc. Companies (430)	340	-	-		
68	Other Interest Expense (431)	340	872,004	437,243		
69	(Less) Allow. for Borr. Funds Used During Constr.-Cr.(432)		(68,732)	(371,315)		
70	Net Interest Charges (Enter Total of lines 62 thru 69)		11,899,839	11,200,049		
71	Income Before Extraord. Items (Total of lines 27 and 60 less line 70)		19,042,219	17,373,484		
72	EXTRAORDINARY ITEMS					
73	Extraordinary Income (434)		-	-		
74	(Less) Extraordinary Deductions (435)		-	-		
75	Net Extraord. Items (Enter Total of line 73 less line 74)		-	-		
76	Income Taxes - Federal and Other (409.3)	262-263	-	-		
77	Extraord. Items After Taxes (Total of line 75 less line 76)		-	-		
78	Net Income (Enter Total of lines 71 and 77)		19,042,219	17,373,484		

Name of Respondent Cascade Natural Gas Corporation		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		Date of Report (Mo, Da, Yr)	Year of report Dec. 31, 2011	
STATEMENT OF INCOME (continued)						
Line No.	ELECTRIC UTILITY		GAS UTILITY		OTHER UTILITY	
	Current Year (in dollars)	Previous Year (in dollars)	Current Year (in dollars)	Previous Year (in dollars)	Current Year (in dollars)	Previous Year (in dollars)
	(g)	(h)	(i)	(j)	(k)	(l)
27	-	-	30,823,819	27,447,117	-	-
28						
29						
30						
31	-	-	-	-	-	-
32	-	-	-	-	-	-
33	-	-	31,390	31,687	-	-
34	-	-	-	-	-	-
35	-	-	-	-	-	-
36	-	-	-	-	-	-
37	-	-	771,577	722,450	-	-
38	-	-	116,584	627,600	-	-
39	-	-	67,945	(16,073)	-	-
40	-	-	-	1,736	-	-
41	-	-	987,496	1,367,400	-	-
42						
43						
44						
45			153,213	167,238		
46						
47			423,383	5,706		
48			79,344	61,899		
49	-	-	226,301	1,040	-	-
50	-	-	882,241	235,883	-	-
51						
52			3,470	3,116		
53	-	-	(16,479)	(10,636)	-	-
54	-	-	25	12,621	-	-
55	-	-	-	-	-	-
56	-	-	-	-	-	-
57	-	-	-	-	-	-
58	-	-	-	-	-	-
59	-	-	(12,984)	5,101	-	-
60	-	-	118,239	1,126,416	-	-
61						
62	-	-	10,703,925	10,741,478	-	-
63	-	-	123,854	123,854	-	-
64	-	-	268,788	268,789	-	-
65	-	-	-	-	-	-
66	-	-	-	-	-	-
67	-	-	-	-	-	-
68	-	-	872,004	437,243	-	-
69	-	-	(68,732)	(371,315)	-	-
70	-	-	11,899,839	11,200,049	-	-
71	-	-	19,042,219	17,373,484	-	-
72						
73	-	-	-	-	-	-
74	-	-	-	-	-	-
75	-	-	-	-	-	-
76	-	-	-	-	-	-
77	-	-	-	-	-	-
78	-	-	19,042,219	17,373,484	-	-

Name of Respondent Cascade Natural Gas Corporation	This Report is: (1) <input checked="checked" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr)	Year of report Dec. 31, 2011
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Statement of Accumulated Comprehensive Income and Hedging Activities

1. Report in columns (b), (c) and (e) the amounts of accumulated other comprehensive income items, on a net-of-tax basis, where appropriate.
2. Report in columns (f) and (g) the amounts of other categories of other cash flow hedges.
3. For each category of hedges that have been accounted for as "fair value hedges", report the accounts affected and the related amounts in a footnote.

Line No.	Item (a)	Unrealized Gains and Losses on availabi-for-sale securities (b)	Minimum Pension liability Adjustment (net amount) (c)	Foreign Currency Hedges (d)	Other Adjustments (e)
1	Balance of Account 219 at Beginning of Preceding Year	-	-		
2	Preceding Year to Date Reclassification from Account 219 to Net Income	-	-		
3	Preceding Year to Date Changes in Fair Value	-	-		
4	Total (lines 2 and 3)	-	-		
5	Balance of Account 219 at End of Preceding Year	-	-		
6	Balance of Account 219 at Beginning of Current Year	-	-		
7	Current Year to Date Reclassifications from Account 219 to Net Income	-	-		
8	Current Year to Date Changes in Fair Value	-	-		
9	Total (lines 7 and 8)	-	-		
10	Balance of Account 219 at End of Current Year	-	-		

Name of Respondent Cascade Natural Gas Corporation	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr)	Year of report Dec. 31, 2011
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Statement of Accumulated Comprehensive Income and Hedging Activities (continued)

Line No.	Other Cash Flow Hedges Interest Rate Swaps (f)	Other Cash Flow Hedges (Insert Category) (g)	Totals for each category of items recorded in Account 219 (h)	Net Income (Carried Forward from Page 116, Line 78) (i)	Total Comprehensive Income (j)
1	0		-		
2			-		
3	0		-		
4	0		-	17,373,484	17,373,484
5	0		-		
6	0		-		
7	0		-		
8	0		-		
9	0		-	19,042,219	19,042,219
10	0		-		

Name of Respondent Cascade Natural Gas Corporation	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr)	Year of report Dec. 31, 2011
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Statement of Retained Earnings

1. Report all changes in appropriated retained earnings, unappropriated retained earnings, and unappropriated undistributed subsidiary earnings for the year.
2. Each credit and debit during the year should be identified as to the retained earnings account in which recorded (Accounts 433, 436-439 inclusive). Show the contra primary account affected in column (b).
3. State the purpose and amount for each reservation or appropriation of retained earnings.
4. List first Account 439, Adjustments to Retained Earnings, reflecting adjustments to the opening balance of retained earnings. Follow by credit, then debit items, in that order.
5. Show dividends for each class and series of capital stock.

Line No.	Item (a)	Contra Primary Account Affected (b)	Current Year Year to Date Balance (c)	Previous Year Year to Date Balance (d)
	UNAPPROPRIATED RETAINED EARNINGS			
1	Balance - Beginning of Period		47,028,199	43,737,613
2	Changes (Identify by prescribed retained earnings accounts)			
3	Adjustments to Retained Earnings (Account 439)			
4				
5				
6	Balance Transferred from Income		19,042,219	17,373,484
7	Appropriations of Retained Earnings (Account 436)			
8				
9	Dividends Declared-Preferred Stock (Account 437)			
10				
11	Dividends Declared-Common Stock (Account 438)			
12			(15,062,608)	(14,082,898)
13	Transfers from Account 216.1, Unappropriated Undistributed Subsidiary Earnings			
14	Balance-End of Period (Total of lines 1, 4, 5, 6, 8, 10, 12, and 13)		51,007,810	47,028,199
15	APPROPRIATED RETAINED EARNINGS (Account 215)			
16	TOTAL Appropriated Retained Earnings (Account 215) (footnote details)			
17	APPROPRIATED RETAINED EARNINGS-AMORTIZATION RESERVE, FEDERAL (Account)			
18	TOTAL Appropriated Retained Earnings-Amortization Reserve, Federal (Account)			
19	TOTAL Appropriated Retained Earnings (Accounts 215, 215.1) (Total of lines			
20	TOTAL Retained Earnings (Accounts 215, 215.1, 216) (Total of lines 14 and 1		51,007,810	47,028,199
21	UNAPPROPRIATED UNDISTRIBUTED SUBSIDIARY EARNINGS (Account 216.1)			
	Report only on an Annual Basis on Quarterly			
22	Balance-Beginning of Year (Debit or Credit)			
23	Equity in Earnings for Year (Credit) (Account 418.1)			
24	(Less) Dividends Received (Debit)			
25	Other Changes (Explain)			
26	Balance-End of Year			

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[Next page is 120]

Name of Respondent Cascade Natural Gas Corporation	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr)	Year of report Dec. 31, 2011
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STATEMENT OF CASH FLOWS

- (1) Codes to be used:(a) Net Proceeds or Payments;(b)Bonds, debentures and other long-term debt; (c) include commercial paper; and (d) Identify separately such items as investments, fixed assets, intangibles, etc.
(2) Information about noncash investing and financing activities must be provided in the Notes to the Financial statements. Also provide a reconciliation between "Cash and Cash Equivalents at End of Period" with related amounts on the Balance Sheet.
(3) Operating Activities - Other: Include gains and losses pertaining to operating activities only. Gains and losses pertaining to investing and financing activities should be reported in those activities. Show in the Notes to the Financials the amounts of interest paid (net of amount capitalized) and income taxes paid.
(4) Investing Activities: Include at Other (line 25) net cash outflow to acquire other companies. Provide a reconciliation of assets acquired with liabilities assumed in the Notes to the Financial Statements. Do not include on this statement the dollar amount of leases capitalized per the USofA General Instruction 20; instead provide a reconciliation of the dollar amount of leases capitalized with the plant cost.

Line No.	Description (See instructions for explanation of codes) (a)	Current Year Amount (b)	Previous Year Amount (c)
1	Net Cash Flow from Operating Activities:		
2	Net Income (Line 72 (c) on Statement of Income for the Year)	19,042,219	17,373,484
3	Noncash Charges (Credits) to Income:		
4	Depreciation and Depletion	19,624,970	18,949,366
5	Amortization of (specify)		
5.01	Debt issuance costs	-	-
5.02	Gas cost changes	6,014,585	7,921,308
6	Deferred Income Taxes and Tax Credits (Net)	6,585,149	2,289,473
8	Changes in Current Assets and Liabilities	4,510,279	324,157
9			
10			
11			
12			
13			
14			
15			
16	Other:		
16.01	Net change in other deferred balances	(286,240)	(3,579,154)
16.02			
17	Net Cash Provided by (Used in) Operating Activities		
18	(Total of Lines 2 thru 16)	55,490,962	43,278,634
19			
20	Cash Flows from Investment Activities:		
21	Construction and Acquisition of Plant (including land):		
22	Gross additions to Utility Plant (less nuclear fuel)	(26,127,609)	(22,166,342)
23	Gross additions to Nuclear Fuel		
24	Gross additions to common Utility Plant		
25	Gross additions to Nonutility Plant		
26	(Less) Allowance for Other Funds Used During Construction	(116,584)	(627,600)
27	Other:		
27.01	Net increase in customer advances for construction	(751,280)	(429,667)
27.02			
28	Cash Outflows for Plant (Total of Lines 22 thru 27.01)	(26,995,473)	(23,223,609)
29			
30	Acquisition of Other Noncurrent Assets (d)		
31	Proceeds from Disposal of Noncurrent Utility Plant		
32			
33	Investments in and advances to associated & subsidiary companies	-	-
34	Contributions and advances from associated & subsidiary companies	-	-

Name of Respondent Cascade Natural Gas Corporation		This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr)	Year of report Dec. 31, 2011
STATEMENT OF CASH FLOWS (continued)				
Line No.	Description (See instructions for explanation of codes) (a)	Current Year Amount (b)	Previous Year Amount (c)	
35	Disposition of Investments in (and advances to)			
36	associated and subsidiary companies	-	-	
37				
38	Purchase of Investment Securities (a)	-	-	
39	Proceeds from Sales of Investment Securities (a)	-	-	
40	Loans made or purchased	-	-	
41	Collections on loans			
42				
43	Net (Increase) Decrease in Receivables	80,890	-	
44	Net (Increase) Decrease in Inventory			
45	Net (Increase) Decrease in Allowances Held for Speculation			
46	Net Increase (Decrease) in Payables and Accrued Expenses			
47	Other: SERP Assets	549,293		
47.01				
47.02				
48	Net Cash Provided by (Used In) Investing Activities			
49	(Total of Lines 28 thru 47)	(26,365,290)	(23,223,609)	
50				
51	Cash Flows from Financing Activities:			
52	Proceeds from Issuance of:			
53	Long-Term Debt (b)	-	-	
54	Preferred Stock			
55	Common Stock	-	-	
56	Other:	-	-	
56.01				
57	Net Increase in Short-Term Debt (c)	-	-	
58	Other:			
58.01				
58.02				
59	Cash Provided by Outside Sources (Total of Lines 53 thru 58)	-	-	
60				
61	Payments for Retirement of:			
62	Long-Term Debt (b)	(720,000)	(881,000)	
63	Preferred Stock			
64	Common Stock			
65	Other:			
65.01	Other Non-current liabilities			
66	Net Decrease in Short-Term Debt (c)			
67				
68	Dividends on Preferred Stock			
69	Dividends on Common Stock	(14,810,000)	(13,840,000)	
70	Net Cash Provided by (Used in) Financing Activities			
71	(Total of Lines 59 thru 69)	(15,530,000)	(14,721,000)	
72				
73	Net Increase (Decrease) in Cash and Cash Equivalents			
74	(Total of Lines 18, 49, and 71)	13,595,672	5,334,025	
75				
76	Cash and Cash Equivalents at Beginning of Year	15,437,261	10,103,736	
77				
78	Cash and Cash Equivalents at End of Year	29,032,933	15,437,761	

Name of Respondent Cascade Natural Gas Corporation	This Report is: <input checked="" type="checkbox"/> An Original <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr)	Year of report Dec. 31, 2011
NOTES TO FINANCIAL STATEMENTS			

1. Provide important disclosures regarding the Balance Sheet, Statement of Income for the Year, Statement of Retained Earnings for the Year, and Statement of Cash Flow, or any account thereof. Classify the disclosures according to each financial statement, providing a subheading for each statement except where a disclosure is applicable to more than one statement. The disclosures must be on the same subject matters and in the same level of detail that would be required if the respondent issued general purpose financial statements to the public or shareholders.
2. Furnish details as to any significant contingent assets or liabilities existing at year end, and briefly explain any action initiated by the Internal Revenue Service involving possible assessment of additional income taxes of material amount, or a claim for refund of income taxes of a material amount initiated by the utility. Also, briefly explain any dividends in arrears on cumulative preferred stock.
3. Furnish details on the respondent's pension plans, post-retirement benefits other than pensions (PBOP) plans, and post-employment benefit plans as required by instruction no. 1 and, in addition, disclose for each individual plan the current year's cash contributions. Furnish details on the accounting for the plans and any changes in the method of accounting for them. Include details on the accounting for transition obligations or assets, gains or losses, the amounts deferred and the expected recovery periods. Also, disclose any current year's plan or trust curtailments, terminations, transfers, or revisions of assets. Entities that participate in multiemployer postretirement plans e.g. parent company sponsored pension plans) disclose in addition to the required disclosures for the consolidated plan, (1) the amount of cost recognized in the respondent's financial statements for each plan for the period presented, and (2) the basis for determining the respondent's share of the total plan costs.
4. Furnish details on the respondent's asset retirement obligations (ARO) as required by instruction no. 1 and, in addition, disclose the amounts recovered through rates to settle such obligations. Identify any mechanism or account in which recovered funds are being placed (i.e. trust funds, insurance policies, surety bonds). Furnish details on the accounting for the asset retirement obligations and any changes in the measurement or method of accounting for the obligations. Include details on the accounting for the settlement of the obligations and any gains or losses expected or incurred on the settlement.
5. Provide a list of all environmental credits received during the reporting period.
6. Provide a summary of revenues and expenses for each tracked cost and special surcharge.
7. Where account 189, Unamortized Loss on Reacquired Debt, and 257, Unamortized Gain on Reacquired Debt, are not used, give an explanation, providing the rate treatment given these items. See General Instruction 17 of the Uniform System of Accounts.
8. Explain concisely any retained earnings restrictions and state the amount of retained earnings affected by such restrictions.
9. Disclose details on any significant financial changes during the reporting year to the respondent or the respondent's consolidated group that directly affect the respondent's gas pipeline operations, including: sales, transfers or mergers of affiliates, investments in new partnerships, sales of gas pipeline facilities or the sale of ownership interests in the gas pipeline to limited partnerships, investments in related industries (i.e., production, gathering), major pipeline investments, acquisitions by the parent corporation(s), and distributions of capital.
10. Explain concisely unsettled rate proceedings where a contingency exists such that the company may need to refund a material amount to the utility's customers or that the utility may receive a material refund with respect to power or gas purchases. State for each year affected the gross revenues or costs to which the contingency relates and the tax effects and explain the major factors that affect the rights of the utility to retain such revenues or to recover amounts paid with respect to power and gas purchases.
11. Explain concisely significant amounts of any refunds made or received during the year resulting from settlement of any rate proceeding affecting revenues received or costs incurred for power or gas purchases, and summarize the adjustments made to balance sheet, income, and expense accounts.
12. Explain concisely only those significant changes in accounting methods made during the year which had an effect on net income, including the basis of allocations and apportionments from those used in the preceding year. Also give the approximate dollar effect of such changes.
13. For the 3Q disclosures, respondent must provide in the notes sufficient disclosures so as to make the interim information not misleading. Disclosures which would substantially duplicate the disclosures contained in the most recent FERC Annual Report may be omitted.
14. For the 3Q disclosures, the disclosures shall be provided where events subsequent to the end of the most recent year have occurred which have a material effect on the respondent. Respondent must include in the notes significant changes since the most recently completed year in such items as: accounting principles and practices; estimates inherent in the preparation of the financial statements; status of long-term contracts; capitalization including significant new borrowing or modifications of existing financing agreements; and changes resulting from business combinations or dispositions. However were material contingencies exist, the disclosure of such matters shall be provided even though a significant change since year end may not have occurred.
15. Finally, if the notes to the financial statements relating to the respondent appearing in the annual report to the stockholders are applicable and furnish the data required by the above instructions, such notes may be included herein.

The accompanying notes relate to MDU Energy Capital, LLC and its subsidiary companies, while the financial statements in this FORM 2 Report reflect only the unconsolidated statements of Cascade Natural Gas Corporation. Cascade's subsidiary companies were dissolved as of 12/31/08 and do not have a material effect on the Notes to the Financial Statements.

MDU ENERGY CAPITAL, LLC
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
Years ended December 31, 2011 and 2010

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of presentation

MDU Energy Capital, LLC (Company) is incorporated under the laws of the state of Delaware and is a direct wholly owned subsidiary of MDU Resources Group, Inc. (MDU). The Company is parent to Prairie Cascade Energy Holdings, LLC (PCEH), and its wholly owned subsidiary Cascade Natural Gas Corporation (Cascade), and Prairie Intermountain Energy Holdings, LLC (PIEH), and its wholly owned subsidiary Intermountain Gas Company (Intermountain).

Cascade and Intermountain's natural gas distribution operations sell natural gas at retail and provide natural gas transportation services to certain customers on their systems. The Cascade service territory consists of towns in southeastern and south-central Washington and central and eastern Oregon. The Intermountain service territory is located solely in southern Idaho, encompassing communities located across the Snake River Plain. Cascade is subject to regulation by the Washington Utilities and Transportation Commission (WUTC) and the Oregon Public Utility Commission (OPUC). Intermountain is subject to regulation by the Idaho Public Utilities Commission (IPUC). These markets tend to be seasonal and sales to residential and commercial customers are influenced by fluctuations in temperature, particularly during the winter season. Consumption is also influenced by the energy efficiency of customers' appliances, as well as consumer decisions to reduce natural gas usage in response to higher prices. Cascade has approval for decoupling its margins from weather and conservation in Oregon. This mechanism is expected to expire in the third quarter of 2012. Cascade also has an earnings sharing mechanism with respect to its jurisdictional operations as required by the OPUC.

The consolidated financial statements and disclosures of the Company are presented in accordance with accounting principles generally accepted in the United States of America (GAAP). The accounting policies followed by Cascade and Intermountain are generally subject to the Uniform System of Accounts of the Federal Energy Regulatory Commission (FERC).

Cascade and Intermountain account for certain income and expense items under the provisions of regulatory accounting, which requires these businesses to defer as regulatory assets or liabilities certain items that would have otherwise been reflected as expense or income, respectively, based on the expected regulatory treatment in future rates. The expected recovery or flowback of these deferred items generally is based on specific ratemaking decisions or precedent for each item. Regulatory assets and liabilities are being amortized consistently with the regulatory treatment established by the applicable state public utility commissions. See Note 3 for more information regarding the nature and amounts of these regulatory deferrals.

Depreciation and amortization expense is reported separately on the Consolidated Statements of Income and, therefore, is excluded from the other line items within the operations expenses.

Management has also evaluated the impact of events occurring after December 31, 2011, up to the date of the issuance of these consolidated financial statements.

Cash and cash equivalents

The Company considers all highly liquid investments purchased with an original maturity of three months or less to be cash equivalents.

MDU ENERGY CAPITAL, LLC
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
Years ended December 31, 2011 and 2010

Accounts receivable and allowance for doubtful accounts

Accounts receivable consists primarily of trade receivables from the sale of goods and services which are recorded at the invoiced amount net of allowance for doubtful accounts. The total balance of receivables past due 90 days or more was \$3.1 million and \$1.2 million as of December 31, 2011 and 2010, respectively.

The allowance for doubtful accounts is determined through a review of past due balances and other specific account data. Account balances are written off when management determines the amounts to be uncollectible. The Company's allowance for doubtful accounts as of December 31, 2011 and 2010, was \$1.0 million and \$2.7 million, respectively.

Inventories and natural gas in storage

Inventories, other than natural gas in storage, consisted of materials and supplies of \$7.9 million and \$7.2 million as of December 31, 2011 and 2010, respectively. These inventories were stated at the lower of average cost or market value. Natural gas in storage is carried at cost using the first-in, first-out method at Cascade and using the average-cost method at Intermountain. Natural gas in storage is expected to be used within one year and the value included in inventories was \$11.8 million and \$9.5 million at December 31, 2011 and 2010, respectively.

Investments

The Company's investments include the cash surrender value of life insurance policies and an insurance investment contract. The Company has elected to measure its investment in the insurance investment contract at fair value with any unrealized gains and losses recorded on the Consolidated Statements of Income. For more information, see Notes 5 and 9.

Property, plant and equipment

Additions to property, plant and equipment are recorded at cost. When regulated assets are retired, or otherwise disposed of in the ordinary course of business, the original cost of the asset is charged to accumulated depreciation. With respect to the retirement or disposal of all other assets, the resulting gains or losses are recognized as a component of income. The Company is permitted to capitalize an allowance for funds used during construction (AFUDC) on regulated construction projects and to include such amounts in rate base when the related facilities are placed in service. The amount of AFUDC capitalized was \$523,000 for the year ended December 31, 2011 and \$1.2 million for the year ended December 31, 2010. Property, plant and equipment are depreciated on a straight-line basis over the average useful lives of the assets. The Company collects removal costs for plant assets in regulated utility rates and records them as a regulatory liability.

MDU ENERGY CAPITAL, LLC
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
Years ended December 31, 2011 and 2010

Property, plant and equipment at December 31 were as follows:

	2011	2010	Weighted Average Depreciable Life in Years
	<i>(Dollars in thousands, as applicable)</i>		
Distribution plant	\$ 972,895	\$ 955,470	37
Transmission plant	63,522	60,483	38
Storage plant	16,525	14,649	32
General plant	106,833	100,571	19
Other plant	18,726	12,905	16
Non-depreciable plant	5,800	3,674	N/A
Less: Accumulated depreciation and amortization	441,162	421,489	
Net property, plant and equipment	\$ 743,139	\$ 726,263	

Impairment of long-lived assets

The Company reviews the carrying values of its long-lived assets, excluding goodwill, whenever events or changes in circumstances indicate that such carrying values may not be recoverable. The determination of whether an impairment has occurred is based on an estimate of undiscounted future cash flows attributable to the assets, compared to the carrying value of the assets. If impairment has occurred, the amount of the impairment recognized is determined by estimating the fair value of the assets and recording a loss if the carrying value is greater than the fair value. No significant impairment losses were recorded in 2011 and 2010. Unforeseen events and changes in circumstances could require the recognition of other impairment losses at some future date.

Goodwill

Goodwill represents the excess of the purchase price over the fair value of identifiable net tangible and intangible assets acquired in a business combination. Goodwill is required to be tested for impairment annually, which is completed in the fourth quarter, or more frequently if events or changes in circumstances indicate that goodwill may be impaired. MDU and the Company perform the annual review for goodwill impairment at the reporting unit level, which MDU has determined to be the operating segment. This review is also performed at the MDU Energy Capital, LLC level as separate financial statements are prepared.

The goodwill impairment test is a two-step process. The first step of the impairment test involves comparing the fair value of the reporting unit to its carrying value. If the fair value of the reporting unit exceeds its carrying value, the test is complete and no impairment is recorded. The fair value of the reporting unit is determined using a weighted combination of income and market approaches. The Company uses a discounted cash flow methodology for its income approach and a combination of comparable transaction multiples and peer multiples for the market approach. If the fair value of the reporting unit is less than its carrying value, step two of the goodwill impairment test is performed to determine the amount of the impairment loss, if any. The impairment is computed by comparing the implied fair value of the reporting unit's goodwill to the carrying value of that goodwill. If the carrying value is greater than the implied fair value, an impairment loss must be recorded. For the years ended December 31, 2011 and 2010, the fair value of the Company exceeded the respective carrying value and no impairment losses were recorded. For more information on goodwill, see Note 2.

MDU ENERGY CAPITAL, LLC
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
Years ended December 31, 2011 and 2010

Revenue recognition

Revenue is recognized when the earnings process is complete, as evidenced by an agreement between the customer and the Company, when delivery has occurred or services have been rendered, when the fee is fixed or determinable and when collection is reasonably assured. The Company recognizes utility revenue each month based on the services provided to all utility customers during the month. Accrued unbilled revenue which is included in receivables, net, represents revenues recognized in excess of amounts billed. Accrued unbilled revenue at Cascade and Intermountain was \$48.4 million and \$50.0 million at December 31, 2011 and 2010, respectively. The Company recognizes all other revenues when services are rendered or goods are delivered. The Company presents revenue net of taxes collected from customers at the time of sale to be remitted to governmental authorities, including sales and use taxes.

Derivative instruments

The Company's policy allows the use of derivative instruments as part of an overall energy price and interest rate risk management program to efficiently manage and minimize commodity price and interest rate risk. The Company's policy prohibits the use of derivative instruments for speculating to take advantage of market trends and conditions, and the Company has procedures in place to monitor compliance with its policies. The Company is exposed to credit-related losses in relation to derivative instruments in the event of nonperformance by counterparties.

The Company's policy requires that interest rate derivative instruments not exceed a period of 24 months. The Company's policy allows the hedging of monthly forecasted purchases of natural gas at Cascade and Intermountain for a period up to three years.

The Company's policy also requires settlement of natural gas derivative instruments at Cascade and Intermountain monthly and all interest rate derivative transactions must be settled over a period that will not exceed 90 days. The Company has policies and procedures that management believes minimize credit-risk exposure. Accordingly, the Company does not anticipate any material effect on its financial position or results of operations as a result of nonperformance by counterparties. For more information on derivative instruments, see Note 4.

The Company's swap agreements are reflected at fair value. For more information see Note 5.

Asset retirement obligations

The Company records the fair value of a liability for an asset retirement obligation in the period in which it is incurred. When the liability is initially recorded, the Company capitalizes a cost by increasing the carrying amount of the related long-lived asset. Over time, the liability is accreted to its present value each period, and the capitalized cost is depreciated over the useful life of the related asset. Upon settlement of the liability, the Company either settles the obligation for the recorded amount or incurs a regulatory asset or liability. For more information on asset retirement obligations, see Note 7.

Legal costs

The Company expenses external legal fees as they are incurred.

MDU ENERGY CAPITAL, LLC
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
Years ended December 31, 2011 and 2010

Natural gas costs recoverable or refundable through rate adjustments

Under the terms of certain orders of the applicable state public utility commissions, the Company is deferring natural gas commodity, transportation and storage costs that are greater or less than amounts presently being recovered through its existing rate schedules. Such orders generally provide that these amounts are recoverable or refundable through rate adjustments within a period ranging from 13 to 28 months from the time such costs are paid. Natural gas costs recoverable through rate adjustments were \$4.3 million at December 31, 2010. Natural gas costs refundable through rate adjustments were \$45.1 million and \$36.8 million at December 31, 2011 and 2010, respectively.

Insurance

Cascade and Intermountain are insured for workers' compensation losses in guaranteed cost programs. Automobile liability and general liability losses are insured, subject to self insured retentions of \$500,000 per accident or occurrence. The companies also have coverage above the self insured retentions on a claims first-made and reported basis beyond the retained levels. Cascade and Intermountain are retaining losses up to their respective retentions accrued on the basis of estimates of liability for claims incurred and estimates of liability for claims incurred but not reported.

Income taxes

MDU and its subsidiaries file consolidated method federal income tax returns and combined and separate state income tax returns. Federal income taxes paid by MDU, as parent of the consolidated group, are allocated to the individual subsidiaries based on the ratio of the separate company computations of tax. MDU makes a similar allocation for state income taxes paid in connection with combined state filings. The Company provides deferred federal and state income taxes on all temporary differences between the book and tax basis of the Company's assets and liabilities. Excess deferred income tax balances associated with the Company's rate-regulated activities have been recorded as a regulatory liability and are included in other liabilities. These regulatory liabilities are expected to be reflected as a reduction in future rates charged to customers in accordance with applicable regulatory procedures.

The Company uses the deferral method of accounting for investment tax credits and amortizes the credits on natural gas distribution plant over various periods that conform to the ratemaking treatment prescribed by the applicable state public utility commissions.

Tax positions taken or expected to be taken in an income tax return are evaluated for recognition using a more-likely-than-not threshold, and those tax positions requiring recognition are measured as the largest amount of tax benefit that is greater than 50 percent likely of being realized upon ultimate settlement with a taxing authority. The Company recognizes interest and penalties accrued related to unrecognized tax positions in income taxes.

Use of estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires the Company to make estimates and assumptions that affect the reported amounts of assets and liabilities, and disclosure of contingent assets and liabilities at the date of the financial statements, as well as the reported amounts of revenues and expenses during the reporting period. Estimates are used for items such as impairment testing of long-lived assets and goodwill; fair values of acquired assets and liabilities under the acquisition method of accounting; property depreciable lives; tax provisions; uncollectible accounts; environmental and other loss contingencies; unbilled revenues; actuarially determined benefit costs; asset

MDU ENERGY CAPITAL, LLC
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
Years ended December 31, 2011 and 2010

retirement obligations; the valuation of stock-based compensation; and the fair value of derivative instruments. As additional information becomes available, or actual amounts are determinable, the recorded estimates are revised. Consequently, operating results can be affected by revisions to prior accounting estimates.

Cash flow information

Cash expenditures for interest and income taxes were as follows:

For the year ended December 31,	2011	2010
	<i>(In thousands)</i>	
Interest, net of amount capitalized	\$ 23,422	\$ 23,678
Income taxes paid (refunded)	\$ (3,670)	\$ 3,469

New accounting standards

Improving Disclosure About Fair Value Measurements In January 2010, the Financial Accounting Standards Board (FASB) issued guidance related to improving disclosures about fair value measurements. The guidance requires separate disclosures of the amounts of transfers in and out of Level 1 and Level 2 fair value measurements and a description of the reason for such transfers. In the reconciliation for Level 3 fair value measurements using significant unobservable inputs, information about purchases, sales, issuances and settlements shall be presented separately. These disclosures are required for interim and annual reporting periods and were effective for the Company on January 1, 2010, except for the disclosures related to the purchases, sales, issuances and settlements in the roll forward activity of Level 3 fair value measurements, which were effective on January 1, 2011. The guidance requires additional disclosures, but it did not impact the Company's results of operations, financial position or cash flows.

Amendments to Achieve Common Fair Value Measurement and Disclosure Requirements in U.S. GAAP and IFRSs In May 2011, the FASB issued guidance on fair value measurement and disclosure requirements. The guidance generally clarifies the application of existing requirements on topics including the concepts of highest and best use and valuation premise and disclosing quantitative information about the unobservable inputs used in the measurement of instruments categorized within Level 3 of the fair value hierarchy. Additionally, the guidance includes changes on topics such as measuring fair value of financial instruments that are managed within a portfolio and additional disclosure for fair value measurements categorized within Level 3 of the fair value hierarchy. This guidance is effective for the Company on January 1, 2012. The guidance will require additional disclosures, but it will not impact the Company's results of operations, financial position or cash flows.

Disclosures about an Employer's Participation in a Multiemployer Plan In September 2011, the FASB issued guidance on an employer's participation in multiemployer benefit plans. The guidance was issued to enhance the transparency of disclosures about the significant multiemployer plans in which employers participate, the level of the employer's participation in those plans, the financial health of the plans and the nature of the employer's commitments to the plans. This guidance was adopted by the Company on December 31, 2011, and must be applied retrospectively. The guidance required additional disclosures, but it did not impact the Company's results of operations, financial position or cash flows.

MDU ENERGY CAPITAL, LLC
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
Years ended December 31, 2011 and 2010

NOTE 2 – GOODWILL

The changes in the carrying amount of goodwill for the years ended December 31, 2011 and 2010 were as follows:

	2011	2010
	<i>(In thousands)</i>	
Balance at beginning of year	\$ 340,924	\$ 340,924
Goodwill acquired during the year	-	-
Balance at end of year	\$ 340,924	\$ 340,924

No impairments have been recorded in any periods.

NOTE 3 – REGULATORY ASSETS AND LIABILITIES

The following table summarizes the individual components of unamortized regulatory assets and liabilities as of December 31:

	Estimated Recovery Period *	2011	2010
		<i>(In thousands)</i>	
Regulatory assets:			
Deferred income taxes	**	\$ 73,356	\$ 70,147
Pension and postretirement benefits (a)	(e)	62,434	38,374
Taxes recoverable from customers (a)	---	12,433	11,047
Natural gas supply derivatives (b)	1 year	437	9,359
Manufactured Gas Plant Remediation (a)	Determined upon filing	7,605	6,365
Washington Gas Management Margin Sharing (a)	1 year	218	4,979
Natural gas cost recoverable through rate adjustments	Up to 28 months	---	4,267
Long-term debt refinancing costs (a)	Up to 27 years	1,266	1,535
Conservation activities (a)	1 year	4,402	5,772
Other (a)	Largely within 1 year	749	1,001
Total regulatory assets		162,900	152,846
Regulatory liabilities:			
Plant removal costs (c)		177,639	168,762
Natural gas costs refundable through rate adjustments		45,064	36,765
Deferred income taxes**		30,301	22,596
Taxes refundable to customers (c)		17,532	13,158
Northwest Pipeline Settlement Agreement (c) (d)		1,483	4,926
Other (c)		5,445	7,098
Total regulatory liabilities		277,464	253,305
Net regulatory position		\$(114,564)	\$(100,459)

* Estimated recovery period for regulatory assets currently being recovered in rates charged to customers.

** Represents deferred income taxes related to regulatory assets and liabilities. The deferred income tax assets are not earning a rate of return.

(a) Included in deferred charges and other assets on the Consolidated Balance Sheets.

(b) Included in prepayments and other current assets on the Consolidated Balance Sheets.

(c) Included in other liabilities on the Consolidated Balance Sheets.

(d) Included in other accrued liabilities on the Consolidated Balance Sheets.

(e) Recovered as expense is incurred.

The regulatory assets are expected to be recovered in rates charged to customers. A portion of the Company's regulatory assets are not earning a return; however, these regulatory assets are expected to be recovered from

MDU ENERGY CAPITAL, LLC
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
Years ended December 31, 2011 and 2010

customers in future rates. Excluding deferred income taxes, as of December 31, 2011, approximately \$85.3 million of regulatory assets were not earning a rate of return.

If, for any reason, the Company's regulated businesses cease to meet the criteria for application of regulatory accounting for all or part of their operations, the regulatory assets and liabilities relating to those portions ceasing to meet such criteria would be removed from the balance sheet and included in the statement of income as an extraordinary item in the period in which the discontinuance of regulatory accounting occurs.

NOTE 4 – DERIVATIVE INSTRUMENTS

Derivative instruments, including certain derivative instruments embedded in other contracts, are required to be recorded on the balance sheet as either an asset or liability measured at fair value. The Company's policy is to not offset fair value amounts for derivative instruments, and as a result the Company's derivative assets and liabilities are presented gross on the Consolidated Balance Sheets. Changes in the derivative instrument's fair value are recognized currently in earnings unless specific hedge accounting criteria are met. Accounting for qualifying hedges allows derivative gains and losses to offset the related results on the hedged item in the income statement and requires that a company must formally document, designate and assess the effectiveness of transactions that receive hedge accounting treatment.

In the event a derivative instrument being accounted for as a cash flow hedge does not qualify for hedge accounting because it is no longer highly effective in offsetting changes in cash flows of a hedged item; if the derivative instrument expires or is sold, terminated or exercised; or if management determines that designation of the derivative instrument as a hedge instrument is no longer appropriate, hedge accounting would be discontinued and the derivative instrument would continue to be carried at fair value with changes in its fair value recognized in earnings. In these circumstances, the net gain or loss at the time of discontinuance of hedge accounting would remain in accumulated other comprehensive income (loss) until the period or periods during which the hedged forecasted transaction affects earnings, at which time the net gain or loss would be reclassified into earnings. In the event a cash flow hedge is discontinued because it is unlikely that a forecasted transaction will occur, the derivative instrument would continue to be carried on the balance sheet at its fair value, and gains and losses that had accumulated in other comprehensive income (loss) would be recognized immediately in earnings. The Company's policy requires approval to terminate a derivative instrument prior to its original maturity.

The Company evaluates counterparty credit risk on its derivative assets and the Company's credit risk on its derivative liabilities. As of December 31, 2011 and 2010, credit risk was not material.

Cascade and Intermountain

At December 31, 2011, Cascade held a natural gas swap agreement with total forward notional volumes of 305,000 MMBtu, which was not designated as a hedge. Cascade utilizes, and Intermountain periodically utilizes, natural gas swap agreements to manage a portion of their regulated natural gas supply portfolios in order to manage fluctuations in the price of natural gas related to core customers in accordance with authority granted by the IPUC, WUTC and OPUC. Core customers consist of residential, commercial and smaller industrial customers. The fair value of the derivative instrument must be estimated as of the end of each reporting period and is recorded on the Consolidated Balance Sheets as an asset or a liability. Periodic changes in the fair market value of the derivative instruments are recorded on the Consolidated Balance Sheets as a regulatory asset or a regulatory liability, and settlements of these arrangements are expected to be recovered through the purchased gas cost adjustment mechanism. Gains and losses on the settlements of these derivative instruments are recorded as a component of purchased natural gas sold on the Consolidated Statements of Income as they are recovered

MDU ENERGY CAPITAL, LLC
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
Years ended December 31, 2011 and 2010

through the purchased gas cost adjustment mechanism. Under the terms of these arrangements, Cascade and Intermountain will either pay or receive settlement payments based on the difference between the fixed strike price and the monthly index price applicable to each contract. For the years ended December 31, 2011 and 2010, the change in the fair market value of the derivative instruments of \$8.9 million and \$18.5 million, respectively, were recorded as a decrease to regulatory assets.

Certain of Cascade's derivative instruments contain credit-risk-related contingent features that permit the counterparties to require collateralization if Cascade's derivative liability positions exceed certain dollar thresholds. The dollar thresholds in certain of Cascade's agreements are determined and may fluctuate based on Cascade's credit rating on its debt. In addition, Cascade's derivative instruments contain cross-default provisions that state if the entity fails to make payment with respect to certain of its indebtedness, in excess of specified amounts, the counterparties could require early settlement or termination of such entity's derivative instruments in liability positions. The aggregate fair value of Cascade's derivative instruments with credit-risk-related contingent features that are in a liability position at December 31, 2011, was \$437,000. The aggregate fair value of assets that would have been needed to settle the instruments immediately if the credit-risk-related contingent features were triggered on December 31, 2011, was \$437,000.

The location and fair value of all of the Company's derivative instruments on the Consolidated Balance Sheets as of December 31, 2011 and 2010, were as follows:

Liability Derivatives	Location on Consolidated Balance Sheets	Fair Value at December 31, 2011	Fair Value at December 31, 2010
<i>(In thousands)</i>			
Not designated as hedges:			
Commodity derivatives	Commodity derivative instruments	\$ 437	\$ 9,359
Total liability derivatives		\$ 437	\$ 9,359

NOTE 5 – FAIR VALUE MEASUREMENTS

The Company measures its investments in certain fixed-income and equity securities at fair value with changes in fair value recognized in income. The Company anticipates using these investments to satisfy its obligations under its unfunded, nonqualified benefit plans for executive officers and certain key management employees, and invests in these fixed-income and equity securities for the purpose of earning investment returns and capital appreciation. These investments, which totaled \$1.8 million as of December 31, 2011 and 2010, respectively, are classified as Investments on the Consolidated Balance Sheets. The decrease in the fair value of these investments for the year ended December 31, 2011, was \$54,000 (before tax). The increase in the fair value of these investments for the year ended December 31, 2010, was \$81,000 (before tax). The change in fair value, which is considered part of the cost of the plan, is classified in operation and maintenance expense on the Consolidated Statements of Income.

MDU ENERGY CAPITAL, LLC
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
Years ended December 31, 2011 and 2010

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability (an exit price) in an orderly transaction between market participants at the measurement date. The FASB Accounting Standards Codification establishes a hierarchy for grouping assets and liabilities, based on the significance of inputs. The Company's assets and liabilities measured at fair value on a recurring basis are as follows:

Fair Value Measurements at December 31, 2011, Using				
	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Balance at December 31, 2011
<i>(In thousands)</i>				
Assets:				
Available-for-sale securities:				
Insurance investment contract*	\$ —	\$ 1,777	\$ —	\$ 1,777
Total assets measured at fair value	\$ —	\$ 1,777	\$ —	\$ 1,777
Liabilities:				
Commodity derivative instruments - current	\$ —	\$ 437	\$ —	\$ 437
Total liabilities measured at fair value	\$ —	\$ 437	\$ —	\$ 437
* <i>The insurance investment contract invests approximately 33 percent in common stock of mid-cap companies, 34 percent in common stock of small-cap companies, 32 percent in common stock of large-cap companies and 1 percent in cash and cash equivalents.</i>				

Fair Value Measurements at December 31, 2010, Using				
	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Balance at December 31, 2010
<i>(In thousands)</i>				
Assets:				
Money market funds				
Available-for-sale securities:				
Insurance investment contract*	—	1,831	—	1,831
Total assets measured at fair value	\$ —	\$ 1,879	\$ —	\$ 1,879
Liabilities:				
Commodity derivative instruments - current	\$ —	\$ 9,359	\$ —	\$ 9,359
Total liabilities measured at fair value	\$ —	\$ 9,359	\$ —	\$ 9,359
* <i>The insurance investment contract invests approximately 35 percent in common stock of mid-cap companies, 33 percent in common stock of small-cap companies, 31 percent in common stock of large-cap companies and 1 percent in cash and cash equivalents.</i>				

The estimated fair value of the Company's Level 2 money market funds and available-for-sale securities is determined using the market approach. The Level 2 money market funds consist of investments in short-term unsecured promissory notes and the value is based on comparable market transactions taking into consideration the credit quality of the issuer. The estimated fair value of the Company's Level 2 available-for-sale securities is based on comparable market transactions, other observable inputs or other sources, including pricing from outside sources such as the fund itself.

The estimated fair value of the Company's Level 2 commodity derivative instruments is based upon futures prices, volatility and time to maturity, among other things. Counterparty statements are utilized to determine the

MDU ENERGY CAPITAL, LLC
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
Years ended December 31, 2011 and 2010

value of the commodity derivative instruments and are reviewed and corroborated using various methodologies and significant observable inputs. The nonperformance risk of the counterparties in addition to the Company's nonperformance risk is also evaluated.

Though the Company believes the methods used to estimate fair value are consistent with those used by other market participants, the use of other methods or assumptions could result in a different estimate of fair value. For the years ended December 31, 2011 and 2010, there were no significant transfers between Levels 1 and 2.

The Company's long-term debt is not measured at fair value on the Consolidated Balance Sheets and the fair value is being provided for disclosure purposes only, and was based on quoted market prices of the same or similar issues. The estimated fair value of the Company's long-term debt at December 31 was as follows:

	2011		2010	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
	<i>(In thousands)</i>			
Long-term debt	\$ 371,478	\$ 423,068	\$ 389,571	\$ 414,771

The carrying amounts of the Company's remaining financial instruments included in current assets and current liabilities approximate their fair values.

NOTE 6 – DEBT

Certain debt instruments of the Company and its subsidiaries, including those discussed below, contain restrictive covenants and cross-default provisions. In order to borrow under the respective credit agreements, the Company and its subsidiaries must be in compliance with the applicable covenants and certain other conditions, all of which the Company and its subsidiaries, as applicable, were in compliance with at December 31, 2011. In the event the Company and its subsidiaries do not comply with the applicable covenants and other conditions, alternative sources of funding may need to be pursued.

The following table summarizes the outstanding credit facilities of the Company and its subsidiaries:

Company	Facility	Facility Limit	Amount Outstanding at December 31, 2011	Amount Outstanding at December 31, 2010	Letters of Credit at December 31, 2011	Expiration Date
<i>(Dollars in millions)</i>						
Cascade Natural Gas Corporation	Revolving credit agreement	\$ 50.0 (a)	\$ ----	\$ ----	\$ 1.9 (b)	12/28/12 (c)
Intermountain Gas Company	Revolving credit agreement	\$ 65.0 (d)	\$ 8.1	\$ 20.2	\$ ----	08/11/13

(a) Certain provisions allow for increased borrowings, up to a maximum of \$75 million.

(b) The outstanding letters of credit, as discussed in Note 10, reduce amounts available under the credit agreement.

(c) Provisions allow for an extension of up to two years upon consent of the banks.

(d) Certain provisions allow for increased borrowings, up to a maximum of \$80 million.

The following includes information related to the preceding table.

MDU ENERGY CAPITAL, LLC
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
Years ended December 31, 2011 and 2010

Short-term borrowings

Cascade Natural Gas Corporation Cascade's credit agreement contains customary covenants and provisions, including a covenant of Cascade not to permit, at any time, the ratio of total debt to total capitalization to be greater than 65 percent. Cascade's credit agreement also contains cross-default provisions. These provisions state that if Cascade fails to make any payment with respect to any indebtedness or contingent obligation, in excess of a specified amount, under any agreement that causes such indebtedness to be due prior to its stated maturity or the contingent obligation to become payable, Cascade will be in default under the credit agreement. Certain of Cascade's financing agreements and Cascade's practices limit the amount of subsidiary indebtedness.

Long-term debt

Intermountain Gas Company The credit agreement contains customary covenants and provisions, including covenants of Intermountain not to permit, as of the end of any fiscal quarter, the ratio of funded debt to total capitalization (determined on a consolidated basis) to be greater than 65 percent. Other covenants include limitations on the sale of certain assets and on the making of certain loans and investments.

Intermountain's credit agreement contains cross-default provisions. These provisions state that if (i) Intermountain fails to make any payment with respect to any indebtedness or guarantee in excess of a specified amount, (ii) any other event occurs that would permit the holders of indebtedness or the beneficiaries of guarantees to become payable, or (iii) certain conditions result in an early termination date under any swap contract that is in excess of \$10 million, then Intermountain shall be in default under the revolving credit agreement.

MDU Energy Capital, LLC The ability to request additional borrowings under the master shelf agreement expired in 2010; however, there is debt outstanding that is reflected in the following table. The master shelf agreement contains customary covenants and provisions, including covenants of MDU Energy Capital not to permit (A) the ratio of its total debt (on a consolidated basis) to adjusted total capitalization to be greater than 70 percent, or (B) the ratio of subsidiary debt to subsidiary capitalization to be greater than 65 percent, or (C) the ratio of Intermountain's total debt (determined on a consolidated basis) to total capitalization to be greater than 65 percent. The agreement also includes a covenant requiring the ratio of MDU Energy Capital earnings before interest and taxes to interest expense (on a consolidated basis), for the 12-month period ended each fiscal quarter, to be greater than 1.5 to 1. In addition, payment obligations under the master shelf agreement may be accelerated upon the occurrence of an event of default (as described in the agreement).

MDU ENERGY CAPITAL, LLC
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
Years ended December 31, 2011 and 2010

Long-term Debt Outstanding Long-term debt outstanding at December 31 was as follows:

	2011	2010
	<i>(In thousands)</i>	
Senior Notes at a weighted average rate of 6.12%, due on dates ranging from October 22, 2012 to March 8, 2037	\$ 241,909	\$ 247,182
Medium-Term Notes, at a weighted average rate of 7.72% due on dates ranging from September 4, 2012 to March 16, 2029	81,000	81,000
Credit agreement at a rate of 2.48% due August 11, 2013	8,100	20,200
Other notes, at a weighted average rate of 5.24% due on dates ranging from September 1, 2020 to February 1, 2035	40,469	41,189
Total long-term debt	\$ 371,478	\$ 389,571
Less current maturities	52,273	5,273
Net long-term debt	\$ 319,205	\$ 384,298

The amounts of scheduled long-term debt maturities for the five years and thereafter following December 31, 2011, aggregate \$52.3 million in 2012; \$92.3 million in 2013; \$5.3 million in 2014; \$55.3 million in 2015; \$5.3 million in 2016 and \$161.0 million thereafter.

NOTE 7 – ASSET RETIREMENT OBLIGATIONS

The Company records asset retirement obligations related to certain natural gas distribution system assets.

A reconciliation of the Company's liability, which is included in other liabilities, for the years ended December 31 was as follows:

	2011	2010
	<i>(In thousands)</i>	
Balance at beginning of year	\$493	\$467
Accretion expense	---	26
Balance at end of year	\$493	\$493

The Company believes that any expenses related to asset retirement obligations at the Company's regulated operations will be recovered in rates over time and, accordingly, defers such expenses as regulatory assets.

NOTE 8 – INCOME TAXES

Income before income taxes for the years ended December 31, 2011 and 2010, respectively was \$40,775 and \$28,460, respectively.

MDU ENERGY CAPITAL, LLC
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
Years ended December 31, 2011 and 2010

Income tax expense for the periods ended December 31 was as follows:

	2011	2010
	<i>(In thousands)</i>	
Current:		
Federal	\$ 635	\$(1,822)
State	644	604
	<u>1,279</u>	<u>(1,218)</u>
Deferred:		
Income taxes –		
Federal	12,234	11,349
State	165	349
Investment tax credit	166	(307)
	<u>12,565</u>	<u>11,391</u>
Change in uncertain tax benefits	(246)	-
Change in accrued interest	98	52
Total income tax expense	\$ 13,696	\$10,225

Components of deferred tax assets and deferred tax liabilities at December 31 were as follows:

	2011	2010
	<i>(In thousands)</i>	
Deferred tax assets:		
Regulatory matters	\$ 73,356	\$ 70,147
Accrued pension costs	16,222	13,735
Other	3,009	3,761
Total deferred tax assets	92,587	87,643
Deferred tax liabilities:		
Depreciation and basis differences on property, plant and equipment	162,846	154,075
Regulatory matters	30,301	22,596
Other	170	1,985
Total deferred tax liabilities	193,317	178,656
Net deferred income tax liability	\$ (100,730)	\$ (91,013)

As of December 31, 2011 and 2010, no valuation allowance has been recorded associated with the above deferred tax assets.

MDU ENERGY CAPITAL, LLC
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
Years ended December 31, 2011 and 2010

The following table reconciles the change in the net deferred income tax liability from December 31, 2010, to December 31, 2011, to deferred income tax expense:

	2011
	<i>(In thousands)</i>
Change in net deferred income tax liability from the preceding table	\$ 9,717
Other	2,848
Deferred income tax expense for the period	\$ 12,565

Total income tax expense differs from the amount computed by applying the statutory federal income tax rate to income before taxes. The reasons for this difference were as follows:

Periods ended December 31	2011		2010	
	Amount	%	Amount	%
	<i>(Dollars in thousands)</i>			
Computed tax at federal statutory rate	\$ 14,272	35.0	\$ 9,961	35.0
Increases (reductions) resulting from:				
State income taxes, net of federal income tax benefit	570	1.4	260	.9
Amortization of investment tax credit	(71)	(0.2)	(307)	(1.1)
Other items	(1,075)	(2.6)	311	1.1
Total income tax expense	\$ 13,696	33.6	\$ 10,225	35.9

The Company and its subsidiaries file income tax returns in the U.S. federal jurisdiction, and various state and local jurisdictions. The Company is no longer subject to U.S. federal, state or local income tax examinations by tax authorities for years ending prior to 2007.

A reconciliation of the unrecognized tax benefits (excluding interest) for the years ended December 31 was as follows:

	2011	2010
	<i>(In thousands)</i>	
Balance at beginning of year	\$ 1,675	\$ 1,675
Additions for tax positions of prior years	1,130	-
Settlements	(246)	-
Balance at end of year	\$ 2,559	\$ 1,675

Included in the balance of unrecognized tax benefits at December 31, 2011, was \$1.1 million of tax positions for which the ultimate deductibility is highly certain but for which there is uncertainty about the timing of such deductibility. Because of the impact of deferred tax accounting, other than interest and penalties, the disallowance of the shorter deductibility period would not affect the annual effective tax rate but would accelerate the payment of cash to the taxing authority to an earlier period. The amount of unrecognized tax benefits that, if recognized,

MDU ENERGY CAPITAL, LLC
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
Years ended December 31, 2011 and 2010

would affect the effective tax rate at December 31, 2011, was \$1.6 million, including approximately \$220,000 for the payment of interest and penalties.

It is likely that substantially all of the unrecognized tax benefits, as well as interest, at December 31, 2011, will be settled in the next twelve months due to the anticipated settlement of federal and state audits.

For the years ended December 31, 2011 and 2010, the Company recognized \$188,000 and \$51,000, respectively, of interest expense and no penalties related to unrecognized tax benefits. The Company had accrued liabilities of approximately \$220,000 and \$121,000 at December 31, 2011 and 2010, respectively, for the payment of interest.

NOTE 9 – EMPLOYEE BENEFIT PLANS

Pension and other postretirement benefit plans

The Company has a noncontributory defined benefit pension plan and other postretirement benefit plans for certain eligible employees. Effective October 1, 2003, Cascade amended the defined pension plan so that no new salaried participants will be added to the plan and no additional benefits will accrue for existing salaried participants. Effective January 1, 2007, the defined pension plan was amended so no new operational union employees would be added to the plan and eligible existing union participants would accrue a benefit at an annual rate of \$107 per year. The Company's pension assets are included in MDU's master trust. The Company uses a measurement date of December 31 for all of its pension and postretirement benefit plans.

Effective January 1, 2010, eligibility to receive retiree medical benefits was modified at Cascade and Intermountain. Current employees at Intermountain, and those hired before June 1, 1992 at Cascade, who attain age 55 with 10 years of continuous service by December 31, 2010, will be provided the current retiree medical insurance benefits or can elect the new benefit, if desired, regardless of when they retire. All other current employees must meet the new eligibility criteria of age 60 and 10 years of continuous service at the time they retire. These employees will be eligible for a specified company funded Retiree Reimbursement Account. Employees at Intermountain hired after December 31, 2009, and employees at Cascade hired after June 1, 1992, will not be eligible for retiree medical benefits.

MDU ENERGY CAPITAL, LLC
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
Years ended December 31, 2011 and 2010

Changes in the benefit obligation and plan assets for the years ended December 31, 2011 and 2010, respectively and amounts recognized in the Consolidated Balance Sheets at December 31, 2011 and 2010, were as follows:

	Pension Benefits		Other Postretirement Benefits	
	2011	2010	2011	2010
	<i>(In thousands)</i>			
Change in benefit obligation:				
Benefit obligation at beginning of year	\$ 73,473	\$ 66,899	\$ 22,241	\$ 21,760
Service cost	1,075	979	151	180
Interest cost	3,752	3,714	1,103	1,177
Plan participants' contributions	---	---	503	419
Amendments	---	---	---	121
Actuarial loss	12,668	5,432	2,991	883
Benefits paid	(3,864)	(3,551)	(1,644)	(2,299)
Benefit obligation at end of year	87,104	73,473	25,345	22,241
Change in net plan assets:				
Fair value of plan assets at beginning of year	52,565	48,611	18,201	17,769
Actual gain (loss) on plan assets	(934)	7,394	(209)	1,964
Employer contribution	7,244	111	228	348
Plan participants' contributions	---	---	503	419
Benefits paid	(3,864)	(3,551)	(1,644)	(2,299)
Fair value of net plan assets at end of year	55,011	52,565	17,079	18,201
Funded status - under	\$ (32,093)	\$ (20,908)	\$ (8,266)	\$ (4,040)
Amounts recognized in the Consolidated Balance Sheets at December 31:				
Other liabilities (noncurrent)	\$ (32,093)	\$ (20,908)	\$ (8,266)	\$ (4,040)
Net amount recognized	\$ (32,093)	\$ (20,908)	\$ (8,266)	\$ (4,040)
Amounts recognized in regulatory assets (liabilities) consist of:				
Actuarial loss	\$ 45,014	\$ 30,039	\$ 15,252	\$ 11,685
Prior service credit	(1,140)	(1,296)	(3,151)	(5,452)
Total	\$ 43,874	\$ 28,743	\$ 12,101	\$ 6,233

Employer contributions and benefits paid in the preceding table include only those amounts contributed directly to, or paid directly from, plan assets. Amounts recognized in regulatory assets (liabilities) in the above table are expected to be reflected in rates charged to customers over time.

Unrecognized pension actuarial losses in excess of 10 percent of the greater of the projected benefit obligation or the market-related value of assets is amortized on a straight-line basis over the average life expectancy of plan participants. The market-related value of assets is determined using a five-year average of assets.

The accumulated benefit obligation for the defined benefit pension plan reflected above was \$87.1 million and \$73.5 million at December 31, 2011 and 2010, respectively.

MDU ENERGY CAPITAL, LLC
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
Years ended December 31, 2011 and 2010

The projected benefit obligation, accumulated benefit obligation and fair value of plan assets for the pension plan with an accumulated benefit obligation in excess of plan assets at December 31, 2011 and 2010, were as follows:

	2011	2010
	<i>(In thousands)</i>	
Projected benefit obligation	\$87,104	\$73,473
Accumulated benefit obligation	\$87,104	\$73,473
Fair value of plan assets	\$55,011	\$52,565

Components of net periodic benefit cost for the Company's pension and other postretirement benefit plans for the years ended December 31 were as follows:

	Pension Benefits		Other Postretirement Benefits	
	2011	2010	2011	2010
	<i>(In thousands)</i>			
Components of net periodic benefit cost (credit):				
Service cost	\$ 1,075	\$ 979	\$ 151	\$ 180
Interest cost	3,752	3,714	1,103	1,177
Expected return on assets	(4,002)	(4,130)	(1,172)	(1,233)
Amortization of prior service credit	(156)	(156)	(2,302)	(2,929)
Recognized net actuarial loss	2,628	1,755	806	840
Net periodic benefit cost (credit)	3,297	2,162	(1,414)	(1,965)
Other changes in plan assets and benefit obligations recognized in regulatory assets:				
Net loss	17,603	2,168	4,372	152
Prior service cost	---	---	---	121
Amortization of actuarial loss	(2,628)	(1,755)	(806)	(840)
Amortization of prior service credit	156	156	2,302	2,929
Total recognized in regulatory assets	15,131	569	5,868	2,362
Total recognized in net periodic benefit cost and regulatory assets	\$ 18,428	\$ 2,731	\$ 4,454	\$ 397

The estimated net loss and prior service credit for the defined benefit pension plans that will be amortized from regulatory assets into net periodic benefit cost in 2012 are \$3.5 million and \$156,000, respectively. The estimated net loss and prior service credit for the other postretirement benefit plans that will be amortized from regulatory assets into net periodic benefit cost in 2012 are \$1.0 million and \$713,000, respectively.

Weighted average assumptions used to determine benefit obligations at December 31 were as follows:

	Pension Benefits		Other Postretirement Benefits	
	2011	2010	2011	2010
Discount rate	4.15%	5.25%	4.12%	5.20%
Expected return on plan assets	7.75%	7.75%	6.75%	6.75%

MDU ENERGY CAPITAL, LLC
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
Years ended December 31, 2011 and 2010

Weighted average assumptions used to determine net periodic benefit cost for the years ended December 31 were as follows:

	Pension Benefits		Other Postretirement Benefits	
	2011	2010	2011	2010
Discount rate	5.25%	5.75%	5.20%	5.75%
Expected return on plan assets	7.75%	8.25%	6.75%	7.25%

The expected rate of return on pension plan assets is based on the targeted asset allocation of 60 percent to 70 percent equity securities and 30 percent to 40 percent fixed-income securities and the expected rate of return from these asset categories. The expected rate of return on other postretirement assets is based on the targeted asset allocation range of 65 percent to 75 percent equity securities and 25 percent to 35 percent fixed-income securities and the expected rate of return from these asset categories. The expected return on plan assets for other postretirement benefits reflects insurance-related investment costs.

Health care rate assumptions for the Company's other postretirement benefit plans as of December 31 were as follows:

	2011	2010
Health care trend rate assumed for next year	8.0%	8.50%
Health care cost trend rate – ultimate	5.0%	5.0%
Year in which ultimate trend rate achieved	2017	2017

The Company's other postretirement benefit plans include health care benefits for certain employees. The plans underlying these benefits may require contributions by the employee depending on such employee's age and years of service at retirement or the date of retirement. The accounting for the health care plans anticipates future cost-sharing changes that are consistent with the Company's expressed intent to generally increase retiree contributions each year by the excess of the expected health care cost trend rate over 6 percent.

Assumed health care cost trend rates may have a significant effect on the amounts reported for the health care plans. A one percentage point change in the assumed health care cost trend rates would have had the following effects at December 31, 2011:

	1 Percentage Point Increase	1 Percentage Point Decrease
	<i>(In thousands)</i>	
Effect on total of service and interest cost components	\$ 109	\$ (94)
Effect on postretirement benefit obligation	\$ 2,094	\$ (1,808)

The Company's pension assets are managed by 12 outside investment managers. The Company's other postretirement assets are managed by one outside investment manager. The Company's investment policy with respect to pension and other postretirement assets is to make investments solely in the interest of the participants and beneficiaries of the plans and for the exclusive purpose of providing benefits accrued and defraying the reasonable expenses of administration. The Company strives to maintain investment diversification to assist in minimizing the risk of large losses. The Company's policy guidelines allow for investment of funds in cash

MDU ENERGY CAPITAL, LLC
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
Years ended December 31, 2011 and 2010

equivalents, fixed-income securities and equity securities. The guidelines prohibit investment in commodities and future contracts, equity private placement, employer securities, leveraged or derivative securities, options, direct real estate investments, precious metals, venture capital and limited partnerships. The guidelines also prohibit short selling and margin transactions. The Company's practice is to periodically review and rebalance asset categories based on its targeted asset allocation percentage policy.

The fair value of the Company's pension net plan assets by class is as follows:

	Fair Value Measurements at December 31, 2011, Using			Balance at December 31, 2011
	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	
	<i>(In thousands)</i>			
Assets:				
Cash equivalents	\$ 446	\$ 3,470	\$ —	\$ 3,916
Equity securities:				
U.S. companies	19,653	—	—	19,653
International companies	6,996	—	—	6,996
Collective and mutual funds (a)	8,551	3,075	—	11,626
Corporate bonds	—	4,666	57	4,723
Mortgage-backed securities	—	4,549	—	4,549
Municipal bonds	—	1,838	—	1,838
U.S. Treasury securities	—	1,710	—	1,710
Total assets measured at fair value	\$ 35,646	\$ 19,308	\$ 57	\$ 55,011

(a) Collective and mutual funds invest approximately 26 percent in common stock of mid-cap U.S. companies, 26 percent in common stock of large-cap U.S. companies, 13 percent in U.S. Treasuries, 6 percent in corporate bonds and 29 percent in other investments.

MDU ENERGY CAPITAL, LLC
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
Years ended December 31, 2011 and 2010

	Fair Value Measurements at December 31, 2010, Using			Balance at December 31, 2010
	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	
	<i>(In thousands)</i>			
Assets:				
Cash equivalents	\$ 883	\$ 1,647	\$ —	\$ 2,530
Equity securities:				
U.S. companies	19,493	—	—	19,493
International companies	7,577	—	—	7,577
Collective and mutual funds (a)	8,599	3,351	—	11,950
Collateral held on loaned securities (b)	—	4,384	131	4,515
Corporate bonds	—	4,358	—	4,358
Mortgage-back securities	—	3,688	—	3,688
U.S. Treasury securities	—	1,750	—	1,750
Municipal bonds	—	1,569	—	1,569
Total assets measured at fair value	36,552	20,747	131	57,430
Liabilities:				
Obligation for collateral received	4,865	—	—	4,865
Net assets measured at fair value	\$31,687	\$20,747	\$131	\$52,565

(a) *Collective and mutual funds invest approximately 28 percent in common stock of mid-cap U.S. companies, 24 percent in common stock of large-cap U.S. companies, 13 percent in U.S. Treasuries, 11 percent in mortgage-backed securities, 10 percent in corporate bonds, 8 percent in foreign fixed-income investments and 6 percent in common stock of small-cap U.S. companies.*

(b) *This class includes collateral held at December 31, 2010, as a result of participation in a securities lending program. Cash collateral is invested by the trustee primarily in repurchase agreements, mutual funds and commercial paper.*

MDU ENERGY CAPITAL, LLC
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
Years ended December 31, 2011 and 2010

The following table sets forth a summary of changes in the fair value of the pension plan's Level 3 assets for the year ended December 31, 2011:

	Fair Value Measurements Using Significant Unobservable Inputs (Level 3)		
	Corporate Bonds	Collateral Held on Loaned Securities	Total
			<i>(In thousands)</i>
Balance at beginning of year	\$ —	\$ 131	\$ 131
Total realized/unrealized losses	—	(46)	(46)
Purchases, issuances and settlements (net)	57	(85)	(28)
Balance at end of year	\$ 57	\$ —	\$ 57

The following table sets forth a summary of changes in the fair value of the pension plan's Level 3 assets for the year ended December 31, 2010:

	Fair Value Measurements Using Significant Unobservable Inputs (Level 3)	
	Collateral Held on Loaned Securities	
		<i>(In thousands)</i>
Balance at beginning of year		\$ 178
Total realized/unrealized gains		35
Purchases, issuances and settlements (net)		(82)
Balance at end of year		\$ 131

MDU ENERGY CAPITAL, LLC
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
Years ended December 31, 2011 and 2010

The fair value of the Company's other postretirement benefit plan assets by asset class is as follows:

Fair Value Measurements at December 31, 2011, Using				
	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Balance at December 31, 2011
<i>(In thousands)</i>				
Assets:				
Cash equivalents	\$ 59	\$ 511	\$ —	\$ 570
Equity securities:				
U.S. companies	1,293	—	—	1,293
International companies	262	—	—	262
Insurance investment contract*	—	14,954	—	14,954
Total assets measured at fair value	\$ 1,614	\$ 15,465	\$ —	\$ 17,079

* *The insurance investment contract invests approximately 49 percent in common stock of large-cap U.S. companies, 15 percent in U.S. Treasuries, 12 percent in mortgage-backed securities, 11 percent in corporate bonds, and 13 percent in other investments.*

MDU ENERGY CAPITAL, LLC
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
Years ended December 31, 2011 and 2010

Fair Value Measurements at December 31, 2010, Using				
	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Balance at December 31, 2010
<i>(In thousands)</i>				
Assets:				
Cash equivalents	\$ 54	\$ 343	\$ —	\$ 397
Equity securities:				
U.S. companies	1,650	—	—	1,650
International companies	353	—	—	353
Insurance investment contract*	—	15,801	—	15,801
Total assets measured at fair value	\$ 2,057	\$ 16,144	\$ —	\$ 18,201

* The insurance investment contract invests approximately 53 percent in common stock of large-cap U.S. companies, 21 percent in corporate bonds, 12 percent in mortgage-backed securities and 14 percent in other investments.

The Company expects to contribute approximately \$4.8 million to its defined benefit pension plan and approximately \$415,000 to its postretirement benefit plans in 2012.

The following benefit payments, which reflect future service, as appropriate, are as follows:

Years	Pension Benefits	Other Postretirement Benefits
<i>(In thousands)</i>		
2012	\$ 4,044	\$ 1,695
2013	4,199	1,734
2014	4,309	1,736
2015	4,432	1,742
2016	4,642	1,702
2017-2021	26,027	7,849

Nonqualified Benefit Plans

In addition to the qualified plan defined pension benefits reflected in the table at the beginning of this note, the Company also has unfunded, nonqualified benefit plans at Cascade and Intermountain for certain executive officers. Cascade's plan provides for defined benefit payments following the employee's retirement or to their beneficiaries upon death for up to a 10-year period, plus the surviving spouse is entitled to receive a monthly

MDU ENERGY CAPITAL, LLC
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
Years ended December 31, 2011 and 2010

benefit for life equal to one-half of the benefit the participant was entitled to before death. Effective October 1, 2003, the plan was amended so that no new participants will be added to the plan and no additional benefits will accrue for existing participants. Intermountain's plan provides for defined benefit payments following the employee's retirement until death for a minimum of a 20-year period or to their beneficiaries upon pre-retirement death for a 10-year period equal to twice the benefit the participant was entitled to before death. The Company had investments of \$9.4 million and \$9.8 million at December 31, 2011 and 2010, respectively, consisting of equity securities of \$1.8 million and \$1.8 million, respectively, life insurance carried on plan participants (payable upon the employee's death) of \$6.7 million and \$6.4 million, respectively, and other investments of \$975,000 and \$1.6 million, respectively, which the Company anticipates using to satisfy obligations under these plans. The Company's net periodic benefit cost for these plans was \$1.2 million and \$1.2 million in 2011 and 2010, respectively. The total projected benefit obligation for these plans was \$15.1 million and \$13.6 million at December 31, 2011 and 2010, respectively. The accumulated benefit obligation for these plans was \$15.0 million and \$13.5 million at December 31, 2011 and 2010, respectively. A weighted average discount rate of 4.0 percent and 5.0 percent at December 31, 2011 and 2010, respectively, was used to determine benefit obligations. A discount rate of 5.0 percent and 5.75 percent at December 31, 2011 and 2010, respectively, and a rate of compensation increase of 4.0 percent at both December 31, 2011 and December 31, 2010, was used to determine net periodic benefit cost.

The amount of benefit payments for the unfunded, nonqualified benefit plans, as appropriate, are expected to aggregate \$1.0 million in 2012; \$1.0 million in 2013; \$928,000 in 2014; \$922,000 in 2015; \$1.0 million in 2016; and \$5.3 million for the years 2017 through 2021.

Defined Contribution Plans

The Company sponsors various defined contribution plans for eligible employees. Costs incurred by the Company under these plans were \$1.6 million and \$1.8 million in 2011 and 2010, respectively.

Multiemployer Plans

Intermountain contributes to a multiemployer defined benefit pension plan under the terms of a collective-bargaining agreement that covers its union-represented employees. The risks of participating in a multiemployer plan are different from a single-employer plan in the following aspects:

- Assets contributed to the multiemployer plan by one employer may be used to provide benefits to employees of other participating employers
- If a participating employer stops contributing to the plan, the unfunded obligations of the plan may be borne by the remaining participating employers
- If the Company chooses to stop participating in the multiemployer plan, the Company may be required to pay the plan an amount based on the underfunded status of the plan, referred to as a withdrawal liability

The Company's participation in this plan for the annual period ended December 31, 2011, is outlined in the following table. The most recent Pension Protection Act zone status available in 2011 and 2010 is for the plan's year-end at December 31, 2010, and December 31, 2009, respectively. The zone status is based on information that the Company received from the plan and is certified by the plan's actuary. Among other factors, plans in the red zone are generally less than 65 percent funded, plans in the yellow zone are between 65 percent and 80 percent funded, and plans in the green zone are at least 80 percent funded.

MDU ENERGY CAPITAL, LLC
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
Years ended December 31, 2011 and 2010

Pension Fund	EIN/Pension Plan Number	Pension Protection Act Zone Status		FIP/RP Status Pending/ Implemented	Contributions		Surcharge Imposed	Expiration Date of Collective Bargaining Agreement
		2011	2010		2011	2010		
(In thousands)								
Idaho Plumbers and Pipefitters Pension Plan	82-6010346-001	Green as of 5/31/2011	Green as of 5/31/2010	No	\$ 1,063	\$ 1,051	No	06/30/2012

Intermountain was listed in the Idaho Plumbers and Pipefitters Pension Plan's Form 5500 as providing more than 5 percent of the total contributions as of the plan's year-end of December 31, 2010 and 2009, respectively.

NOTE 10 – COMMITMENTS AND CONTINGENCIES

Claims and Litigation

The Company accrues a liability for contingencies when the incurrence of a loss is probable and the amount can be reasonably estimated. If a range of amounts can be reasonably estimated and no amount within the range is a better estimate than any other amount, then the minimum of the range is accrued. The Company does not accrue liabilities when the likelihood that the liability has been incurred is probable but the amount cannot be reasonably estimated or when the liability is believed to be only reasonably possible or remote. For contingencies where an unfavorable outcome is probable or reasonably possible and which are material, the Company discloses the nature of the contingency and, where feasible, an estimate of the possible loss. The Company had accrued liabilities of \$6.9 million and \$6.0 million for contingencies related to environmental matters as of December 31, 2011 and 2010, respectively, which includes amounts that have been accrued for matters discussed in Environmental matters within this note.

Regulatory matters

Natural Gas Distribution The WUTC on March 21, 2011, filed a complaint against Cascade, alleging pipeline safety violations in the operation of its natural gas distribution system. The complaint alleged more than 360 violations of pipeline safety regulations and sought relief including unspecified monetary penalties. Cascade filed its answer to the complaint admitting some and denying other of the alleged violations. Cascade and the WUTC staff entered into a settlement agreement filed with the WUTC on July 13, 2011, which was approved by the WUTC on August 3, 2011. The settlement provides for an immediate cash payment by Cascade of \$425,000 and suspended penalties totaling up to \$1.8 million which Cascade will be required to pay if it fails to comply with action items for remediation of violations and implementation of safety program improvements within timelines specified in the agreement. The Company's leadership is committed to pipeline safety compliance and over the past year and a half substantial resources have been invested by Cascade to improve pipeline safety documentation and procedures. Cascade recognized certain compliance issues and has been working with the WUTC to become fully compliant. Cascade believes most of the violations have been or are in the process of being remedied and intends to make significant additional technological and other investments over the next year to comply with the requirements of the settlement agreement and improve its compliance procedures and results.

Environmental matters

Manufactured Gas Plant Sites There are three claims against Cascade for cleanup of environmental contamination at manufactured gas plant sites operated by Cascade's predecessors.

The first claim is for contamination at a site in Eugene, Oregon which was received in 1995. There are potentially responsible parties (PRPs) in addition to Cascade that may be liable for cleanup of the contamination. Some of these PRPs have shared in the investigation costs. It is expected that these and other PRPs will share in the

MDU ENERGY CAPITAL, LLC
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
Years ended December 31, 2011 and 2010

cleanup costs. Several alternatives for cleanup have been identified, with preliminary cost estimates ranging from approximately \$500,000 to \$11.0 million. The Oregon State Department of Environmental Quality (Oregon DEQ) is preparing a staff report which will recommend a cleanup alternative for the site. It is not known at this time what share of the cleanup costs will actually be borne by Cascade; however, Cascade anticipates its proportional share could be approximately 50 percent. Cascade has reserved \$1.2 million for remediation of this site.

The second claim is for contamination at a site in Bremerton, Washington which was received in 1997. A preliminary investigation has found soil and groundwater at the site contain contaminants requiring further investigation and cleanup. The U.S. Environmental Protection Agency (EPA) conducted a Targeted Brownfields Assessment of the site and released a report summarizing the results of that assessment in August 2009. The assessment confirms that contaminants have affected soil and groundwater at the site, as well as sediments in the adjacent Port Washington Narrows. Alternative remediation options have been identified with preliminary cost estimates ranging from \$340,000 to \$6.4 million. Data developed through the assessment and previous investigations indicates the contamination likely derived from multiple, different sources and multiple current and former owners of properties and businesses in the vicinity of the site may be responsible for the contamination. In April 2010, the Washington Department of Ecology issued notice it considered Cascade a PRP for hazardous substances at the site. In September 2011, the EPA issued notice of a proposal to add the site to the National Priorities List. Cascade has met with the EPA to discuss a possible settlement agreement and administrative order for performance of a remedial investigation and feasibility study of the site with the intent of reaching consensus on the scope and schedule for the remedial investigation and feasibility study. Cascade has reserved \$6.4 million for remediation of this site. In April 2010, Cascade filed a petition with the WUTC for authority to defer the costs, which are included in other noncurrent assets, incurred in relation to the environmental remediation of this site until the next general rate case. The WUTC approved the petition in September 2010, subject to conditions set forth in the order.

The third claim is for contamination at a site in Bellingham, Washington. Cascade received notice from a party in May 2008 that Cascade may be a PRP, along with other parties, for contamination from a manufactured gas plant owned by Cascade and its predecessor from about 1946 to 1962. The notice indicates that current estimates to complete investigation and cleanup of the site exceed \$8.0 million. Other PRPs have reached an agreed order and work plan with the Washington Department of Ecology for completion of a remedial investigation and feasibility study for the site. A report documenting the initial phase of the remedial investigation was completed in June 2011. There is currently not enough information available to estimate the potential liability to Cascade associated with this claim although Cascade believes its proportional share of any liability will be relatively small in comparison to other PRPs. The plant manufactured gas from coal between approximately 1890 and 1946. In 1946, shortly after Cascade's predecessor acquired the plant, it converted the plant to a propane-air gas facility. There are no documented wastes or by-products resulting from the mixing or distribution of propane-air gas.

Cascade has received notices from certain of its insurance carriers that they will participate in defense of Cascade for these contamination claims subject to full and complete reservations of rights and defenses to insurance coverage. To the extent these claims are not covered by insurance, Cascade will seek recovery through the OPUC and WUTC of remediation costs in its natural gas rates charged to customers.

MDU ENERGY CAPITAL, LLC
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
Years ended December 31, 2011 and 2010

Operating leases

The Company leases certain equipment, facilities and land under operating lease agreements. The amounts of annual minimum lease payments due under these leases as of December 31, 2011, were \$275,000 in 2012, \$230,000 in 2013, \$186,000 in 2014, \$165,000 in 2015, \$149,000 in 2016, and \$327,000 thereafter. Rent expense was \$345,000 and \$394,000 for the years ended December 31, 2011 and 2010, respectively.

Purchase commitments

The Company has entered into various commitments, largely natural gas supply and natural gas transportation and storage contracts. These commitments range from one to 49 years. The commitments under these contracts as of December 31, 2011, were \$253.8 million in 2012, \$146.5 million in 2013, \$91.7 million in 2014, \$28.8 million in 2015, \$18.6 million in 2016 and \$263.6 million thereafter. These commitments were not reflected in the Company's consolidated financial statements. Amounts purchased under various commitments for the year ended December 31, 2011 and 2010, respectively, were approximately \$299.9 million and \$306.3 million.

Guarantees

Cascade has an outstanding letter of credit to a third party related to natural gas transportation agreements. At December 31, 2011, the fixed maximum amount guaranteed under this letter of credit was \$1.9 million, which is scheduled to expire in 2012. There were no amounts outstanding under this letter of credit at December 31, 2011.

NOTE 11 – RELATED-PARTY TRANSACTIONS

MDU and Montana-Dakota Utilities Co. (Montana-Dakota), a public utility division of MDU, provide certain support services to the Company. The amount charged for such services was \$26.6 million and \$23.4 million for the year ended December 31, 2011 and 2010, respectively.

The amounts included in the consolidated balance sheets related to MDU and Montana-Dakota as of December 31 are as follows:

	2011	2010
	<i>(In thousands)</i>	
Accounts receivable	\$ 53	\$ 225
Accounts payable	2,871	2,255
Dividend payable	5,000	3,900

During 2010, Cascade purchased a building and land from another wholly owned subsidiary of MDU for \$1.7 million.

MDU has several stock-based compensation plans in which the Company participates. Total stock-based compensation expense for the years ended December 31, 2011 and 2010, respectively, was \$565,000 and \$489,000, net of income taxes of \$361,000 and \$313,000, respectively. As of December 31, 2011, total remaining unrecognized compensation expense related to stock-based compensation was approximately \$1.0 million (before income taxes) which will be amortized over a weighted average period of 1.6 years.

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Name of Respondent Cascade Natural Gas Corporation	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr)	Year of report Dec 31, 2011
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**SUMMARY OF UTILITY PLANT AND ACCUMULATED PROVISIONS
FOR DEPRECIATION, AMORTIZATION AND DEPLETION**

Line No.	Item (a)	Total Company For the Current Quarter/Year
1	UTILITY PLANT	
2	In Service	
3	Plant in Service (Classified)	702,809,431
3b	ARO Assets	45,332
4	Property under capital leases	-
5	Plant purchased or sold	-
6	Completed construction not classified	-
7	Experimental plant unclassified	-
8	TOTAL (Enter Total of lines 3 thru 7)	702,854,763
9	Leased to others	-
10	Held for future use	-
11	Construction work in progress	15,114,040
12	Acquisition adjustments	-
13	Total Utility Plant (Enter Total of Lines 8 thru 12)	717,968,803
14	Accum. Prov. For Depreciation, Amortization & Depletion	(355,227,629)
15	Net Utility Plant (Enter Total of Line 13 less 14)	362,741,174
16	DETAIL OF ACCUMULATED PROVISIONS FOR DEPRECIATION, AMORTIZATION AND DEPLETION	
17	In Service	
18	Depreciation	(354,315,004)
19	Amort. and Depl. Of producing natural gas land and land rights	-
20	Amort. of underground storage land and land rights	-
21	Amort. of other utility plant	(912,625)
22	Total In-Service (Enter Total of Lines 18 thru 21)	(355,227,629)
23	Leased to others	
24	Depreciation	-
25	Amortization and depletion	-
26	Total Leased to others (Enter Total of Lines 24 and 25)	-
27	Held for future use	
28	Depreciation	-
29	Amortization and depletion	-
30	Total held for future use (Enter Total of Lines 28 and 29)	-
31	Abandonment of leases (Natural Gas)	-
32	Amort. of plant acquisition adjustments	-
33	Total Accumulated Provisions (Should agree with line 14 above) (Enter Total of Lines 22, 26, 30, 31 and 32)	(355,227,629)

Name of Respondent Cascade Natural Gas Corporation	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr)	Year of report Dec 31, 2011
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**SUMMARY OF UTILITY PLANT AND ACCUMULATED PROVISIONS
FOR DEPRECIATION, AMORTIZATION AND DEPLETION (continued)**

Electric (c)		Gas (d)		Other (specify) (e)	Common (f)	Line No.
						1
						2
-		702,809,431				3
-		45,332				3b
-						4
-						5
-						6
-						7
-		702,854,763		-	-	8
-		-				9
-		-				10
-		15,114,040				11
-		-				12
-		717,968,803		-	-	13
-		(355,227,629)				14
-		362,741,174		-	-	15
						16
						17
		(354,315,004)				18
						19
						20
		(912,625)				21
-	-	(355,227,629)		-	-	22
						23
						24
						25
-	-	-		-	-	26
						27
						28
-	-	-		-	-	29
						30
						31
						32
-	-	(355,227,629)		-	-	33

Name of Respondent		This Report is:	Date of Report (Mo, Da, Yr)	Year Ending
Cascade Natural Gas Corporation		(1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		Dec 31, 2011
GAS PLANT IN SERVICE (Accounts 101, 102, 103 and 106)				
Line No.	Account (a)		Balance at Beginning of Year (b)	Additions (c)
1	INTANGIBLE PLANT			
2	301	Organization	152,066	0
3	302	Franchises and consent	211,825	0
4	303	Miscellaneous intangible plant	8,186,273	4,086,798
5	TOTAL Intangible Plant		8,550,164	4,086,798
6	PRODUCTION PLANT			
7	Natural Gas Production and Gathering Plant			
8	325.1	Producing lands	0	0
9	325.2	Producing leaseholds	0	0
10	325.3	Gas rights	0	0
11	325.4	Rights-of-way	0	0
12	325.5	Other land and land rights	0	0
13	326	Gas well structures	0	0
14	327	Field compressor station structures	0	0
15	328	Field measuring and regulating station structures	0	0
16	329	Other structures	0	0
17	330	Producing gas wells - Well construction	0	0
18	331	Producing gas wells - Well equipment	0	0
19	332	Field lines	0	0
20	333	Field compressor station equipment	0	0
21	334	Field measuring and regulating station equipment	0	0
22	335	Drilling and cleaning equipment	0	0
23	336	Purification equipment	0	0
24	337	Other equipment	0	0
25	338	Unsuccessful exploration and development costs	0	0
26	339	Asset Retirement Costs for Natural Gas Production and	0	0
27	TOTAL Production and Gathering Plant		0	0
28	PRODUCTS EXTRACTION PLANT			
29	340	Land and land rights	0	0
30	341	Structures and Improvements	0	0
31	342	Extraction and refining equipment	0	0
32	343	Pipe lines	0	0
33	344	Extracted products storage equipment	0	0

Name of Respondent		This Report is:		Date of Report (Mo, Da, Yr)		Year Ending	
Cascade Natural Gas Corporation		(1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission				Dec 31, 2011	
GAS PLANT IN SERVICE (Accounts 101, 102, 103 and 106) (continued)							
Retirements (d)	Adjustments (e)	Transfers (f)	Balance at End of Year (g)			Line No.	
0	0	0	152,066	301		1	
0	0	0	211,825	302		2	
0	0	0	12,273,071	303		3	
0.00	0.00	0.00	12,636,962			4	
						5	
						6	
0	0	0	0	325.1		7	
0	0	0	0	325.2		8	
0	0	0	0	325.3		9	
0	0	0	0	325.4		10	
0	0	0	0	325.5		11	
0	0	0	0	326		12	
0	0	0	0	327		13	
0	0	0	0	328		14	
0	0	0	0	329		15	
0	0	0	0	330		16	
0	0	0	0	331		17	
0	0	0	0	332		18	
0	0	0	0	333		19	
0	0	0	0	334		20	
0	0	0	0	335		21	
0	0	0	0	336		22	
0	0	0	0	337		23	
0	0	0	0	338		24	
0	0	0	0	339		25	
0	0	0	0			26	
						27	
0	0	0	0	340		28	
0	0	0	0	341		29	
0	0	0	0	342		30	
0	0	0	0	343		31	
0	0	0	0	344		32	
						33	

Name of Respondent		This Report is:	Date of Report (Mo, Da, Yr)	Year Ending
Cascade Natural Gas Corporation		(1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		Dec 31, 2011
GAS PLANT IN SERVICE (Accounts 101, 102, 103 and 106)				
Line No.	Account (a)		Balance at Beginning of Year (b)	Additions (c)
34	345	Compressor equipment	0	0
35	346	Gas measuring and regulating equipment	0	0
36	347	Other equipment	0	0
37	348	Asset Retirement Costs for Products Extraction Plant	0	0
38		TOTAL Products Extraction Plant (Total Lines 29 thru 37)	0	0
39		TOTAL Natural Gas Production Plant (Total line 27 and 38)	0	0
40		Manufactured Gas Production Plant (Submit Supplementary	0	0
41		TOTAL Production Plant (Total of lines 39 and 40)	0	0
42	NATURAL GAS STORAGE AND PROCESSING PLANT		0	0
43	Underground Storage Plant		0	0
44	350.1	Land	0	0
45	350.2	Rights-of-way	0	0
46	351	Structures and improvements	0	0
47	352	Well	0	0
48	352.1	Storage leaseholds and rights	0	0
49	352.2	Reservoirs	0	0
50	352.3	Non-recoverable natural gas	0	0
51	353	Lines	0	0
52	354	Compressor station equipment	0	0
53	355	Measuring and regulating equipment	0	0
54	356	Purification equipment	0	0
55	357	Other equipment	0	0
56	358	Asset Retirement Costs for Underground Storage Plant	0	0
57		TOTAL Underground Storage Plant	0	0
58	Other Storage Plant		0	0
59	360	Land and land rights	0	0
60	361	Structures and improvements	0	0
61	362	Gas holders	0	0
62	363	Purification equipment	0	0
63	363.1	Liquefaction equipment	0	0
64	363.2	Vaporizing equipment	0	0
65	363.3	Compressor equipment	0	0
66	363.4	Measuring and regulating equipment	0	0
67	363.5	Other equipment	0	0
68	363.6	Asset Retirement Costs for Other Storage Plant	0	0
69		TOTAL Other Storage Plant	0	0
70	Base Load Liquefied Nat. Gas Terminating & Processing Plant		0	0
71	364.1	Land and land rights	0	0
72	364.2	Structures and improvements	0	0
73	364.3	LNG Processing terminal equipment	0	0
74	364.4	LNG transportation equipment	0	0
75	364.5	Measuring and regulating equipment	0	0
76	364.6	Compressor station equipment	0	0
77	364.7	Communications equipment	0	0
78	364.8	Other equipment	0	0
79	364.9	Asset Retirement Costs for Base Load Liquefied Nat Gas	0	0
80		TOTAL Base Load Liq. Nat. Gas Terminating & Processing	0	0

Name of Respondent	This Report is:	Date of Report (Mo, Da, Yr)	Year Ending
Cascade Natural Gas Corporation	(1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		Dec 31, 2011

GAS PLANT IN SERVICE (Accounts 101, 102, 103 and 106) (continued)

Retirements (d)	Adjustments (e)	Transfers (f)	Balance at End of Year (g)		Line No.
0	0	0	0	345	34
0	0	0	0	346	35
0	0	0	0	347	36
0	0	0	0	348	37
0	0	0	0		38
0	0	0	0		39
0	0	0	0		40
0	0	0	0		41
0	0	0	0		42
0	0	0	0		43
0	0	0	0	350.1	44
0	0	0	0	350.2	45
0	0	0	0	351	46
0	0	0	0	352	47
0	0	0	0	352.1	48
0	0	0	0	352.2	49
0	0	0	0	352.3	50
0	0	0	0	353	51
0	0	0	0	354	52
0	0	0	0	355	53
0	0	0	0	356	54
0	0	0	0	357	55
0	0	0	0	358	56
0	0	0	0		57
0	0	0	0		58
0	0	0	0	360	59
0	0	0	0	361	60
0	0	0	0	362	61
0	0	0	0	363	62
0	0	0	0	363.1	63
0	0	0	0	363.2	64
0	0	0	0	363.3	65
0	0	0	0	363.4	66
0	0	0	0	363.5	67
0	0	0	0	363.6	68
0	0	0	0		69
0	0	0	0		70
0	0	0	0	364.1	71
0	0	0	0	364.2	72
0	0	0	0	364.3	73
0	0	0	0	364.4	74
0	0	0	0	364.5	75
0	0	0	0	364.6	76
0	0	0	0	364.7	77
0	0	0	0	364.8	78
0	0	0	0	364.9	79
0	0	0	0		80

Name of Respondent	This Report is:	Date of Report (Mo, Da, Yr)	Year Ending
Cascade Natural Gas Corporation	(1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		Dec 31, 2011

GAS PLANT IN SERVICE (Accounts 101, 102, 103 and 106)

Line No.	Account (a)	Balance at Beginning of Year (b)	Additions (c)
81	TOTAL Nat'l Gas Storage and Processing Plant (Total of 57,	0	0
82	TRANSMISSION PLANT		
83	365.1 Land and land rights	224,536	0
84	365.2 Rights-of-way	1,026,089	0
85	366 Structures and improvements	0	0
86	367 Mains	13,745,548	71,500
87	368 Compressor station equipment	0	0
88	369 Measuring and regulating station equipment	208,027	0
89	370 Communication equipment	0	0
90	371 Other equipment	0	0
91	372 Asset Retirement Costs for Transmission Plant	0	0
92	TOTAL Transmission Plant (Total lines 83 thru 91)	15,204,200	71,500
93	DISTRIBUTION PLANT		
94	374 Land and land rights	2,436,519	0
95	375 Structures and improvements	1,412,428	8,030
96	376 Mains	322,540,666	8,127,575
97	377 Compressor station equipment	2,000,730	0
98	378 Measuring and regulating equipment - General	18,080,003	638,134
99	379 Measuring and regulating equipment - City gate	0	0
100	380 Services	174,392,835	3,275,342
101	381 Meters	45,468,215	1,277,949
102	382 Meter installations	29,425,486	160,499
103	383 House regulators	9,241,957	275,442
104	384 House regulator installations	0	0
105	385 Industrial measuring and regulating station equipment	7,217,358	256,287
106	386 Other property on customers' premises	(0)	0
107	387 Other equipment	0	0
108	388 Retirement Costs for Distribution Plant	45,332	0
109	TOTAL Distribution Plant	612,261,529	14,019,258
110	GENERAL PLANT		
111	389 Land and land rights	2,253,273	0
112	390 Structures and improvements	16,971,842	53,649
113	391 Office furniture, fixtures and equipment	10,519,793	643,228
114	392 Transportation equipment	7,727,522	1,590,932
115	393 Stores equipment	77,662	0
116	394 Tools, shop and garage equipment	4,145,092	633,380
117	395 Laboratory equipment	138,956	0
118	396 Power operated equipment	2,257,543	347,799
119	397 Communication equipment	4,155,485	211,365
120	398 Miscellaneous equipment	20,795	1,268
121	Subtotal (Total of lines 111 thru 120)	48,267,963	3,481,621
122	399 Other Tangible Property	0	0
123	399.1 Asset Retirement Costs for General Plant	0	0
124	TOTAL General Plant (Total lines 121, 122, and 123)	48,267,963	3,481,621
125	TOTAL (Account 101 and 106)	684,283,856	21,659,177
126	Gas plant purchased (See Instruction 8)	0	0
127	(Less) Gas plant sold (See Instruction 8)	0	0
128	Experimental gas plant unclassified	0	0
129	TOTAL GAS PLANT IN-SERVICE	684,283,856	21,659,177

Name of Respondent		This Report is:		Date of Report (Mo, Da, Yr)		Year Ending	
Cascade Natural Gas Corporation		(1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission				Dec 31, 2011	
GAS PLANT IN SERVICE (Accounts 101, 102, 103 and 106) (continued)							
Retirements (d)	Adjustments (e)	Transfers (f)	Balance at End of Year (g)		Line No.		
0	0	0	0		81		
					82		
0	0	0	224,536	365.1	83		
0	0	0	1,026,089	365.2	84		
0	0	0	0	366	85		
(79,596)	0	2,091,902	15,829,354	367	86		
0	0	0	0	368	87		
(2,928)	0	0	205,099	369	88		
0	0	0	0	370	89		
0	0	0	0	371	90		
0	0	0	0	372	91		
(82,524)	0	2,091,902	17,285,078		92		
					93		
0	(1)	0	2,436,518	374	94		
0	0	0	1,420,458	375	95		
(318,528)	1	(2,091,902)	328,257,812	376	96		
0	1	0	2,000,731	377	97		
(172,750)	0	0	18,545,387	378	98		
0	0	0	0	379	99		
(225,523)	(1)	0	177,442,653	380	100		
(94,421)	(1)	0	46,651,742	381	101		
(14,398)	(2)	0	29,571,585	382	102		
(46,112)	(1)	0	9,471,286	383	103		
0	0	0	0	384	104		
(33,088)	1	0	7,440,558	385	105		
0	0	0	0	386	106		
0	0	0	0	387	107		
0	0	0	45,332	388	108		
(904,820)	(2)	(2,091,902)	623,284,062		109		
					110		
0	0	0	2,253,273	389	111		
0	1	0	17,025,492	390	112		
(855,438)	(3)	0	10,307,580	391	113		
(380,986)	6,075	0	8,943,543	392	114		
(8,298)	(2)	0	69,362	393	115		
(74,636)	0	0	4,703,836	394	116		
(913)	0	0	138,043	395	117		
(577,348)	1	0	2,027,995	396	118		
(209,381)	1	0	4,157,470	397	119		
0	4	0	22,067	398	120		
(2,107,000)	6,077	0	49,648,661		121		
0	0	0	0	399	122		
0	0	0	0	399.1	123		
(2,107,000)	6,077	0	49,648,661		124		
(3,094,344)	6,075	0	702,854,763		125		
0	0	0	0		126		
0	0	0	0		127		
0	0	0	0		128		
(3,094,344)	6,075	0	702,854,763		129		

Name of Respondent Cascade Natural Gas Corporation	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr)	Year of report Dec. 31, 2011
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GAS PROPERTY AND CAPACITY LEASED FROM OTHERS

1. Report below the information called for concerning gas property and capacity leased from others for gas operations.
 2. For all leases in which the average annual lease payment over the initial term of the lease exceeds \$500,000, described in column (c), if applicable, the property or capacity leased. Designate associated companies with an asterisk in column (b).

Line No.	Name of Lessor (a)	* (b)	Description of Lease (c)	Lease Payments For Current Year (d)
1	None			
2				
3				
4				
5				
6				
7				
8				
9				
10				
11				
12				
13				
14				
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43				
44				
45	TOTAL -			

Name of Respondent Cascade Natural Gas Corporation	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr)	Year of report Dec. 31, 2011
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GAS PROPERTY AND CAPACITY LEASED TO OTHERS

1. For all leases in which the average lease income over the initial term of the lease exceeds \$500,000, provide in column (c) a description of each facility or leased capacity that is classified as gas plant in service, and is leased to others for gas operations.
2. In column (d) provide the lease payments received from others.
3. Designate associated companies with an asterisk in column (b).

Line No.	Name of Lessor (a)	* (b)	Description of Lease (c)	Lease Payments For Current Year (d)
1	None			
2				
3				
4				
5				
6				
7				
8				
9				
10				
11				
12				
13				
14				
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44				
45	TOTAL -			

Name of Respondent Cascade Natural Gas Corporation	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr)	Year of report Dec. 31, 2011
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GAS PLANT HELD FOR FUTURE USE (Account 105)

1. Report separately each property held for future use at end of the year having an original cost of \$1,000,000 or more. Group other items of property held for future use.

2. For property having an original cost of \$1,000,000 or more previously used in utility operations, now held for future use, give in column (a), in addition to other required information, the date that utility use of such property was discontinued, and the date the original cost was transferred to Account 105.

Line No.	Description and Location of Property (a)	Date Originally Included in this Account (b)	Date Expected to be Used in Utility Service (c)	Balance at End of Year (d)
1	None			
2				
3				
4				
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43				
44				
45	TOTAL -			

Name of Respondent Cascade Natural Gas Corporation	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr)	Year of report Dec. 31, 2011
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CONSTRUCTION WORK IN PROGRESS - GAS (Account 107)

1. Report below descriptions and balances at end of year or project in process of construction (107).
2. Show items relating to "research, development, and demonstration" projects last, under caption Research, Development, and Demonstration (see Acct. 107 of the Uniform System of Accounts).
3. Minor projects (less than \$1,000,000) may be grouped.

Line No	Account (a)	Construction Work in Progress - Gas (Account 107) (b)	Estimated Additional Cost of Project (c)
1	CC&B	1,020,384	
2	ERT Programming Units	1,136,366	
3	Kitsap Phase VI 12" HP Main	1,363,903	
4	GIS Compliance Project	1,260,200	
5	Anacortes Phase I 12" HP Main	1,094,828	
6			
7			
8	Minor distribution system/general plant projects each under \$1 million	9,238,359	
9			
10			
11			
12			
13			
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15			
16			
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19			
20			
21			
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44			
45	TOTAL -	15,114,040	-

Name of Respondent Cascade Natural Gas Corporation	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr)	Year Ending Dec 31, 2011
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GENERAL DESCRIPTION OF CONSTRUCTION OVERHEAD PROCEDURE

1. For each construction overhead, explain: (a) the nature and extent of work, etc., that the overhead charges are intended to cover, (b) the general procedure for determining the amount capitalized, (c) the method of distribution to construction jobs, (d) whether different rates are applied to different types of construction, (e) basis of differentiation in rates for different types of construction, and (f) whether the overhead is directly or indirectly assigned.
2. Show below the computation of allowance for funds used during construction rates, in accordance with the provisions of Gas Plant Instructions 3 (17) of the Uniform System of Accounts.
3. Where a net-of-tax rate for borrowed funds is used, show the appropriate tax effect adjustment to the computations below in a manner that clearly indicates the amount of reduction in the gross rate for tax effects.

1. Engineering & Supervision and General & Administrative overhead:

Engineer & Supervision (ES) overhead consists of employees' time in preparation of work orders, mapping, determining feasibility, and other Engineering/construction based supervisory costs related to new construction which are not identified with a specific project, along with the associated payroll taxes and employee benefit costs.

General & Administrative (GA) overhead consists of employees' time in processing A/P, A/R, receiving orders, and other administrative functions which are not identified with a specific project, along with the associated payroll taxes and employee benefit costs.

Both ES & GA (ES/GA) are accumulated in pools from which a portion is allocated each month. The allocation is based on a rate determined by the Manager of General & Asset Accounting which is then applied to the current month activity for all applicable work orders to determine how much should be transferred from the ES/GA pools to the affected work orders. This is accomplished via a system (JD Edwards) batch operation. An applicable work order is one that 1) is capital installation/purchase, and not a preliminary survey or investigative. Note that purchase projects only receive GA overhead, not ES. Construction projects receive both.

2. ALLOWANCE FOR BORROWED FUNDS USED DURING CONSTRUCTION (AFUDC):

The formula on page 218a is used.

Name of Respondent Cascade Natural Gas Corporation	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr)	Year Ending Dec 31, 2011
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GENERAL DESCRIPTION OF CONSTRUCTION OVERHEAD PROCEDURE (continued)

COMPUTATION OF ALLOWANCE FOR FUNDS USED DURING CONSTRUCTION RATES

1. For line 1(5), column (d) below, enter the rate granted in the last rate proceeding. If such is not available, use the average rate earned during the preceding three years.
2. Identify, in a footnote, the specific entity used as the source for the capital structure figures.
3. Indicate, in a footnote, if the reported rate of return is one that has been approved in a rate case, black-box settlement rate, or an actual three-year average rate.

1. Components of Formula (Derived from actual book balances and actual cost rates):

Line No	Title (a)	Amount (b)	Capitalization Ratio (%) (c)	Cost Rate Percentage (d)
(1)	Average Short-Term Debt	S 0		
(2)	Short-Term Interest Rate			s 0.00%
(3)	Long-Term Debt	D 158,482,248	49.0%	d 7.01%
(4)	Preferred Stock	P 0		p 0.00%
(5)	Common Equity	C 164,733,151	51.0%	c 11.36%
(6)	Total Capitalization	323,215,399	100.0%	
(7)	Average Construction Work in Progress	W \$ 8,579,823		

2. Gross Rate for Borrowed Funds $s (S/W) + d (D/(D+P+C)) (1 - S/W)$ 3.44%

3. Rate for Other Funds $[1 - S/W] [p (P/(D+P+C)) + c (C/(D+P+C))]$ 5.79%

4. Weighted Average Rate Actually Used for the Year:
a. Rate for Borrowed Funds - 3.44%
b. Rate for Other Funds - 5.79%

Name of Respondent Cascade Natural Gas Corporation	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr)	Year Ending Dec. 31, 2011
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ACCUMULATED PROVISION FOR DEPRECIATION OF GAS UTILITY PLANT (Account 108)

1. Explain in a footnote any important adjustments during year.
2. Explain in a footnote any difference between the amount for book cost of plant retired, line 10, column (c), and that reported for gas plant in service, pages 204-209, column (d), excluding retirements of non-depreciable property.
3. The provisions of Account 108 in the Uniform System of Accounts require that retirements of depreciable plant be recorded when such plant is removed from service. If the respondent has a significant amount of plant retired at year end which has not been recorded and/or classified to the various reserve functional classification, make preliminary closing entries to tentatively functionalize the book cost of the plant retired. In addition, include all costs included in retirement work in progress at year end in the appropriate functional classifications.
4. Show separately interest credits under a sinking fund or similar method of depreciation accounting.
5. At lines 7 and 14, add rows as necessary to report all data. Additional rows should be numbered in sequences, e.g., 7.01, 7.02, etc.

Section A. Balances and Changes During the Year

Line No.	Item (a)	Total (c+d+e) (b)	Gas Plant In-Service (c)	Gas Plant Held For Future Use (d)	Gas Plant Leased to Others (e)
Section A. BALANCES AND CHANGES DURING YEAR					
1	Balance Beginning of Year	(337,844,163)	(337,844,163)	-	-
Depreciation Provisions for Year, Charged to:					
3	(403) Depreciation Expense	(18,917,506)	(18,917,506)		
4	(403.1) Depreciation Expense for Asset Retirement Costs	-			
5	(413) Expense of Gas Plant Leased to Others	-			
6	Vehicle & Power Equipment Usage - Clearing	(740,137)	(740,137)		
7	Other clearing accounts	-			
8	Other accounts (specify):	-			
8.01	ARO Assets	-	-		
9					
10	TOTAL Depreciation Provisions for the Year (Total of lines 3 thru 8)	(19,657,643)	(19,657,643)	-	-
Net Charges for Plant Retired:					
12	Book cost of plant retired	3,094,344	3,094,344		
13	Cost of removal	508,748	508,748		
14	Salvage (credit)	(317,653)	(317,653)		
15	TOTAL Net Charges for Plant Retired (Total of lines 12 thru 14)	3,285,439	3,285,439	-	-
Other Debit or Credit Items (Describe) (footnote details):					
16.01	Increase/Decrease in RWIP	(98,637)	(98,637)		
16.02	Other Debits/Credits	-			
17					
18	Book Cost of Asset Retirement Costs				
19	BALANCE End of Year (Total of lines 1, 10, 15, 16 and 18)	(354,315,004)	(354,315,004)	-	-

Section B. Balances at End of Year According to Functional Classifications

21	Production - Manufactured gas	-			
22	Production and Gathering - Natural gas	-			
23	Products Extraction - Natural gas	-			
24	Underground Storage Gas	-			
25	Other Storage Plant	-			
26	Base Load LNG Terminalling & Processing Plant	-			
27	Transmission Plant	(10,164,143)	(10,164,143)		
28	Distribution Plant	(316,517,244)	(316,517,244)		
29	General Plant	(27,519,166)	(27,519,166)		
30	Intangible Plant	(211,825)	(211,825)		
31	Retirement work-in-progress	97,374	97,374		
32	TOTAL (Enter Total of lines 21 thru 31)	(354,315,004)	(354,315,004)	-	-

Name of Respondent Cascade Natural Gas Corporation	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr)	Year Ending Dec. 31, 2011
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GAS STORED (Account 117.1, 117.2, 117.3, 117.4, 164.1, 164.2 and 164.3)

1 If during the year adjustments were made to the stored gas inventory reported in columns (d), (f), (g), and (h) (such as the correct cumulative inaccuracies of gas measurements), explain in a footnote the reason for the adjustments, the Dth and dollar amount of adjustment, and account charged or credited.

2. Report in column (e) all encroachments during the year upon the volumes designated as base gas, column (b), and system balancing gas, column (c), and gas property recordable in the plant accounts.

3. State in a footnote the basis of segregation of inventory between current and noncurrent portions. Also, state in a footnote the method used to report storage (i.e., fixed asset method or inventory method).

Line No.	Description (a)	(Acct 117.1) (b)	(Acct 117.2) (c)	Noncurrent (Acct 117.3) (d)	(Acct 117.4) (e)	Current (Acct 164.1) (f)	LNG (Acct 164.2) (g)	LNG (Acct 164.3) (h)	Total (i)
1	Balance at beginning of year (as adjusted)					\$ 1,212,106	\$ 3,241,897		\$ 4,454,003
2	Gas delivered to storage (contra acct.)					0	205,121		205,121
3	Gas withdrawn from storage (contra acct.)					0	(280,491)		(280,491)
4	Other debits or credits (net)					2,469,863	0		2,469,863
5	Balance end of year					\$ 3,681,969	\$ 3,166,527		\$ 6,848,496
6	Dth					907,167	562,200		1,469,367
7	Amount per Dth					\$ 4.0588	\$ 5.6324		\$ 4.6608

Name of Respondent Cascade Natural Gas Corporation	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr)	Year of report Dec. 31, 2011
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INVESTMENTS (Account 123, 124, and 136)

1. Report below investments in Accounts 123, Investments in Associated Companies, 124, Other Investments, and 136, Temporary Cash Investments.
2. Provide a subheading for each account and list thereunder the information called for:
 - (a) Investment in Securities-List and describe each security owned, giving name of issuer, date acquired and date of maturity. For bonds, also give principal amount, date of issue, maturity, and interest rate. For capital stock (including capital stock of respondent required under a definite plan for resale pursuant to authorization by the Board of Directors, and included in Account 124, Other Investments) state number of shares, class, and series of stock. Minor investments may be grouped by classes. Investments included in Account 136, Temporary Cash Investments, also may be grouped by classes.
 - (b) Investments Advances-Report separately for each person or company the amounts of loans or investment advances that are properly includable in Account 123. Include advances subject to current repayment in Account 145 and 146. With respect to each advance, show whether the advance is a note or open account.

Line No.	Description of Investment (a)	*	Book Cost at Beginning of Year (If book cost is different from cost to respondent, give cost to respondent in a footnote and explain) (c)	Purchases or Additions During the Year (d)
1		(b)		
2	<u>Account 124</u>			
3	Oregon weatherization loans		-	-
4	Customer Note Receivable		80,890	-
5	SERP Plan Assets		9,843,276	-
6				
7				
8				
9				
10				
11	<u>Account 136</u>			
12	Short-term deposits of cash in interest			
13	bearing accounts (cash management accts)		-	-
14				
15	Short-term deposits of cash in interest			
16	bearing accounts (Exec Deferred Compensation)		-	-
17				
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Name of Respondent Cascade Natural Gas Corporation	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr)	Year of report Dec. 31, 2011
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INVESTMENTS (Account 123, 124, and 136) (continued)

List each note, giving date of issuance, maturity date, and specifying whether note is a renewal. Designate any advances due from officers, directors, stockholders, or employees.

3. Designate with an asterisk in column (b) any securities, notes or accounts that were pledged, and in a footnote state the name of pledges and purpose of the pledge.
4. If Commission approval was required for any advance made or security acquired, designate such fact in a footnote and cite Commission, date of authorization, and case or docket number.
5. Report in column (h) interest and dividend revenues from investments including such revenues from securities disposed of during the year.
6. In column (i) report for each investment disposed of during the year the gain or loss represented by the difference between cost of the investment (or the other amount at which carried in the books of account if different from cost) and the selling price thereof, not including any dividend or interest adjustment includible in column (h).

Line No.	Sales or Other Dispositions During Year (e)	Principal Amount or No. of Shares at End of Year (f)	Book Cost at End of Year (If book cost is different from cost to respondent, give cost to respondent in a footnote and explain) (g)	Revenues for Year (h)	Gain or Loss from Investment Disposed of (i)
1					
2					
3	-		-	-	-
4	(80,890)		-	-	-
5	(549,410)		9,479,236	185,370	-
6					
7					
8					
9					
10					
11					
12					
13	-		-	-	-
14					
15					
16	-		-	-	-
17					
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Name of Respondent Cascade Natural Gas Corporation	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr)	Year of report Dec. 31, 2011
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INVESTMENTS IN SUBSIDIARY COMPANIES (Accounts 123.1)

- Report below investments in Account 123.1, Investments in Subsidiary Companies.
- Provide a subheading for each company and list thereunder the information called for below. Sub-total by company and give a total in columns (e), (f), (g) and (h).
 (a) Investment in Securities-List and describe each security owned. For bonds give also principal amount, date of issue, maturity, and interest rate.
 (b) Investment Advances - Report separately the amounts of loans or investment advances which are subject to repayment, but which are not subject to current settlement. With respect to each advance show whether the advance is a note or open account. List each note giving date of issuance, maturity date, and specifying whether note is a renewal.
- Report separately the equity in undistributed subsidiary earnings since acquisition. The total in column (e) should equal the amount entered for Account 418.1.

Line No.	Description of Investment (a)	Date Acquired (b)	Date of Maturity (c)	Amount of Investment at Beginning of Year (d)
1				
2				
3				
4				
5				
6	CGC Resources books were dissolved 12/31/08, but the company			
7	continues for gas supply contracting purposes only			
8				
9				
10				
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40	TOTAL Cost of Account 123.1 \$		TOTAL	-

Name of Respondent Cascade Natural Gas Corporation	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr)	Year of report Dec. 31, 2011
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INVESTMENTS IN SUBSIDIARY COMPANIES (Accounts 123.1) (continued)

4. Designate in a footnote, any securities, notes, or accounts that were pledged, and state the name of pledges and purpose of the pledge.
5. If Commission approval was required for any advance made or security acquired, designate such fact in a footnote and give name of Commission, date of authorization, and case or docket number.
6. Report in column (f) interest and dividend revenues from investments, including such revenues from securities disposed of during the year.
7. In column (h) report for each investment disposed of during year, the gain or loss represented by the difference between cost of the investment (or the other amount at which carried in the books of account if different from cost), and the selling price thereof, not including interest adjustments includible in column (f).
8. Report on Line 40, column (a) the total cost of Account 123.1.

Line No.	Equity in Subsidiary Earnings for Year (e)	Revenues for Year (f)	Amount of Investment at End of Year (g)	Gain or Loss from Investment Disposed of (h)
1				
2	-			
3				
4				
5	-			
6				
7	-			
8				
9	-			
10				
11				
12				
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Name of Respondent Cascade Natural Gas Corporation	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr)	Year of report Dec. 31, 2011
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PREPAYMENTS (Account 165)

1. Report below the particulars (details) on each prepayment.

Line No.	Nature of Payments (a)	Balance at End of Year (in dollars) (b)
1	Prepaid Insurance	128,919
2	Prepaid Gas Cost	3,373,072
3	Prepaid Taxes	643,262
3a	Prepaid Pension	-
3b	Prepaid Executive Supplemental Retirement	-
4	Prepaid Interest	-
5	Miscellaneous Prepayments	20,326
6	TOTAL -	4,165,579

EXTRAORDINARY PROPERTY LOSSES (Account 182.1)

Line No.	Description of Extraordinary Loss (Include the date of loss, the date of Commission authorization to use Account 182.1 and period of amortization [mo, yr to mo., yr]). Add rows as necessary to report all data. (a)	Balance at Beginning of Year (b)	Total Amount of Loss (c)	Losses Recognized During Year (d)	WRITTEN OFF DURING YEAR		Balance at End of Year (g)
					Account Charged (e)	Amount (f)	
7	NONE						
8							
9							
10							
11							
12							
13							
14							
15	TOTAL -						

UNRECOVERED PLANT AND REGULATORY STUDY COSTS (Account 182.2)

Line No.	Description of Extraordinary Loss (Include the date of loss, the date of Commission authorization to use Account 182.2 and period of amortization [mo, yr to mo., yr]). Add rows as necessary to report all data. (a)	Balance at Beginning of Year (b)	Total Amount of Loss (c)	Losses Recognized During Year (d)	WRITTEN OFF DURING YEAR		Balance at End of Year (g)
					Account Charged (e)	Amount (f)	
16	NONE						0
17							
18							
19							
20							
21							
22							
23							
24							
25							
26	TOTAL -						

Name of Respondent Cascade Natural Gas Corporation	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr)	Year of report Dec. 31, 2011
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OTHER REGULATORY ASSETS (Account 182.3)

1. Report below the details called for concerning other regulatory assets which are created through the ratemaking actions of regulatory agencies (and not includable in other accounts).
2. For regulatory assets being amortized, show period of amortization in column (a).
3. Minor items (5% of the balance at End of Year for Account 182.3 or amounts less than \$251,000, whichever is less) may be grouped by classes.
4. Report separately any "Deferred Regulatory Commission Expenses" that are also reported on pages 350-351, Regulatory Commission Expenses.
5. Provide in a footnote, for each line item, the regulatory citation where authorization for the regulatory asset has been granted (e.g. Commission Order, state commission order, court decision).

Line No.	Description and Purpose of Other Regulatory Assets (a)	Balance at Beginning Current Year (b)	Debits (c)	Written off During Year Account Charged (d)	Written off During Period Amount Recovered (e)	Written off During Period Amount Deemed Unrecoverable (f)	Balance at End of Current Year (g)
1							
2							
3							
4	Miscellaneous	-					-
5	(Demand side mgt programs - Oregon)						
6							
7	OR Tax Rate Change	(220,373)	-	various	229,454	-	(449,827)
8							
9	WA 2005 Deferred Rate Case Costs	-	-		-	-	-
10							
11	Asset Retirement Obligation	419,258	-		-	-	419,258
12	(WA regulatory asset)						
13							
14	Asset Retirement Obligation	41,171	-		-	-	41,171
15	(OR regulatory asset)						
16							
17	SFAS 109 Regulatory Asset	1,080,250	-	various	1,529,544	-	(449,294)
18	(OR regulatory asset)						
19							
20	FAS 158 Regulatory Asset	35,826,533	19,434,250		-	-	55,260,783
21	Total system asset						
22							
23							
24							
25							
26							
27							
28							
29							
30							
31							
32							
33							
34							
35							
36							
37							
38							
39							
40	Total system asset	37,146,839	19,434,250		1,758,998	-	54,822,091

Name of Respondent Cascade Natural Gas Corporation	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr)	Year/Period of Report End of Dec. 31, 2011
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MISCELLANEOUS DEFERRED DEBITS (Account 186)

1. Report below the details called for concerning miscellaneous deferred debits.
2. For any deferred debit being amortized, show period of amortization in column (a).
3. Minor items (less than \$250,000) may be grouped by classes.

Line No.	Description of Miscellaneous Deferred Debits (a)	Balance at Beginning of Year (b)	Debits (c)	Credits Account Charged (d)	Credits Amount (e)	Balance at End of Year (f)
1	WA Conservation Programs	5,772,336	4,205,560	4800-4813	5,730,237	4,247,659
2	(amortization period 11/10-present)					
3						
4	WA Bremerton Manufactured Gas Plant Remediation	6,364,769	-		-	6,364,769
5						
6	WA Gas Management Sharing Margin	4,978,828	75,073	4800-4813, 4890	4,835,438	218,463
7	(amortization period 11/10-present)					
8						
9	WA Over-refunded Temporary Revenue Credit	-	59,727		-	59,727
10						
11	WA Core Gas Supply Hedging (current & noncurrent)	5,781,135	4,955,591		10,344,045	392,681
12	Subtotal WA	22,897,068	9,295,951		20,909,720	11,283,299
13						
14						
15	OR Conservation Programs	(1,121,029)	4,142,914	4800-4813, 4890	2,666,057	355,828
16	(amortization period 11/10-present)					
17						
18	OR Eugene Manufactured Gas Plant Remediation	-	1,240,000		-	1,240,000
19						
20	OR Intervenor Funding	25,739	32,312	4800-4813, 4890	33,435	24,616
21	(amortization period 11/10-present)					
22						
23	OR Over-refunded Temporary Revenue Credit	-	3,030		-	3,030
24						
25	OR Core Gas Supply Hedging (current & noncurrent)	3,578,041	475,552		4,009,639	43,954
26	Subtotal OR	2,482,752	5,893,808		6,709,131	1,667,428
27						
28						
29	I/C Asset - Net Benefit Funds	-	1,617,016			1,617,016
30						
31						
32						
33						
34						
35						
36						
37						
38						
39	Miscellaneous work in progress					
40	TOTAL -	25,379,819	16,806,775		27,618,850	14,567,743

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Name of Respondent Cascade Natural Gas Corporation	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr)	Year of report Dec. 31, 2011
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Accumulated Deferred Income Taxes (Account 190)

1. Report the information called for below concerning the respondent's accounting for deferred income taxes.
2. At Other (Specify), include deferrals relating to other income and deductions.
3. Provide in a footnote a summary of the type and amount of deferred income taxes reported in the beginning-of-year and end-of-year balances for deferred income taxes that the respondent estimates could include in the development of jurisdictional recourse rates.

Line No	Account Subdivisions (a)	Balance at Beginning of Year (b)	Changes During Year Amounts Debited to Account 410.1 (c)	Changes During Year Amounts Credited to Account 411.1 (d)
1	Account 190			
2	Electric	-		
3	Gas	15,620,251	2,483,639	-
4		-		
5	Total (Total of Lines 2 thru 4)	15,620,251	2,483,639	-
6		-		
7	TOTAL Account 190 (Lines 5 thru 6)	15,620,251	2,483,639	-
8	Classification of TOTAL			
9	Federal Income Tax	14,917,666	2,462,551	-
10	State Income Tax	702,585	21,088	-
11	Local Income Tax	-	-	-
	Amounts assigned to jurisdictions as follows:			
	Federal Income Tax - Washington	NA	1,808,744	-
	Federal Income Tax - Oregon	NA	653,807	-
	State Income Tax - Oregon	NA	21,088	-

Name of Respondent Cascade Natural Gas Corporation	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr)	Year of report Dec. 31, 2011
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Accumulated Deferred Income Taxes (Account 190) (continued)

Line No	Changes during Year	Changes during Year	Adjustments	Adjustments	Adjustments	Adjustments	Balance at End of Year
	Amounts Debited to Account 410.2 (e)	Amounts Credited to Account 411.2 (f)	Debits Account No. (g)	Debits Amount (h)	Credits Account No. (i)	Credits Amount (j)	
1							
2							-
3	-	-	Regulatory accounts related to FAS 158 adjustment	6,352,371		-	24,456,261
4				6,352,371		-	-
5	-	-		6,352,371		-	24,456,261
6							-
7	-	-		6,352,371		-	24,456,261
8							
9	-	-		6,404,351		-	23,784,568
10	-	-		(51,980)		-	671,693
11	-	-		-		-	-
	-	-		4,703,996		-	NA
	-	-		1,700,355		-	NA
	-	-		(51,980)		-	NA

Name of Respondent Cascade Natural Gas Corporation	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr)	Year of report Dec. 31, 2011
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CAPITAL STOCK (Account 201 and 204)

- Report below the details called for concerning common and preferred stock at end of year, distinguishing separate series of any general class. Show separate totals for common and preferred stock.
- Entries in column (b) should represent the number of shares authorized by the articles of incorporation as amended to end of year.
- Give details concerning shares of any class and series of stock authorized to be issued by a regulatory commission which have not yet been issued.

Line No.	Class and Series of Stock and Name of Stock Exchange (a)	Number of Shares Authorized b Charter (b)	Par or Stated Value per Share (c)	Call Price at End of Year (d)
1	<u>Account 201</u>			
2	Common stock - not publicly traded	1,000	1.00	
3				
4				
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Name of Respondent Cascade Natural Gas Corporation	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr)	Year of report Dec. 31, 2011
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Capital Stock (Account 201 and 204)

4. The identification of each class of preferred stock should show the dividend rate and whether the dividends are cumulative or noncumulative.
5. State in a footnote if any capital stock that has been nominally issued is nominally outstanding at end of year.
6. Give particulars (details) in column (a) of any nominally issued capital stock, reacquired stock, or stock in sinking and other funds which is pledged, stating name of pledgee and purpose of pledge.

Line No.	Outstanding per Bal. Sheet (total amt outstanding without reduction for amts held by respondent)	Outstanding per Bal. Sheet	Held by Respondent As Reacquired Stock (Acct 217)	Held by Respondent As Reacquired Stock (Acct 217)	Held by Respondent In Sinking and Other Funds	Held by Respondent In Sinking and Other Funds
	Shares (e)	Amount (f)	Shares (g)	Cost (h)	Shares (i)	Cost (j)
1						
2	1,000	\$ 1,000				
3						
4						
5						
6						
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Name of Respondent Cascade Natural Gas Corporation	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr)	Year of report Dec. 31, 2011
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**Capital Stock: Subscribed, Liability for Conversion, Premium on, and Installments Received on
(Accts 202, 203, 205, 206, 207, and 212)**

- Show for each of the above accounts the amounts applying to each class and series of capital stock.
- For Account 202, Common Stock Subscribed, and Account 205, Preferred Stock Subscribed, show the subscription price and the balance due on each class at the end of year.
- Describe in a footnote the agreement and transactions under which a conversion liability existed under Account 203, Common Stock Liability for Conversion, or Account 206, Preferred Stock Liability for Conversion, at the end of year.
- For Premium on Account 207, Capital Stock, designate with an asterisk in column (b), any amounts representing the excess of consideration received over stated values of stocks without par value.

Line No.	Name of Account and Description of Item (a)	* (b)	Number of Shares (c)	Amount (d)
1	<u>Account 207</u>			
2				
3	Premium on Capital Stock - Common		1,000	\$ 117,703,952
4				
5	Represents excess received over \$1.00 par value			
6	of common stock			
7				
8				
9				
10				
11				
12				
13				
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16				
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39				
40	TOTAL		1,000	\$ 117,703,952

Name of Respondent Cascade Natural Gas Corporation	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr)	Year of report Dec. 31, 2011
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Other Paid-In Capital (Accounts 208-211)

1. Report below the balance at the end of the year and the information specified below for the respective other paid-in capital accounts. Provide a subheading for each account and show a total for the account, as well as a total of all accounts for reconciliation with balance sheet, page 112. Explain changes made in any account during the year and give the accounting entries effecting such change.

(a) Donations Received from Stockholders (Account 208) - State amount and briefly explain the origin and purpose of each donation.

(b) Reduction in Par or Stated Value of Capital Stock (Account 209) - State amount and briefly explain the capital changes that gave rise to amounts reported under this caption including identification with the class and series of stock to which related.

(c) Gain or Resale or Cancellation of Reacquired Capital Stock (Account 210) - Report balance at beginning of year, credits, debits, and balance at end of year with a designation of the nature of each credit and debit identified by the class and series of stock to which related.

(d) Miscellaneous Paid-In Capital (Account 211) - Classify amounts included in this account according to captions that, together with brief explanations, disclose the general nature of the transactions that gave rise to the reported amounts.

Line No.	Item (a)	Amount (b)
1	<u>Gain on Resale or Cancellation of Reacquired Capital Stock (Account 210):</u>	
2	Miscellaneous Paid-In Capital (Account 211):	
3		
4	Balance at beginning of year	\$ -
5		\$ -
6		
7		
8	Balance at end of year	\$ -
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39		
40	Total	

Name of Respondent Cascade Natural Gas Corporation	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr)	Year Ending Dec. 31, 2011
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DISCOUNT ON CAPITAL STOCK (ACCOUNT 213)

1. Report the balance at end of year of discount on capital stock for each class and series of capital stock. Use as many rows as necessary to report all data.
2. If any change occurred during the year in the balance with respect to any class or series of stock, attach a statement giving details of the change. State the reason for any charge-off during the year and specify the account charged.

Line No.	Class and Series of Stock (a)	Balance at End of Year (b)
1	NONE	
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TOTAL

CAPITAL STOCK EXPENSE (ACCOUNT 214)

1. Report the balance at end of year of capital stock expenses for each class and series of capital stock. Use as many rows as necessary to report all data. Number the rows in sequence starting from the last row number used for Discount on Capital Stock above.
2. If any change occurred during the year in the balance with respect to any class or series of stock, attach a statement giving details of the change. State the reason for any charge-off of capital stock expense and specify the account charged.

Line No.	Class and Series of Stock (a)	Balance at End of Year (b)
16	NONE	
17		
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TOTAL

Name of Respondent Cascade Natural Gas Corporation	This Report Is: <input checked="" type="checkbox"/> An Original (1) <input type="checkbox"/> A Resubmission (2)	Date of Report (Mo, Da, Yr)	Year of Report Dec 31, 2011
Securities issued or Assumed and Securities Refunded or Retired During the Year			

1. Furnish a supplemental statement briefly describing security financing and refinancing transactions during the year and the accounting for the securities, discounts, premiums, expenses, and related gains or losses. Identify as to Commission authorization numbers and dates.

2. Provide details showing the full accounting for the total principal amount, par value, or stated value of each class and series of security issued, assumed, retired, or refunded and the accounting for premiums, discounts, expenses, and gains or losses relating to the securities. Set forth the facts of the accounting clearly with regard to redemption premiums, unamortized discounts, expenses, and gain or losses relating to securities retired or refunded, including the accounting for such amounts carried in the respondent's accounts at the date of the refunding or refinancing transactions with respect to securities previously refunded or retired.

3. Include in the identification of each class and series of security, as appropriate, the interest or dividend rate, nominal date of issuance, maturity date, aggregate principal amount, par value or stated value, and number of shares. Give also the issuance of redemption price and name of the principal underwriting firm through which the security transactions were consummated.

4. Where the accounting for amounts relating to securities refunded or retired is other than that specified in General Instruction 17 of the Uniform System of Accounts, cite the Commission authorization for the different accounting and state the accounting method.

5. For securities assumed, give the name of the company for which the liability on the securities was assumed as well as details of the transactions whereby the respondent undertook to pay obligations of another company. If any unamortized discount, premiums, expenses, and gains or losses were taken over onto the respondent's books, furnish details of these amounts with amounts relating to refunded securities clearly earmarked.

None

Name of Respondent Cascade Natural Gas Corporation	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr)	Year of Report Dec. 31, 2011
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LONG TERM DEBT (Accounts 221, 222, 223, and 224)

1. Report by Balance Sheet Account the details concerning long-term debt included in Account 221, Bonds, 222, Reacquired Bonds, 223, Advances from Associated companies, and 224, Other Long-Term Debt.
2. For bonds assumed by the respondent, include in column (a) the name of the issuing company as well as a description of the bonds.
3. For Advances from Associated Companies, report separately advances on notes and advances on open accounts. Designate demand notes as such. Include in column (a) names of associated companies from which advances were received.
4. For receivers' certificates, show in column (a) the name of the court and date of court order under which such certificates were issued.

Line No.	Class and Series of Obligation and Name of Stock Exchange (a)	Nominal Date of Issue (b)	Date of Maturity (c)	Outstanding (Total amount outstanding without reduction for amounts held by respondent) (d)
1	<u>Account 224</u>			
2				
3	Other Long Term Debt:			
4				
5				
6	Medium Term Notes	9-92	9-12	14,000,000
7	Medium Term Notes	10-92	10-12	5,000,000
8	Medium Term Notes	10-92	10-12	3,000,000
9	Medium Term Notes	2-93	2-13	4,000,000
10	Medium Term Notes	2-93	2-13	10,000,000
11	Medium Term Notes	2-93	2-13	10,000,000
12	Medium Term Notes	9-97	9-27	20,000,000
13	Medium Term Notes	3-99	3-29	15,000,000
14	Insured Quarterly. Notes	2-05	2-35	25,469,000
15	Notes	09-05	9-20	15,000,000
16	Senior Notes	03-07	03-37	40,000,000
18				
19				
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40	TOTAL			161,469,000

Name of Respondent Cascade Natural Gas Corporation	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr)	Year of Report Dec. 31, 2011
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LONG TERM DEBT (Accounts 221, 222, 223, and 224) (continued)

5. In a supplemental statement, give explanatory details for Accounts 223 and 224 of net changes during the year. With respect to long-term advances, show for each company: (a) principal advanced during year (b) interest added to principal amount, and (c) principal repaid during year. Give Commission authorization numbers and dates.
6. If the respondent has pledged any of its long-term debt securities, give particulars (details) in a footnote, including name of the pledgee and purpose of the pledge.
7. If the respondent has any long-term securities that have been nominally issued and are nominally outstanding at end of year, describe such securities in a footnote.
8. If interest expense was incurred during the year on any obligations retired or reacquired before end of year, include such interest expense in column (f). Explain in a footnote any difference between the total of column (f) and the total Account 427, Interest on Long-Term Debt and Account 430, interest on Debt to Associated Companies.
9. Give details concerning any long-term debt authorized by a regulatory commission but not yet issued.

Line No.	Interest for Year Rate (in %) (e)	Interest for Year Amount (f)	Held by Respondent Reacquired Bond (Acct 222) (g)	Held by Respondent Sinking and Other Funds (h)	Redemption Price per \$100 at End of Year (i)
1	8.06%	1,128,400			Non-Redeemable
2	8.10%	405,000			Non-Redeemable
3	8.11%	243,300			Non-Redeemable
4	7.95%	318,000			Non-Redeemable
5	8.01%	801,000			Non-Redeemable
6	7.95%	795,000			Non-Redeemable
7	7.48%	1,496,000			Non-Redeemable
8	7.10%	1,064,700			Non-Redeemable
9	5.25%	1,361,325			Non-Redeemable
10	5.21%	781,500			Non-Redeemable
11	5.79%	2,316,000			Non-Redeemable
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40		10,710,225			

Name of Respondent Cascade Natural Gas Corporation	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr)	Year Ending Dec. 31, 2011
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UNAMORTIZED DEBT EXPENSE, PREMIUM AND DISCOUNT ON LONG-TERM DEBT (ACCOUNTS 181, 225, 226)

- Report under separate subheadings for Unamortized Debt Expense, Unamortized Premium on Long-Term Debt and Unamortized Discount on Long-Term Debt, details of expense, premium or discount applicable to each class and series of long-term debt.
- Show premium amounts by enclosing the figures in parentheses.
- In column (b) show the principal amount of bonds or other long-term debt originally issued.
- In column (c) show the expense, premium or discount with respect to the amount of bonds or other long-term debt originally issued.

Line No.	Designation of Long-Term Debt (a)	Principal Amount of Debt Issued (b)	Total Expense Premium or Discount (c)	Amortization Period Date From (d)	Amortization Period Date To (e)
1	<u>Unamortized Debt Expense (Account 181)</u>				
2					
3	Medium Term Notes 8.06%	14,000,000	140,846	9-92	9-12
4	Medium Term Notes 8.10%	5,000,000	50,302	10-92	10-12
5	Medium Term Notes 8.11%	3,000,000	30,181	10-92	10-12
6	Medium Term Notes 7.95%	4,000,000	40,242	2-93	2-13
7	Medium Term Notes 8.01%	10,000,000	100,604	2-93	2-13
8	Medium Term Notes 7.95%	10,000,000	100,604	2-93	2-13
9	Medium Term Notes 7.48%	20,000,000	201,406	9-97	9-27
10	Medium Term Notes 7.10%	15,000,000	151,056	3-99	3-29
11	Insured Quarterly Notes 5.25%	25,469,000	1,947,598	2-05	02-35
12	Notes 5.21%	15,000,000	238,755	09-05	9-20
13	Senior Notes 5.79%	40,000,000	232,781	03-07	03-37
14	Revolving Credit Agreement	-	43,425	10-04	09-07
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Name of Respondent Cascade Natural Gas Corporation	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr)	Year Ending Dec. 31, 2011
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UNAMORTIZED DEBT EXPENSE, PREMIUM AND DISCOUNT ON LONG-TERM DEBT (Accts 181, 225, 226) (cont.)

5. Furnish in a footnote details regarding the treatment of unamortized debt expense, premium or discount associated with issues redeemed during the year. Also, give in a footnote the date of the Commission's authorization of treatment other than as specified by the Uniform System of Accounts.
6. Identify separately undisposed amounts applicable to issues which were redeemed in prior years.
7. Explain any debits and credits other than amortization debited to Account 428, Amortization of Debt Discount and Expense, or credited to Account 429, Amortization of Premium on Debt-Credit.

Line No.	Balance at Beginning of Year (f)	Debits During Year (g)	Credits During Year (h)	Balance at End of Year (i)
1	11,795	-	7,043	4,752
2	4,444	-	2,515	1,929
3	2,667	-	1,509	1,158
4	4,211	-	2,012	2,199
5	10,596	-	5,033	5,563
6	10,774	-	5,033	5,741
7	112,171	-	6,714	105,457
8	91,472	-	5,035	86,437
9	1,614,600	-	16,177	1,598,423
10	105,873	-	65,014	40,859
11	203,365	-	7,770	195,595
12	-	-	-	-
13				
14				
15				
16				
17				
18				
19	2,171,968	-	123,855	2,048,113
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Name of Respondent Cascade Natural Gas Corporation	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr)	Year Ending Dec 31, 2011
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UNAMORTIZED LOSS AND GAIN ON REACQUIRED DEBT (ACCOUNTS 189, 257)

- Report under separate subheadings for Unamortized Loss and Unamortized Gain on Reacquired Debt, details of gain and loss, including maturity date, on reacquisition applicable to each class and series of long-term debt. If gain or loss resulted from a refunding transactions, include also the maturity date of the new issue.
- In column (c) show the principal amount of bonds or other long-term debt reacquired.
- In column (d) show the net gain or net loss realized on each debt reacquisition as computed in accordance with General Instruction 17 of the Uniform Systems of Accounts.
- Show loss amounts by enclosing the figures in parentheses.
- Explain in a footnote any debits and credits other than amortization debited to Account 428.1, Amortization of Loss on Reacquired Debt, or credited to Account 429.1, Amortization of Gain on Reacquired Debt-Credit.

Line No.	Designation of Long-Term Debt (a)	Date Reacquired (b)	Principal of Debt Reacquired (c)	Net Gain or Loss (d)	Balance at Beginning of Year (e)	Balance at End of Year (f)
1	Unamortized Loss on					
2	Reacquired Debt (Acct 189)					
3						
4						
5	10.1/8% Senior Notes					
6	Due 10/02/2007 (1)	9/30/1992	12,378,000	(1,214,817)	102,185	41,225
7						
8						
9	9.875% Debentures					
10	Due 8/01/2013 (2)	3/1/1993	21,677,000	(1,984,012)	360,535	193,677
11						
12						
13	7.50% Notes					
14	Due 11/15/2031 (3)	11/15/2001	39,729,000	(1,229,120)	1,072,066	1,031,095
15						
16			73,784,000	(4,427,949)	1,534,786	1,265,997
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The loss associated with each reacquisition consists of a reacquisition premium, other reacquisition expenses, and remaining unamortized issuance costs (Account 181) at the time of reacquisition.

(1) Refunded by 8.06% Medium Term Notes for \$14,000,000 due 9/04/2012.

(2) Refunded by Medium Term Notes ranging from 7.95% to 8.01% totaling \$24,000,000 due 2/2013.

(3) 7.5% Notes were reacquired in March 2007 and refunded by 5.79% Senior Notes for \$40,000,000 due 3/08/2037.

The remaining unamortized debt expense of \$1,229,120 was reclassified to unamortized loss on reacquired debt.

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[Next page is 261]

Name of Respondent Cascade Natural Gas Corporation	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr)	Year of report Dec. 31, 2011
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RECONCILIATION OF REPORTED NET INCOME WITH TAXABLE INCOME FOR FEDERAL INCOME TAXES

1. Report the reconciliation of reported net income for the year with taxable income used in computing Federal Income Tax accruals and show computation of such tax accrual. Include in the reconciliation, as far as practicable, the same detail as furnished on Schedule M-1 of the tax return for the year.

2. If the utility is a member of a group that files consolidated Federal tax return, reconcile reported net income with taxable net income as if a separate return were to be filed, indicating, however, intercompany amounts to be eliminated in such a consolidated return. State names of group members, tax assigned to each group member, and basis of allocation, assignments, or sharing of the consolidated tax among the group members.

Line No.	Details (a)	Amount (b)
1	Net Income for the Year (Page 116)	19,042,219
2	Reconciling Items for the Year	
3		
4	Taxable Income Not Reported on Books	
5	CIAC	998,045
6	Tax Gain (loss) on disposal of assets:	
7	Pre-1981 assets	(414,461)
8	Post-1980 assets	56,495
9	TOTAL	640,079
10	Deductions Recorded on Books Not Deducted for Return	
11	Tax Expense	8,489,024
12	Vacation Accrual - current year	1,587,060
13	Retiree Medical Accrual	(1,429,531)
14	Amort of loss on reacquired debt (4281)	246,390
15	SFAS No.87 pension plan accrual	3,296,961
16	SFAS No.87 accrual-SERP DO add back bk expense	809,382
17	SERP mark to market adjustment	-
18	Bad Debt Expense	595,004
19	Charitable Contributions (5981.4261)	142,363
20	Depreciation provision	
21	Pre-1981	-
22	Post-1980	19,624,970
23	Permanent diff's	
24	50 % of business meals & entertainment	176,570
25	Penalties (5984)	423,383
26	Lobbying (5912.4264)	18,046
27	Interest Expense	164,529
28	TOTAL	34,144,151
29	Income Recorded on Books Not Included in Return	
30	AFUDC Equity	(116,584)
31	Interest capitalized adj (IRS>books)	(27,204)
32	Customer Advances - 2520.000 to 2520.2991	(163,767)
33	TOTAL	(307,555)
34	Adjusted Net Income to carry forward to page 261A, line 1	53,518,894

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RECONCILIATION OF REPORTED NET INCOME WITH TAXABLE INCOME FOR FEDERAL INCOME TAXES (cont.)

1	Adjusted Net Income carried forward from page 261, line 34			53,518,894
2	Deductions on Return Not Charged Against Book Income			
3	Vacation accrual - prior year			(1,370,785)
4	Depreciation & amortization of plant			
5	Pre-1981			(518,095)
6	Post-1980			(47,171,162)
7	CC&B Deduction			(400,000)
8	263A Adjustment - UNICAP			21,646
9	401K Dividends (MDUR)			(101,353)
10	Funding of pension plan			(7,244,210)
11	SERP-perm difference piece			(185,253)
12	SERP - benefit pymts out of plan			(549,410)
13	Retiree Medical payments			21,349
14	Severance accrual - prior year			(121,000)
15	Deferred Gas Costs			4,267,019
16	Bad debts written off			(1,380,417)
17	Royalty Income (15% of royalty income receipts)			(4,708)
18	Broken Meter interest charges			12,436
19	Bremerton MGP expenses deferred			(374,808)
20	Oregon State Income Tax			50,141
21	TOTAL			(55,048,610)
22	Federal Tax Net Income			(1,529,716)
23	Show Computation of Tax:			
24	Rate			35%
25	Estimated Tax Return Federal Income Tax			(535,401)
26	Adjustments:			
27	Difference between 12/31/10 accrual and tax return			1,768,241
28	FIN 48 adjustment for 2007 - 2009 audit			716,810
29	Provision for Current Federal Income Tax			1,949,650
30				
31	Allocated to:	<u>409.1</u>	<u>409.2</u>	Total
32	Washington	1,419,440	(12,473)	1,406,967
33	Oregon	546,689	(4,006)	542,683
34	Total	<u>1,966,129</u>	<u>(16,479)</u>	<u>1,949,650</u>
35				
36	OREGON STATE TAX CALCULATION:			
37	Taxable Income for Federal Tax			(1,529,716)
38	Oregon adjustments to Federal Taxable Income			
39	Oregon State Income Tax Expense deducted from Federal Return			(50,141)
40	Bonus Depreciation Adjustment			(1,718,863)
41	Taxable Income for Oregon Tax			(3,298,720)
42	Oregon Apportionment Factor			20.0000%
43	Oregon Taxable Income			(659,744)
44	Oregon Tax Rate			7.60%
45	Estimated Tax Return Oregon Income Tax			(50,141)
46	Adjustments:			
47	Difference between 12/31/10 accrual and tax return			(31,902)
48	FIN 48 adjustment for 2007 - 2009 audit			36,268
49	Provision for Current Oregon Income Tax			(45,775)
50				
51	Allocated to:	<u>409.1</u>	<u>409.2</u>	Total
54	Total	<u>(45,800)</u>	<u>25</u>	<u>(45,775)</u>

Name of Respondent Cascade Natural Gas Corporation	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr)	Year Ending Dec 31, 2011
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Taxes Accrued, Prepaid and Charged During Year, Distribution of Taxes Charged (Show utility dept where applicable and acct charged)

1. Give details of the combined prepaid and accrued tax accounts and show the total taxes charged to operations and other accounts during the year. Do not include gasoline and other sales taxes which have been charged to the accounts to which the taxed material was charged. If the actual or estimated amounts of such taxes are known, show the amounts in a footnote and designate whether estimated or actual amounts.
2. Include on this page, taxes paid during the year and charged directly to final accounts (not charged to prepaid or accrued taxes). Enter the amount in both columns (d) and (e). The balancing of this page is not affected by the inclusion of these taxes.
3. Include in column (d) taxes charged during the year, taxes charged to operations and other accounts through (a) accruals credited to taxes accrued, (b) amounts credited to the portion of prepaid taxes charged to current year, and (c) taxes paid and charged directly to operations or accounts other than accrued and prepaid tax accounts.
4. List the aggregate of each kind of tax in such manner that the total tax for each State and subdivision can readily be ascertained.

Line No.	Kind of Tax (See instruction 5) (a)	Balance at Beg. of Year	Balance at Beg. of Year
		Taxes Accrued (b)	Prepaid Taxes (c)
1	Income Tax	150,245	-
2	-Oregon Accrued	-	2,313,110
3	Gross Revenue	498,807	
4	-Oregon	-	0
5	Dept of Energy		33,119
6	City Franchise & Occupation	1,824,087	
7	-Oregon	824,837	
8	Property	2,971,826	
9	-Oregon	-	631,151
10	Payroll Taxes	44,068	
11	State Excise	2,245,957	
12			
13	Miscellaneous		
14			
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TOTAL		8,559,827	2,977,380

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1. Give details of the combined prepaid and accrued tax accounts and show the total taxes charged to operations and other accounts during the year. Do not include gasoline and other sales taxes which have been charged to the accounts to which the taxed material was charged. If the actual or estimated amounts of such taxes are known, show the amounts in a footnote and designate whether estimated or actual amounts.
2. Include on this page, taxes paid during the year and charged directly to final accounts (not charged to prepaid or accrued taxes). Enter the amount in both columns (d) and (e). The balancing of this page is not affected by the inclusion of these taxes.
3. Include in column (d) taxes charged during the year, taxes charged to operations and other accounts through (a) accruals credited to taxes accrued, (b) amounts credited to the portion of prepaid taxes charged to current year, and (c) taxes paid and charged directly to operations or accounts other than accrued and prepaid tax accounts.
4. List the aggregate of each kind of tax in such manner that the total tax for each State and subdivision can readily be ascertained.

DISTRIBUTION OF TAXES CHARGED (Show utility department where applicable and account charged.)

Line No.	Gas (WA) Account 408.1, 409.1 (i)	Gas (OR) (Account 408.1, 409.1) (j)	Gas (General / Interstate) (Account 408.1, 409.1) (k)	Other Income and Deductions (Account 408.2, 409.2) (l)
1		(45,800)	-	25
2	1,419,440	546,689	-	(16,479)
3	505,737	-		
4		194,500		
5		66,183		
6	10,487,290			
7		3,106,054		
8	2,547,916		258,711	3,470
9		1,243,656		
10	628,754	226,001	686,166	
11	9,586,893			
12				
13	23,126	19,494	1,232	-
14				
15				
16				
17				
18				
19				
20				
21				
22				
23				
24				
25				
26				
27				
28				
29				
30				
31				
32	25,199,156	5,356,777	946,109	(12,984)

Name of Respondent Cascade Natural Gas Corporation		This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		Date of Report (Mo, Da, Yr)	Year Ending Dec 31, 2011
Taxes Accrued, Prepaid and Charged During Year, Distribution of Taxes Charged (Show utility dept where applicable and acct charged) (continued)					
<p>5. If any tax (exclude Federal and State income taxes) covers more than one year, show the required information separately for each tax year, identifying the year in column (a).</p> <p>6. Enter all adjustments of the accrued and prepaid tax accounts in column (f) and explain each adjustment in a footnote. Designate debit adjustments by parentheses.</p> <p>7. Do not include on this page entries with respect to deferred income taxes or taxes collected through payroll deductions or otherwise pending transmittal of such taxes to the taxing authority.</p> <p>8. Show in columns (i) thru (p) how the tax accounts were distributed. Show both the utility department and number of account charged. For taxes charged to utility plant, show the number of the appropriate balance sheet plant account or subaccount.</p> <p>9. For any tax apportioned to more than one utility department or account, state in a footnote the basis (necessity) of apportioning such tax.</p> <p>10. Items under \$250,000 may be grouped.</p> <p>11. Report in column (q) the applicable effective state income tax rate.</p>					
Line No.	Taxes Charged During Year (d)	Taxes Paid During Year (e)	Adjustments (f)	Balance at End of Year Taxes Accrued (Account 236) (g)	Balance at End of Year Prepaid Taxes (Included in Acct 165) (h)
1	(45,775)	(8,461)	-	112,931	-
2	1,949,650	(2,031,504)	-	1,668,044	-
3	505,737	500,582		503,962	
4	194,500	194,500		-	0
5	66,183	66,129			33,065
6	10,487,290	10,619,048		1,692,329	
7	3,106,054	3,164,439		766,452	
8	2,810,097	2,978,957		2,802,966	
9	1,243,656	1,222,702		-	610,197
10	1,540,921	1,533,623		51,366	
11	9,586,893	9,834,241		1,998,609	
12	-	-			
13	43,852	43,852			
14					
15					
16					
17					
18					
19					
20					
21					
22					
23					
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25					
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30					
31					
	31,489,058	28,118,108	-	9,596,659	643,262

Name of Respondent Cascade Natural Gas Corporation	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr)	Year Ending Dec 31, 2011
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5. If any tax (exclude Federal and State income taxes) covers more than one year, show the required information separately for each tax year, identifying the year in column (a).

6. Enter all adjustments of the accrued and prepaid tax accounts in column (f) and explain each adjustment in a footnote. Designate debit adjustments by parentheses.

7. Do not include on this page entries with respect to deferred income taxes or taxes collected through payroll deductions or otherwise pending transmittal of such taxes to the taxing authority.

8. Show in columns (f) thru (p) how the tax accounts were distributed. Show both the utility department and number of account charged. For taxes charged to utility plant, show the number of the appropriate balance sheet plant account or subaccount.

9. For any tax apportioned to more than one utility department or account, state in a footnote the basis (necessity) of apportioning such tax.

10. Items under \$250,000 may be grouped.

11. Report in column (q) the applicable effective state income tax rate.

DISTRIBUTION OF TAXES CHARGED (Show utility department where applicable and account charged.)

Line No.	Extraordinary Items (Account 409.3) (m)	Other Utility Opn. Income (Account 408.1, 409.1) (n)	Adjustment to Ret. Earnings (Account 439) (o)	Other (p)	State/Local Income Tax Rate (q)
1					0.31%
2					
3					
4					
5					
6					
7					
8					
9					
10					
11					
12					
13					
14					
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32					

Name of Respondent Cascade Natural Gas Corporation	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr)	Year of report Dec. 31, 2011
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MISCELLANEOUS CURRENT AND ACCRUED LIABILITIES (Account 242)

1. Describe and report the amount of other current and accrued liabilities at the end of year.
2. Minor items (less than \$250,000) may be grouped under appropriate title.

Line No.	Item (a)	Balance at End of Year (b)
1	Accounts Payable Accrual	1,975,044
2	Accrued Paid Time Off Liability	1,571,390
3	Washington Low Income Assist Liability	703,830
4	SERP Defined Contributions	563,608
5	Wages Payable	562,624
6	Incentive Bonus Payable	458,084
7	Accrued 401K Defined Contributions	446,849
8	Oregon Weatherization Liability	381,961
9	Other Misc Current Liabilities (aggregate)	376,451
10	Professional Services (bank, accounting, legal)	215,196
11		
12		
13		
14		
15		
16		
17		
18		
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23		
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34		
35		
36		
37	Total	7,255,037

Name of Respondent CASCADE NATURAL GAS CORPORATION	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr)	Year/Period of Report Dec. 31, 2011
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OTHER DEFERRED CREDITS (ACCOUNT 253)

1. Report below the details called for concerning other deferred credits.
2. For any deferred credit being amortized, show the period of amortization.
3. Minor items (less than \$250,000) may be grouped by classes.

Line No.	Description of Other Deferred Credits (a)	Balance at Beginning of Year (b)	Debit Contra Account (c)	Debit Amount (d)	Credits (e)	Balance at End of Year (f)
1	WA Deferred Gas Costs	(18,471,276)	6011	31,837,287	(32,595,296)	(19,229,285)
2	(amortization period 11/10-present)					
3						
4	Subtotal WA	(18,471,276)		31,837,287	(32,595,296)	(19,229,285)
5						
6	OR Deferred Gas Costs	4,267,019	6011	8,033,493	(13,290,069)	(989,557)
7	(amortization period 11/10-present)					
8						
9	OR Gross Revenue Fee Liability	(83,908)	4800-4813, 4890	85,802	(652)	1,242
10	(amortization period 11/10-present)					
11	SubTotal OR	4,183,111		8,119,295	(13,290,721)	(988,315)
12						
13	Newood Escrow Deposit	(350,000)	1340			(350,000)
14	SGL Deposit	0		13,470	(224,510)	(211,040)
15	Customer Unclaimed Credits	(30,124)	1420	138,101	(109,493)	(1,516)
16						
17	Subtotal Unallocated	(380,124)		151,571	(334,003)	(562,556)
18						
19						
20						
21						
22						
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26						
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41						
42						
43						
44	TOTAL	(14,668,289)		40,108,153	(46,220,020)	(20,780,156)

Name of Respondent Cascade Natural Gas Corporation	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr)	Year of report Dec. 31, 2011
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ACCUMULATED DEFERRED INCOME TAXES-Other Property (Account 282)

1. Report the information called for below concerning the respondent's accounting for deferred income taxes relating to property not subject to accelerated amortization.

2. At Other (Specify), include deferrals relating to other income and deductions.

Line No.	Account Subdivisions (a)	Balance at Beginning of Year (b)	Changes During Year Amounts Debited to Account 410.1 (c)	Changes During Year Amounts Credited to Account 411.1 (d)
1	Account 282			
2	Electric	0		
3	Gas	(64,156,548)	(8,651,205)	
4		-		
5	Total (Enter Total of Lines 2 thru 4)	(64,156,548)	(8,651,205)	-
6		-		
7	TOTAL Account 282 (Enter Total of Lines 5 thru 6)	(64,156,548)	(8,651,205)	-
8	Classification of Totals			
9	Federal Income Tax	(61,370,885)	(8,389,612)	-
10	State Income Tax	(2,785,663)	(261,593)	-
11	Local Income Tax	-	-	-
	Amounts assigned to jurisdictions as follows:			
	Federal Income Tax - Washington	NA	(6,162,170)	-
	Federal Income Tax - Oregon	NA	(2,227,442)	-
	State Income Tax - Oregon	(2,785,663)	(261,593)	-

Name of Respondent Cascade Natural Gas Corporation	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr)	Year of report Dec. 31, 2011
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ACCUMULATED DEFERRED INCOME TAXES-Other Property (Account 282) (continued)

3. Provide in a footnote a summary of the type and amount of deferred income taxes reported in the beginning-of-year and end-of-year balances for deferred income taxes that the respondent estimates could be included in the development of jurisdictional recourse rates.

Line No.	Changes during Year Amounts Debited to Account 410.2 (e)	Changes during Year Amounts Credited to Account 411.2 (f)	Adjustments Debits Account No. (g)	Adjustments Debits Amount (h)	Adjustments Credits Account No. (i)	Adjustments Credits Amount (j)	Balance at End of Year (k)
1							
2							-
3	-	-	254 & 182.3	2,761,732		-	(70,046,021)
4							-
5	-	-		2,761,732		-	(70,046,021)
6							-
7	-	-		2,761,732		-	(70,046,021)
8							
9	-	-	254 & 182.3	677,943		-	(69,082,554)
10	-	-	254 & 182.3	2,083,789		-	(963,467)
11	-	-		-		-	-
	-	-		497,949		-	NA
	-	-		179,994		-	NA
	-	-		2,083,789		-	(963,467)

Name of Respondent Cascade Natural Gas Corporation	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) Dec. 31, 2011	Year of report Dec. 31, 2011
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ACCUMULATED DEFERRED INCOME TAXES-Other (Account 283)

1. Report the information called for below concerning the respondent's accounting for deferred income taxes relating to amounts recorded in Account 283.
2. At Other (Specify), include deferrals relating to other income and deductions.

Line No.	Account Subdivisions (a)	Balance at Beginning of Year (b)	Changes During Year Amounts Debited to Account 410.1 (c)	Changes During Year Amounts Credited to Account 411.1 (d)
1	Account 283			
2	Electric	0		
3	Gas	(19,982,386)	(808,142)	-
4		-		
5	Total (Total of Lines 2 thru 4)	(19,982,386)	(808,142)	-
6				
7	Total (Account 283) Lines 5 thru 6	(19,982,386)	(808,142)	-
8	Classification of Totals			
9	Federal Income Tax	(18,974,196)	(909,864)	-
10	State Income Tax	(1,008,190)	101,722	-
11	Local Income Tax	-	-	-
	Amounts assigned to jurisdictions as follows:			
	Federal Income Tax - Washington	NA	(668,295)	-
	Federal Income Tax - Oregon	NA	(241,569)	-
	State Income Tax - Oregon	(1,008,190)	101,722	-

Name of Respondent Cascade Natural Gas Corporation	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr)	Year of report Dec. 31, 2011
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ACCUMULATED DEFERRED INCOME TAXES-Other (Account 283) (continued)

3. Provide in a footnote a summary of the type and amount of deferred income taxes reported in the beginning-of-year and end-of-year balances for deferred income taxes that the respondent estimates could be included in the development of jurisdictional recourse rates.

Line No.	Changes during Year	Changes during Year	Adjustments	Adjustments	Adjustments	Adjustments	Balance at End of Year	
	Amounts Debited to Account 410.2 (e)	Amounts Credited to Account 411.2 (f)	Debits Account No. (g)	Debits Amount (h)	Credits Account No. (i)	Credits Amount (j)		
1								
2								
3	-	-	Regulatory accounts related to deferred tax effect of OR State Tax Rate Increase	16,173	Regulatory accounts related to FAS 158 adjustment	(6,704,957)	(27,479,312)	
4								-
5	-	-		16,173		(6,704,957)	(27,479,312)	
6								-
7	-	-		16,173		(6,704,957)	(27,479,312)	
8								
9	-	-		(6,226)		(6,417,055)	(26,307,341)	
10	-	-		22,399		(287,902)	(1,171,971)	
11	-	-		-		-	-	
	-	-		(4,573)		(4,713,327)	NA	
	-	-		(1,653)		(1,703,728)	NA	
	-	-		22,399		(287,902)	(1,171,971)	

Name of Respondent Cascade Natural Gas Corporation	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr)	Year of report Dec. 31, 2011
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OTHER REGULATORY LIABILITIES (Account 254)

1. Report below the details called for concerning other regulatory liabilities which are created through the ratemaking actions of regulatory agencies (and not includable in other amounts).
2. For regulatory liabilities being amortized, show period of amortization in column (a).
3. Minor items (5% of the Balance at End of Year for Account 254 or amounts less than \$250,000, whichever is less) may be grouped by classes.
4. Provide in a footnote, for each line item, the regulatory citation where the respondent was directed to refund the regulatory liability (e.g. Commission Order, state commission order, court decision).

Line No.	Description and Purpose of Other Regulatory Liabilities (a)	Balance at Beginning of Current Year (b)	Written off during Period Account Credited (c)	Written off During Period Amount Deemed Refunded (d)	Written off During Period Amount Deemed Non-Refundable (e)	Credits (f)	Balance at End of Current Year (g)
1							
2	SFAS 109 Regulatory Liab.	\$ 2,678,886	282	3,232,536		3,986,985	\$ 3,433,335
3							
4	Oregon Tax Rate Change	\$ 34,076	282	100,002		3,296	\$ (62,630)
5							
6	OR Temporary Revenue Credit UM-1283	\$ 16,951	481	18,221		1,270	\$ -
7							
8	WA Temporary Revenue Credit UG-061721	\$ 46,847	481	47,919		1,072	\$ -
9							
10	OR 11/1/10 Consol Revenue Tech Adj	\$ (659)	481	30,546		31,205	\$ -
11							
12	11/11/11 Consol Other Tech Adj.	\$ -	481	7,288		48,928	\$ 41,640
13							
14							
15							
16							
17							
18							
19							
20							
21							
22							
23							
24							
25							
26							
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31							
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37							
38							
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41							
42							
43							
44							
45	Total	\$ 2,776,101			\$ -	\$ 4,072,756	\$ 3,412,345

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Name of Respondent Cascade Natural Gas Corporation	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr)	Year of report Dec. 31, 2011
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GAS OPERATING REVENUES

1. Report below natural gas operating revenues for each prescribed account total. The amounts must be consistent with the detailed data on succeeding pages.
2. Revenues in columns (b) and (c) include transmission costs from upstream pipelines.

3. Other Revenues in columns (f) and (g) include reservation charges received by the pipeline plus usage charges, less revenues reflected in columns (b) through (e). Include in columns (f) and (g) revenues for Accounts 480-495.

Line No.	Title of Account (a)	REVENUES for Transition Costs and Take-or-Pay		REVENUES for GRI and ACA	
		Amount for Current Year (b)	Amount for Previous Year (c)	Amount for Current Year (d)	Amount for Previous Year (e)
1	480-484 Sales	none	none	none	none
2	485 Intracompany transfers				
3	487 Forfeited discounts				
4	488 Miscellaneous service revenues				
5	489.1 Revenues from transportation of gas of others through gathering facilities				
6	489.2 Revenues from transportation of gas of others through transmission facilities				
7	489.3 Revenues from transportation of gas of others through distribution facilities				
8	489.4 Revenues from storing gas of others				
9	490 Sales of Prod. Ext. from natural gas				
10	491 Revenues from natural gas production by others				
11	492 Incidental gasoline and oil sales				
12	493 Rent from gas property				
13	494 Interdepartmental rents				
14	495 Other gas revenues				
15	SubTotal -				
16	496 (Less) Provision for state refunds				
17	Total -				

Name of Respondent Cascade Natural Gas Corporation	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr)	Year of report Dec. 31, 2011
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GAS OPERATING REVENUES (continued)

4. If increases or decreases from previous year are not derived from previously reported figures, explain any inconsistencies in a footnote.

6. Report the revenue from transportation services that are bundled with storage services as transportation service revenue.

5. On Page 108, include information on major changes during the year, new service, and important rate increases or decreases.

OTHER REVENUES		TOTAL OPERATING REVENUES		DECATHERM OF NATURAL GAS		Line No.
Amount for Current Year (f)	Amount for Previous Year (g)	Amount for Current Year (h)	Amount for Previous Year (i)	Amount for Current Year (j)	Amount for Previous Year (k)	
\$ 298,515,263	\$ 303,485,817	\$ 298,515,263	\$ 303,485,817	30,450,004	27,407,684	1
						2
						3
\$ 1,391,767	\$ 1,571,719	\$ 1,391,767	\$ 1,571,719			4
\$ -	\$ -	\$ -	\$ -			5
\$ -	\$ -	\$ -	\$ -			6
\$ 22,475,676	\$ 22,880,089	\$ 22,475,676	\$ 22,880,089	81,252,361	94,317,685	7
\$ -	\$ -	\$ -	\$ -			8
\$ -	\$ -	\$ -	\$ -			9
\$ -	\$ -	\$ -	\$ -			10
\$ -	\$ -	\$ -	\$ -			11
\$ 15,000	\$ 23,574	\$ 15,000	\$ 23,574			12
\$ -	\$ -	\$ -	\$ -			13
\$ 201,190	\$ 154,895	\$ 201,190	\$ 154,895			14
\$ 322,598,896	\$ 328,116,094	\$ 322,598,896	\$ 328,116,094	111,702,365	121,725,369	15
\$ -	\$ -	\$ -	\$ -			16
\$ 322,598,896	\$ 328,116,094	\$ 322,598,896	\$ 328,116,094	111,702,365	121,725,369	17

Name of Respondent Cascade Natural Gas Corporation	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr)	Year of report Dec. 31, 2011
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REVENUES FROM TRANSPORTATION OF GAS OF OTHERS THROUGH GATHERING FACILITIES (Acct 489.1)

1. Report revenues and Dth of gas delivered through gathering facilities by zone of receipt (i.e., state in which gas enters respondent's system).

2. Revenues for penalties including penalties for unauthorized overruns must be reported on page 308.

Line No.	Rate Schedule and Zone of Receipt (a)	REVENUES for Transition Costs and Take-or-Pay		REVENUES for GRI and ACA	
		Amount for Current Year (b)	Amount for Previous Year (c)	Amount for Current Year (d)	Amount for Previous Year (e)
1	Not Applicable				
2					
3					
4					
5					
6					
7					
8					
9					
10					
11					
12					
13					
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25					

Name of Respondent Cascade Natural Gas Corporation	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr)	Year of report Dec. 31, 2011
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REVENUES FROM TRANSPORTATION OF GAS OF OTHERS THROUGH GATHERING FACILITIES (continued)

3. Other revenues in columns (f) and (g) include reservation charges received by the pipeline plus usage charges, less revenues reflected in columns (b) through (e).

4. Delivered Dth of gas must be adjusted for discounting.

OTHER REVENUES		TOTAL OPERATING REVENUES		DECATHERM OF NATURAL GAS		Line No.
Amount for Current Year (f)	Amount for Previous Year (g)	Amount for Current Year (h)	Amount for Previous Year (i)	Amount for Current Year (j)	Amount for Previous Year (k)	
						1
						2
						3
						4
						5
						6
						7
						8
						9
						10
						11
						12
						13
						14
						15
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						21
						22
						23
						24
						25

Name of Respondent Cascade Natural Gas Corporation	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) Dec. 31, 2011	Year of report Dec. 31, 2011
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REVENUES FROM TRANSPORTATION OF GAS OF OTHERS THROUGH TRANSMISSION FACILITIES (Acct 489.2)

1 Report revenues and Dth of gas delivered Zone of Delivery by Rate Schedule. Total by Zone of Delivery and for all zones. If respondent does not have separate zones, provide totals by rate schedule.

2 Revenues for penalties including penalties for unauthorized overruns must be reported on page 308.

3. Other revenues in columns (f) and (g) include reservation charges received by the pipeline plus usage charges for transportation and hub services, less revenues reflected in columns (b) through (e).

Line No.	Rate Schedule and Zone of Receipt (a)	REVENUES for Transition Costs and Take-or-Pay		REVENUES for GRI and ACA	
		Amount for Current Year (b)	Amount for Previous Year (c)	Amount for Current Year (d)	Amount for Previous Year (e)
1	Not Applicable				
2					
3					
4					
5					
6					
7					
8					
9					
10					
11					
12					
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25					

Name of Respondent Cascade Natural Gas Corporation	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr)	Year of report Dec. 31, 2011
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REVENUES FROM TRANSPORTATION OF GAS OF OTHERS THROUGH TRANSMISSION FACILITIES (cont.)

4. Delivered Dth of gas must not be adjusted for discounting.
5. Each incremental rate schedule and each individually certificated rate schedule must be separately reported.
6. Where transportation services are bundled with storage services, report total revenues but only transportation Dth.

OTHER REVENUES		TOTAL OPERATING REVENUES		DECATHERM OF NATURAL GAS		Line No.
Amount for Current Year (f)	Amount for Previous Year (g)	Amount for Current Year (h)	Amount for Previous Year (i)	Amount for Current Year (j)	Amount for Previous Year (k)	
						1
						2
						3
						4
						5
						6
						7
						8
						9
						10
						11
						12
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						23
						24
						25

Name of Respondent Cascade Natural Gas Corporation	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr)	Year of report Dec. 31, 2011
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REVENUES FROM STORING GAS OF OTHERS (Account 489.4)

1 Report revenues and Dth of gas withdrawn from storage by Rate Schedule and in total.

2 Revenues for penalties including penalties for unauthorized overruns must be reported on page 308.

3. Other revenues in columns (f) and (g) include reservation charges, deliverability charges, injection and withdrawal charges, less revenues reflected in columns (b) through (e).

Line No.	Rate Schedule and Zone of Receipt (a)	REVENUES for Transition Costs and Take-or-Pay		REVENUES for GRI and ACA	
		Amount for Current Year (b)	Amount for Previous Year (c)	Amount for Current Year (d)	Amount for Previous Year (e)
1	Not Applicable				
2					
3					
4					
5					
6					
7					
8					
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Name of Respondent Cascade Natural Gas Corporation	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr)	Year of report Dec. 31, 2011
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REVENUES FROM STORING GAS OF OTHERS (continued)

4. Dth of gas withdrawn from storage must not be adjusted for discounting.

5. Where transportation services are bundled with storage services, report only Dth withdrawn from storage.

OTHER REVENUES		TOTAL OPERATING REVENUES		DECATHERM OF NATURAL GAS		Line No.
Amount for Current Year (f)	Amount for Previous Year (g)	Amount for Current Year (h)	Amount for Previous Year (i)	Amount for Current Year (j)	Amount for Previous Year (k)	
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Name of Respondent Cascade Natural Gas Corporation	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr)	Year of report Dec. 31, 2011
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OTHER GAS REVENUES (Account 495)

For transactions with annual revenues of \$250,000 or more, describe, for each transaction, commissions on sales of distributions of gas of other, compensation for minor or incidental services provided for others, penalties, profit or loss on sales of material and supplies, sales of steam, water, or electricity, miscellaneous

royalties, revenues from dehydration, other processing of gas of others, and gains on settlements of imbalance receivables. Separately report revenues from cash-out penalties.

Line No	Description of Transaction (a)	Revenues (in dollars) (b)
1	Commissions on Sale or Distribution of Gas of Others	
2	Compensation for Minor or Incidental Services Provided for Others	
3	Profit or Loss on Sale of Material and Supplies not Ordinarily Purchased for Resale	
4	Sales of Stream, Water, or Electricity, including Sales or Transfers to Other Departments	
5	Miscellaneous Royalties	
6	Revenues from Dehydration and Other Processing of Gas of Others except as provided for in the Instructions to Account 495	
7	Revenues for Right and/or Benefits Received from Others which are Realized Through Research, Development, and Demonstration Ventures	
8	Gains on Settlements of Imbalance Receivables and Payables	
9	Revenues from Penalties earned Pursuant to Tarriff Provisions, including Penalties Associated with Cash-out Settlements	
10	Revenues from Shipper Supplied Gas	
11	Other Revenuee (Specify):	
12	Miscellaneous Sales	\$ 201,190
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24		
25	TOTAL -	\$ 201,190

Name of Respondent		This Report is:	Date of Report (Mo, Da, Yr)	Year Ending
CASCADE NATURAL GAS CORPORATION		(1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		Dec. 31, 2011
GAS OPERATION AND MAINTENANCE EXPENSES				
1. Report operation and maintenance expenses. If the amount for previous year is not derived from previously reported figures, explain in footnotes.			2. Provide in footnotes the source of the index used to determine the price for gas supplied by shippers as reflected on line 74.	
Line No.	Account (a)	Amount for Current Year (b)	Amount for Previous Year (c)	
1	1. PRODUCTION EXPENSES			
2	A. Manufactured Gas Production			
3	Manufactured Gas Production (Submit Supplemental Statement)	0	0	
4	B. Natural Gas Production			
5	B1. Natural Gas Production and Gathering			
6	Operation			
7	750 Operation Supervision and Engineering			
8	751 Production Maps and Records			
9	752 Gas Wells Expenses			
10	753 Field Lines Expenses			
11	754 Field Compressor Station Expenses			
12	755 Field Compressor Station Fuel and Power			
13	756 Field Measuring and Regulating Station Expenses			
14	757 Purification Expenses			
15	758 Gas Well Royalties			
16	759 Other Expenses			
17	760 Rents			
18	Total Operation (Enter Total of lines 7 thru 17)	None	None	
19	Maintenance			
20	761 Maintenance Supervision and Engineering			
21	762 Maintenance of Structures and Improvements			
22	763 Maintenance of Producing Gas Wells			
23	764 Maintenance of Field Lines			
24	765 Maintenance of Field Compressor Station Equipment			
25	766 Maintenance of Field Meas. and Reg. Sta. Equipment			
26	767 Maintenance of Purification Equipment			
27	768 Maintenance of Drilling and Cleaning Equipment			
28	769 Maintenance of Other Equipment			
29	TOTAL Maintenance (Enter Total of lines 20 thru 28)	None	None	
30	TOTAL Natural Gas Production & Gathering (Total of lines 18 & 29)	None	None	

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GAS OPERATION AND MAINTENANCE EXPENSES (continued)				
Line No.	Account (a)	Amount for Current Year (b)	Amount for Previous Year (c)	
31	B2. Products Extraction			
32	Operation			
33	770 Operation Supervision and Engineering			
34	771 Operation Labor			
35	772 Gas Shrinkage			
36	773 Fuel			
37	774 Power			
38	775 Materials			
39	776 Operation Supplies and Expenses			
40	777 Gas Processed by Others			
41	778 Royalties on Products Extracted			
42	779 Marketing Expenses			
43	780 Products Purchases for Resale			
44	781 Variation in Products Inventory			
45	(Less) 782 Extracted Products Used by the Utility - Credit			
46	783 Rents			
47	TOTAL Operation (Enter Total of lines 33 thru 46)	None	None	
48	Maintenance			
49	784 Maintenance Supervision and Engineering			
50	785 Maintenance of Structures and Improvements			
51	786 Maintenance of Extraction and Refining Equipment			
52	787 Maintenance of Pipe Lines			
53	788 Maintenance of Extracted Products Storage Equipment			
54	789 Maintenance of Compressor Equipment			
55	790 Maintenance of Gas Measuring and Reg. Equipment			
56	791 Maintenance of Other Equipment			
57	TOTAL Maintenance (Enter Total of lines 49 thru 56)	None	None	
58	TOTAL Products Extraction (Enter Total of lines 47 and 57)	None	None	

Name of Respondent	This Report is:	Date of Report	Year Ending
CASCADE NATURAL GAS CORPORATION	(1) <input checked="" type="checkbox"/> An Original	(Mo, Da, Yr)	Dec. 31, 2011
	(2) <input type="checkbox"/> A Resubmission		

GAS OPERATION AND MAINTENANCE EXPENSES (continued)

Line No.	Account (a)	Amount for Current Year (b)	Amount for Previous Year (c)
59	C. Exploration and Development		
60	Operation		
61	795 Delay Rentals		
62	796 Nonproductive Well Drilling		
63	797 Abandoned Leases		
64	798 Other Exploration		
65	TOTAL Exploration & Development (Enter Total of lines 61 thru 64)	None	None
	D. Other Gas Supply Expenses		
66	Operation		
67	800 Natural Gas Well Head Purchases	\$ -	\$ -
68	800.1 Natural Gas Well Head Purchases, Intracompany Transfers		
69	801 Natural Gas Field Line Purchases		
70	802 Natural Gas Gasoline Plant Outlet Purchases		
71	803 Natural Gas Transmission Line Purchases		
72	804 Natural Gas City Gate Purchases	\$ 187,621,292	\$ 202,457,910
73	804.1 Liquefied Natural Gas Purchases	\$ -	\$ -
74	805 Other Gas Purchases	\$ -	\$ -
75	(Less) 805.1 Purchased Gas Cost Adjustments	\$ 1,439,122	\$ 1,028,259
77	TOTAL Purchased Gas (Enter Total of lines 67 to 75)	\$ 189,060,414	\$ 203,486,169
78	806 Exchange Gas	\$ -	\$ -
79	Purchased Gas Expenses		
80	807.1 Well Expenses - Purchased Gas	\$ -	\$ -
81	807.2 Operation of Purchased Gas Measuring Stations	\$ -	\$ -
82	807.3 Maintenance of Purchased Gas Measuring Stations	\$ -	\$ -
83	807.4 Purchased Gas Calculations Expenses	\$ -	\$ -
84	807.5 Other Purchased Gas Expenses	\$ -	\$ -
85	TOTAL Purchased Gas Expenses (Enter Total of lines 80 thru 84)	\$ -	\$ -

Name of Respondent		This Report is:	Date of Report	Year Ending
CASCADE NATURAL GAS CORPORATION		(1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	(Mo, Da, Yr)	Dec. 31, 2011
GAS OPERATION AND MAINTENANCE EXPENSES (continued)				
Line No.	Account (a)	Amount for Current Year (b)	Amount for Previous Year (c)	
86	808.1 Gas Withdrawn from Storage - Debit	\$ 5,871,898	\$ 7,134,565	
87	(Less) 808.2 Gas Delivered to Storage - Credit	\$ (5,436,305)	\$ (7,318,691)	
88	809.1 Withdrawals of Liquefied Natural Gas for Processing - Debit			
89	(Less) 809.2 Deliveries of Natural Gas for Processing - Credit			
90	Gas Used in Utility Operations - Credit			
91	810 Gas Used for Compressor Station Fuel - Credit			
92	811 Gas Used for Products Extraction - Credit			
93	812 Gas Used for Other Utility Operations - Credit	\$ (86,528)	\$ (73,761)	
94	TOTAL Gas Used in Utility Operations - Credit (Lines 91 thru 93)	\$ (86,528)	\$ (73,761)	
95	813 Other Gas Supply Expenses	\$ 91,688	\$ -	
96	TOTAL Other Gas Supply Exp (Lines 77, 78, 85, 86 thru 89, 94, 95)	\$ 189,501,167	\$ 203,228,282	
97	TOTAL Production Expenses (Total of lines 3, 30, 58, 65 and 96)	\$ 189,501,167	\$ 203,228,282	
98	2. NATURAL GAS STORAGE, TERMINALING & PROCESSING EXPENSES			
99	A. Underground Storage Expenses			
100	Operation			
101	814 Operation Supervision and Engineering			
102	815 Maps and Records			
103	816 Wells Expenses			
104	817 Lines Expense			
105	818 Compressor Station Expenses			
106	819 Compressor Station Fuel and Power			
107	820 Measuring and Regulating Station Expenses			
108	821 Purification Expenses			
109	822 Exploration and Development			
110	823 Gas Losses			
111	824 Other Expenses			
112	825 Storage Well Royalties			
113	826 Rents			
114	TOTAL Operation (Enter Total of lines 101 thru 113)	None	None	

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	(2) <input type="checkbox"/> A Resubmission		

GAS OPERATION AND MAINTENANCE EXPENSES (continued)

Line No.	Account (a)	Amount for Current Year (b)	Amount for Previous Year (c)
115	Maintenance		
116	830 Maintenance Supervision and Engineering		
117	831 Maintenance of Structures and Improvements		
118	832 Maintenance of Reservoirs and Wells		
119	833 Maintenance of Lines		
120	834 Maintenance of Compressor Station Equipment		
121	835 Maintenance of Measuring and Regulating Station Equipment		
122	836 Maintenance of Purification Equipment		
123	837 Maintenance of Other Equipment		
124	TOTAL Maintenance (Enter Total of lines 116 thru 123)		
125	TOTAL Underground Storage Expenses (Total of lines 116 and 124)	None	None
126	B. Other Storage Expenses		
127	Operation		
128	840 Operation Supervision and Engineering		
129	841 Operation Labor and Expenses		
130	842 Rents		
131	842.1 Fuel		
132	842.2 Power		
133	842.3 Gas Losses		
134	TOTAL Operation (Enter Total of lines 128 thru 133)	None	None
135	Maintenance		
136	843.1 Maintenance Supervision and Engineering		
137	843.2 Maintenance of Structures and Improvements		
138	843.3 Maintenance of Gas Holders		
139	843.4 Maintenance of Purification Equipment		
140	843.5 Maintenance of Liquefaction Equipment		
141	843.6 Maintenance of Vaporizing Equipment		
142	843.7 Maintenance of Compressor Equipment		
143	843.8 Maintenance of Measuring and Regulating Equipment		
144	843.9 Maintenance of Other Equipment		
145	TOTAL Maintenance (Enter Total of lines 136 thru 144)	None	None
146	TOTAL Other Storage Expenses (Enter Total of lines 134 and 145)	None	None

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GAS OPERATION AND MAINTENANCE EXPENSES (continued)				
Line No.	Account (a)	Amount for Current Year (b)	Amount for Previous Year (c)	
147	C. Liquefied Natural Gas Terminaling and Processing Expenses			
148	Operation			
149	844.1 Operation Supervision and Engineering			
150	844.2 LNG Processing Terminal Labor and Expenses			
151	844.3 Liquefaction Processing Labor and Expenses			
152	844.4 Liquefaction Transportation Labor and Expenses			
153	844.5 Measuring and Regulation Labor and Expenses			
154	844.6 Compressor Station Labor and Expenses			
155	844.7 Communication System Expenses			
156	844.8 System Control and Load Dispatching			
157	845.1 Fuel			
158	845.2 Power			
159	845.3 Rents			
160	845.4 Demurrage Charges			
161	(Less) 845.5 Wharfage Receipts - Credit			
162	845.6 Processing Liquefied or Vaporized Gas by Others			
163	846.1 Gas Losses			
164	846.2 Other Expenses			
165	TOTAL Operation (Enter Total of lines 149 thru 164)	None	None	
166	Maintenance			
167	847.1 Maintenance Supervision and Engineering			
168	847.2 Maintenance of Structures and Improvements			
169	847.3 Maintenance of LNG Processing Terminal Equipment			
170	847.4 Maintenance of LNG Transportation Equipment			
171	847.5 Maintenance of Measuring and Regulating Equipment			
172	847.6 Maintenance of Compressor Station Equipment			
173	847.7 Maintenance of Communication Equipment			
174	847.8 Maintenance of Other Equipment			
175	TOTAL Maintenance (Enter Total of lines 167 thru 174)			
176	TOTAL Liquefied Nat Gas Terminaling & Process Exp (Lines 165 & 175)	None	None	
177	TOTAL Natural Gas Storage (Enter Total of lines 125, 146 and 176)	None	None	

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GAS OPERATION AND MAINTENANCE EXPENSES (continued)				
Line No.	Account (a)	Amount for Current Year (b)	Amount for Previous Year (c)	
178	3. TRANSMISSION EXPENSES			
179	Operation			
180	850 Operation Supervision and Engineering			
181	851 System Control and Load Dispatching			
182	852 Communication System Expenses			
183	853 Compressor Station Labor and Expenses			
184	854 Gas for Compressor Station Fuel			
185	855 Other Fuel and Power for Compressor Stations			
186	856 Mains Expenses			
187	857 Measuring and Regulating Station Expenses			
188	858 Transmission and Compression of Gas by Others			
189	859 Other Expenses			
190	860 Rents			
191	TOTAL Operation (Enter Total of lines 180 thru 190)	None	None	
192	Maintenance			
193	861 Maintenance Supervision and Engineering			
194	862 Maintenance of Structures and Improvements			
195	863 Maintenance of Mains			
196	864 Maintenance of Compressor Station Equipment			
197	865 Maintenance of Measuring and Reg. Station Equipment			
198	866 Maintenance of Communication Equipment			
199	867 Maintenance of Other Equipment			
200	TOTAL Maintenance (Enter Total of lines 193 thru 199)	None	None	
201	TOTAL Transmission Expenses (Enter Total of lines 191 and 200)	None	None	
202	4. DISTRIBUTION EXPENSES			
203	Operation			
204	870 Operation Supervision and Engineering	\$ 758,927	\$	532,160
205	871 Distribution Load Dispatching	\$ 503,761	\$	987,047
206	872 Compressor Station Labor and Expenses	\$ 58,618	\$	21,129
207	873 Compressor Station Fuel and Power		\$	-

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GAS OPERATION AND MAINTENANCE EXPENSES (continued)				
Line No.	Account (a)	Amount for Current Year (b)	Amount for Previous Year (c)	
208	874 Mains and Services Expenses	\$ 3,161,495	\$ 2,494,295	
209	875 Measuring and Regulating Station Expenses - General	\$ 640,204	\$ 434,379	
210	876 Measuring and Regulating Station Expenses - Industrial	\$ 214,046	\$ 182,513	
211	877 Measuring & Regulating Station Exp - City Gate Check Station	\$ -	\$ -	
212	878 Meter and House Regulator Expenses	\$ 1,335,618	\$ 1,305,627	
213	879 Customer Installations Expenses	\$ 1,546,729	\$ 1,621,474	
214	880 Other Expenses	\$ 3,483,320	\$ 2,603,290	
215	881 Rents	\$ 95,056	\$ 157,674	
216	TOTAL Operation (Enter Total of lines 204 thru 215)	\$ 11,797,774	\$ 10,339,588	
217	Maintenance			
218	885 Maintenance Supervision and Engineering	\$ 1,208	\$ 6,272	
219	886 Maintenance of Structures and Improvements	\$ 20,724	\$ 28,114	
220	887 Maintenance of Mains	\$ 1,193,413	\$ 750,468	
221	888 Maintenance of Compressor Station Equipment	\$ 33,731	\$ 2,755	
222	889 Maintenance of Meas. and Reg. Sta. Equip. - General	\$ 510,698	\$ 335,310	
223	890 Maintenance of Meas. and Reg. Sta. Equip. - Industrial	\$ 88,977	\$ 110,315	
224	891 Maint. of Meas. & Reg. Sta. Equip. - City Gate Check Station		\$ -	
225	892 Maintenance of Services	\$ 781,543	\$ 543,089	
226	893 Maintenance of Meters and House Regulators	\$ 921,687	\$ 830,581	
227	894 Maintenance of Other Equipment	\$ 555,477	\$ 401,639	
228	TOTAL Maintenance (Enter Total of lines 218 thru 227)	\$ 4,107,458	\$ 3,008,543	
229	TOTAL Distribution Expenses (Enter Total of lines 216 and 228)	\$ 15,905,232	\$ 13,348,131	
230	5. CUSTOMER ACCOUNTS EXPENSES			
231	Operation			
232	901 Supervision	\$ 61,409	\$ 46,923	
233	902 Meter Reading Expenses	\$ 553,573	\$ 456,078	
234	903 Customer Records and Collection Expenses	\$ 4,029,461	\$ 3,629,382	

Name of Respondent	This Report is:	Date of Report	Year Ending
CASCADE NATURAL GAS CORPORATION	(1) <input checked="" type="checkbox"/> An Original	(Mo, Da, Yr)	Dec. 31, 2011
	(2) <input type="checkbox"/> A Resubmission		

GAS OPERATION AND MAINTENANCE EXPENSES (continued)

Line No.	Account (a)	Amount for Current Year (b)	Amount for Previous Year (c)
235	904 Uncollectible Accounts	\$ 622,402	\$ 1,652,411
236	905 Miscellaneous Customer Accounts Expenses	\$ 25,321	\$ (91,421)
237	TOTAL Customer Accounts Expenses (Total of lines 232 thru 236)	\$ 5,292,166	\$ 5,693,373
238	6. CUSTOMER SERVICE AND INFORMATIONAL EXPENSES		
239	Operation		
240	907 Supervision	\$ -	\$ 3,108
241	908 Customer Assistance Expenses	\$ 1,379,141	\$ 1,306,940
242	909 Informational and Instructional Expenses	\$ 69,794	\$ 35,696
243	910 Miscellaneous Customer Service and Informational Expenses	\$ 346	\$ 211
244	TOTAL Customer Service & Information Expenses (Lines 240 thru 243)	\$ 1,449,281	\$ 1,345,955
245	7. SALES EXPENSES		
246	Operation		
247	911 Supervision	\$ -	\$ -
248	912 Demonstrating and Selling Expenses	\$ -	\$ -
249	913 Advertising Expenses	\$ 16,242	\$ 12,237
250	916 Miscellaneous Sales Expenses	\$ -	\$ -
251	TOTAL Sales Expenses (Enter Total of lines 247 thru 250)	\$ 16,242	\$ 12,237
252	8. ADMINISTRATIVE AND GENERAL EXPENSES		
253	Operation		
254	920 Administrative and General Salaries	\$ 6,503,911	\$ 12,830,513
255	921 Office Supplies and Expenses	\$ 5,789,220	\$ 5,243,629
256	(Less) (922) Administrative Expenses Transferred - Cr.	\$ (480,924)	\$ (525,500)
257	923 Outside Services Employed	\$ 1,217,478	\$ 1,526,558
258	924 Property Insurance	\$ 83,806	\$ 99,757
259	925 Injuries and Damages	\$ 936,095	\$ 1,249,317
260	926 Employee Pensions and Benefits	\$ 5,668,468	\$ 3,027,303
261	927 Franchise Requirements	\$ -	\$ -
262	928 Regulatory Commission Expenses	\$ -	\$ -
263	(Less) (929) Duplicate Charges - Cr.	\$ -	\$ -
264	930.1 General Advertising Expenses	\$ 95,850	\$ 37,909
265	930.2 Miscellaneous General Expenses	\$ 633,506	\$ 1,970,388
266	931 Rents	\$ 1,366,556	\$ 52,827
267	TOTAL Operation (Enter Total lines 254 thru 266)	\$ 21,813,966	\$ 25,512,702
268	Maintenance		
269	932 Maintenance of General Plant	\$ 84,862	\$ 144,764
270	TOTAL Administrative and General Exp (Total of lines 267 and 269)	\$ 21,898,828	\$ 25,657,465
271	TOTAL Gas O. & M. Exp (Lines 97,177,201,229,237,244,251 and 270)	\$ 234,062,916	\$ 249,285,443

Name of Respondent Cascade Natural Gas Corporation	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) Dec. 31, 2011	Year of report Dec. 31, 2011
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EXCHANGE AND IMBALANCE TRANSACTIONS

1. Report below details by zone and rate schedule concerning the gas quantities and related dollar amount of imbalances associated with system balancing and no-notice service. Also, report certificated natural gas exchange transactions during the year. Provide subtotals for imbalance and no-notice quantities for exchanges. If respondent does not have separate zones, provide totals by rate schedule. Minor exchange transactions (less than 100,000 Dth) may be grouped.

Line No.	Zone/Rate Schedule (a)	Gas Received from Others		Gas Delivered to Others	
		Amount (b)	Dth (c)	Amount (d)	Dth (e)
1	None				
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32					
33					
34					
35	TOTAL -				

Name of Respondent Cascade Natural Gas Corporation	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input checked="" type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr)	Year of Report Dec. 31, 2011
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GAS USED IN UTILITY OPERATIONS - CREDIT (Accounts 810, 811, 812)

1. Report below details of credits during the year to Accounts 810, 811 and 812.

2. If any natural gas was used by the respondent for which a change was not made to the appropriate operating expense or other account, list separately in column (c) the Dth of gas used, omitting entries in columns (d).

Line No.	Purpose for Which Gas Was Used (a)	Account Charged (b)	Natural Gas	Natural Gas	Natural Gas	Natural Gas
			Gas Used (Dth) (c)	Amount of Credit (in dollars) (d)	Gas Used (Dth) (d)	Amount of Credit (d)
1	810 Gas used for Compressor Station Fuel - Cr					
2	811 Gas used for Products Extraction - Cr					
3	Gas Shrinkage and Other Usage in Respondent's Own Proc.					
4	Gas Shrinkage, Etc. for Respondent's Gas Processed by Others					
5	812 Gas used for Other Util. Oprs - Cr (Rpt sep. for each prin. use. Group minor uses)					
6						
7	Gas Used for Other Utility Operations	812	15,912	86,528		
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9						
11						
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16						
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20						
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22						
23						
24						
25	TOTAL		15,912	86,528		

Name of Respondent Cascade Natural Gas Corporation	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) Dec. 31, 2011	Year of report Dec. 31, 2011
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TRANSMISSION AND COMPRESSION OF GAS BY OTHERS (Account 858)

1. Report below details concerning gas transported or compressed for respondent by others equalling more than 1,000,000 Dth and amounts of payments for such services during the year. Minor items (less than 1,000,000) Dth may be grouped. Also, include in column (c) amounts paid as transition costs to an upstream pipeline.

2. In column (a) give name of companies, points of delivery and receipt of gas. Designate points of delivery and receipt so that they can be identified readily on a map of respondent's pipeline system.

3. Designate associated companies with an asterisk in column (b).

Line No.	Name of Company and Description of Service Performed (a)	* (b)	Amount of Payment (in dollar) (c)	Dth of Gas Delivered (d)
1	None			
2				
3				
4				
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35				
36	TOTAL -			

Name of Respondent Cascade Natural Gas Corporation	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr)	Year of report Dec. 31, 2011
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OTHER GAS SUPPLY EXPENSES (Account 813)

1. Report other gas supply expenses by descriptive titles that clearly indicate the nature of such expenses. Show maintenance expenses, revaluation of monthly encroachments recorded in Account 117.4, and losses on settlements of imbalances and gas losses not associated with storage separately. Indicate the functional classification and purpose of property to which any expenses relate. List separately items of \$250,000 or more.

Line No.	Description (a)	Amount (in dollars) (b)
1		
2	Labor Expenses and applicable overhead charges	76,315.78
3	Vehicle Mileage	50.14
4	Airfare and related costs	566.10
5	Meals	109.64
6	Travel Expenses	389.35
7	Software Maintenance	14,256.82
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36		
37	TOTAL	\$ 91,687.83

Name of Respondent Cascade Natural Gas Corporation	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr)	Year Ending Dec 31, 2011
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MISCELLANEOUS GENERAL EXPENSES (ACCOUNT 930.2)

1. Provide the information requested below on miscellaneous general expenses.
 2. For Other Expenses, show the (a) purpose, (b) recipient and © amount of such items. List separately amounts of \$250,000 or more however, amounts less than \$250,000 may be grouped if the number of items of so grouped is shown.

Line No.	Description (a)	Amount (in dollars) (b)
1	Industry association dues	162,598
2	Experimental and general research expenses. a. Gas Research Institute (GRI) b. Other	
3	Publishing and distributing information and reports to stockholders, trustee, registrar, and transfer agent fees and expenses, and other expenses of servicing outstanding securities of the respondent	
4		
5	Bank and Other Finance Fees (paid to Bank of New York, Payflex and MDU for CNGC's share of corporate banking fees)	284,212
6		
7		
8	Director's Fees (paid to MDU for CNGC's share of director's expenses)	238,824
9		
10	Miscellaneous under \$250,000 (13 items)	(52,128)
11		
12		
13		
14		
15		
16		
17		
18		
19		
20		
21		
22		
23		
24		
25	TOTAL	633,506

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Name of Respondent Cascade Natural Gas Corporation	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr)	Year Ending Dec. 31, 2011
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DEPRECIATION, DEPLETION AND AMORTIZATION OF GAS PLANT

(Account 403, 404.1, 404.2, 404.3, 405)

(Except Amortization of Acquisition Adjustments)

1. Report in Section A the amounts of depreciation expense, depletion and amortization for the accounts indicated and classified according to the plant functional groups show.

2. Report in Section B, column (b) all depreciable or amortizable plant balances to which rates are applied and show a composite total. (If more desirable, report by plant account, subaccount or functional classifications other than those pre-printed in column (a)). Indicate in a footnote the manner in which column (b) balances are obtained. If average balances are used, state the method of averaging used. For column (c) report available information for each plant functional classification listed in column (a). If composite depreciation accounting is used, report available information called for in

Section A. Summary of Depreciation, Depletion, and Amortization Charges

Line No.	Functional Classification (a)	Depreciation Expense (Account 403) (b)	Amortization Expense for Asset Retirement Costs (Account 403.1) (c)	Amortization and Depletion of Producing Natural Gas Land and Land Rights (Acct 404.1) (d)	Amortization of Underground Storage Land & Land Rights (Account 404.2) (e)
1	Intangible plant	-			707,464
2	Production plant, manufactured plant				
3	Production & gathering plant, natural gas				
4	Products extraction plant				
5	Underground gas storage plant				
6	Other storage plant				
7	Base load LNG terminating and processing				
8	Transmission plant	350,043			
9	Distribution plant	16,664,936			
10	General plant	1,902,527			
11	Common plant - gas				
12	TOTAL -	18,917,506		-	707,464

Name of Respondent Cascade Natural Gas Corporation	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) Dec 31, 2011	Year Ending Dec 31, 2011
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DEPRECIATION, DEPLETION AND AMORTIZATION OF GAS PLANT
(Account 403, 404.1, 404.2, 404.3, 405)
(Except Amortization of Acquisition Adjustments) (continued)

obtained. If average balances are used, state the method of averaging used. For column (c) report available information for each plant functional classification listed in column (a). If composite depreciation accounting is used, report available information called for in columns (b) and (c) on this basis. Where the unit-of-production method is used to determine depreciation charges, show in a footnote any revisions made to estimated gas reserves.

3. If provisions for depreciation were made during the year in addition to depreciation provided by application of reported rates, state in a footnote the amounts and nature of provisions and the plant items to which related.

Section A. Summary of Depreciation, Depletion, and Amortization Charges

Line No.	Amortization of Other Limited-Term Gas Plant (Account 404.3) (f)	Amortization of Other Gas Plant (Account 405) (g)	Total (b to g) (h)	Functional Classification (a)
1			707,464	Intangible plant
2			-	Production plant, manufactured plant
3			-	Production & gathering plant, natural gas
4			-	Products extraction plant
5			-	Underground gas storage plant
6			-	Other storage plant
7			-	Base load LNG terminating and processing
8			350,043	Transmission plant
9			16,664,936	Distribution plant
10			1,902,527	General plant
11			-	Common plant - gas
12	-	-	19,624,970	Total

Name of Respondent Cascade Natural Gas Corporation	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr)	Year Ending Dec 31, 2011
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DEPRECIATION, DEPLETION AND AMORTIZATION OF GAS PLANT
(Account 403, 404.1, 404.2, 404.3, 405) (continued)

4. Add rows as necessary to completely report all data. Number the additional rows in sequence as 2.01, 2.02, 3.01, 3.02, etc.

Section B. Factors Used in Estimating Depreciation Charges

Line No.	Functional Classification (a)	Depreciation Plant Base (Thousands) (b)	Applied Depreciation Rate(s) (Percent) (c)
1	Production and Gathering Plant		
2	Offshore		
3	Onshore		
4	Underground gas storage plant		
5	Transmission Plant		
6	Offshore		
7	Onshore		
8	General Plant		
9	Distribution plant		
10	Storage Rights		

Notes to Depreciation, Depletion and Amortization of Gas Plant

Depreciation is accrued monthly on the average balance in each plant account using a rate specific to the account. The average balance is the simple average of the balance at the beginning of the month and at the end of the month. The amounts shown below represent the year-end balances of depreciable plant and the weighted average composite rates based on year-end balances in each category.

Description (a)	Washington		Oregon	
	Depreciable Plant Base (Thousands) (b)	Composite Rate (Percent) (c)	Depreciable Plant Base (Thousands) (d)	Composite Rate (Percent) (e)
Intangible plant	9,539		3,098	
Manufactured gas production	0		0	
Transmission plant	11,186	1.48%	5,875	3.14%
Distribution plant	483,549	2.69%	139,203	2.61%
General plant	37,089	5.47%	10,162	6.04%
Total -	<u>541,363</u>	2.91%	<u>158,338</u>	2.91%

Name of Respondant Cascade Natural Gas Corporation	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr)	Year/Period of Report End of Dec. 31, 2011
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Particulars Concerning Certain Income Deductions and Interest Charges Accounts

Report the information specified below, in the order given, for the respective income deduction and interest charges accounts.

(a) Miscellaneous Amortization (Account 425)-Describe the nature of items included in this account, the contra account charged, the total of amortization charges for the year, and the period of amortization.

(b) Miscellaneous Income Deductions-Report the nature, payee, and amount of other income deductions for the year as required by Accounts 426.1, Donations; 426.2, Life Insurance; 426.3, Penalties; 426.4, Expenditures for Certain Civic, Political and Related Activities; and 426.5, Other Deductions, of the Uniform System of Accounts. Amounts of less than \$250,000 may be grouped by classes within the above accounts.

(c) Interest on Debt to Associated Companies (Account 430)-For each associated company that incurred interest on debt during the year, indicate the amount and interest rate respectively for (a) advances on notes, (b) advances on open accounts, (c) notes payable, (d) accounts payable, and (e) other debt, and total interest. Explain the nature of other debt on which interest was incurred during the year.

(d) Other Interest Expense (Account 431)-Report details including the amount and interest rate for other interest charges incurred during the year.

Line No.	Item (a)	Amount (b)
1	(a) Miscellaneous Amortization (Account 425)	-
2		
3	(b) Miscellaneous Income Deductions (Account 426):	
4	Donations (Account 426.1)	153,213
5		
6	Life Insurance (Account 426.2)	-
7		
8	Penalties (Account 426.3):	
9	Payee	
10	WA Utilities & Transportation Commissio	425,000
11	Various	(1,617)
12		423,383
13		
14	Expenditures for Certain Civic, Political and Related Activities (Account 426.4)	79,344
15		
16	Other Deductions (426.5)	
17	Payee	
18	MDU/MDU Resources	226,301
19		882,241
20		
21	© Interest on Debt to Associated Companies (Account 430)	-
22		
23	(d) Other Interest Expense (Account 431):	
24	Description	
25	Customer Deposits	5,578
26	Deferral Accounts - WA	580,161
27	Deferral Accounts - OR	45,513
28	Interest on Short-Term Debt	62,925
29	Other	177,827
30		872,004
31		
32	*** Accounts not amortizing - 8.709% (Overall rate of return granted in the last Oregon general rate filing); Accounts	
33	amortizing - 2.01%	
34		

Name of Respondant Cascade Natural Gas Corporation		This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr)	Year/Period of Report End of Dec. 31, 2011	
Regulatory Commission Expense (Account 928)					
<p>1. Report below details of regulatory commission expenses incurred during the current year (or in previous years, if being amortized) relating to formal cases before a regulatory body, or cases in which such a body was a party.</p> <p>2. In columns (b) and (c), indicate whether the expenses were assessed by a regulatory body or were otherwise incurred by the utility.</p>					
Line No.	Description (Furnish name of regulatory commission or body, the docket or case number, and a description of the case.) (a)	Assessed by Regulatory Commission (b)	Expenses of Utility (c)	Total Expenses to Date (d)	Deferred in Account 182.3 at Beginning of Year (e)
1	None				
2					
3					
4					
5					
6					
7					
8					
9					
10					
11					
12					
13					
14					
15					
16					
17					
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23					
24					
25					
26					
27					
28					
29					
30					
31	Total				

Name of Respondant Cascade Natural Gas Corporation	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr)	Year/Period of Report End of Dec. 31, 2011
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Regulatory Commission Expense (Account 928)

3. Show in Column (k) any expenses incurred in prior years which are being amortized. List in column (a) the period of amortization.
4. Identify separately all annual charge adjustments (ACA).
5. List in column (f), (g), and (h) expenses incurred during the year which were charged currently to income, plant, or other accounts.
6. Minor items (less than \$250,000) may be grouped.

Line No.	Expenses Incurred During Year Charged Currently to Department (f)	Expenses Incurred During Year Charged Currently To Account No. (g)	Expenses Incurred During Year Charged Currently To Amount (h)	Expenses Incurred During Year Deferred to Acct 182.3 (i)	Amortized During Year Contra Account (j)	Amortized During Year Amount Amount (k)	Deferred in Account 182.3 End of Year (l)
1							
2							
3							
4							
5							
6							
7							
8							
9							
10							
11							
12							
13							
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22							
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24							
25							
26							
27							
28							
29							
30							
31	Total						

Name of Respondent Cascade Natural Gas Corporation	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr)	Year of report Dec. 31, 2011
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Distribution of Salaries and Wages

Report below the distribution of total salaries and wages for the year. Segregate amounts originally charged to clearing accounts to Utility Departments, Construction, Plant Removals, and Other Accounts, and enter such amounts in the appropriate lines and columns provided. Salaries and wages billed to the Respondent by an affiliated company must be assigned to the particular operation function(s) relating to the expenses.

In determining this segregation of salaries and wages originally charged to clearing accounts, a method of approximation giving substantially correct results may be used. When reporting detail of other accounts, enter as many rows as necessary numbered sequentially starting with 75.01, 75.02, etc.

Line No.	Classification (a)	Direct Payroll Distribution (b)	Payroll Billed by Affiliated Companies (c)	Allocation of Payroll Charged for Clearing Accounts (d)	Total (e)
1	Electric				
2	Operation				
3	Production				
4	Transmission				
5	Distribution				
6	Customer Accounts				
7	Customer Service and Informational				
8	Sales				
9	Administrative and General				
10	TOTAL Operation (Total of lines 3 thru 9)				
11	Maintenance				
12	Production				
13	Transmission				
14	Distribution				
15	Administrative and General				
16	TOTAL Maintenance (Total of lines 12 thru 15)				
17	Total Operation and Maintenance				
18	Production (Total of lines 3 and 12)				
19	Transmission (Total of lines 4 and 13)				
20	Distribution (Total of lines 5 and 14)				
21	Customer Accounts (Line 6)				
22	Customer Service and Informational (Line 7)				
23	Sales (Line 8)				
24	Administrative and General (Total of lines 9 and 15)				
25	TOTAL Oper. and Maint. (Total of lines 18 thru 24)				
26	Gas				
27	Operation				
28	Production-Manufactured Gas				
29	Production-Natural Gas (Including Exploration and Development)				
30	Other Gas Supply				
31	Storage, LNG Terminating and Processing				
32	Transmission				
33	Distribution	7,744,738			
34	Customer Accounts	3,458,256			
35	Customer Service and Informational	0			
36	Sales	0			
37	Administrative and General	5,225,219			
38	TOTAL Operation (Total of lines 28 thru 37)	16,428,214	0	0	16,428,214
39	Maintenance				
40	Production-Manufactured Gas				
41	Production-Natural Gas (Including Exploration and Development)				
42	Other Gas Supply				
43	Storage, LNG Terminating and Processing				
44	Transmission				
45	Distribution	2,165,664			

Name of Respondent Cascade Natural Gas Corporation	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr)	Year of report Dec. 31, 2011
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Distribution of Salaries and Wages (continued)

Line No.	Classification (a)	Direct Payroll Distribution (b)	Payroll Billed by Affiliated Companies (c)	Allocation of Payroll Charged for Clearing Accounts (d)	Total (e)
46	Administrative and General				
47	TOTAL Maintenance (Total of lines 40 thru 46)	2,165,664	0	0	2,165,664
48	Gas (Continued)				
49	Total Operation and Maintenance				
50	Production-Manufactured Gas (Total of lines 28 and 40)				
51	Production-Natural Gas (Including Expl. and Dev.) (ll. 29 and 41)				
52	Other Gas Supply (Total lines 30 and 42)				
53	Storage, LNG Terminating and Processing (Total of ll. 31 and 43)				
54	Transmission (Total of lines 32 and 44)				
55	Distribution (Total of lines 33 and 45)	9,910,403			
56	Customer Accounts (Total of line 34)	3,458,256			
57	Customer Service and Informational (Total of line 35)	0			
58	Sales (Total of line 36)	0			
59	Administrative and General (Total of lines 37 and 46)	5,225,219			
60	TOTAL Operation and Maintenance (Total of lines 50 thru 59)	18,593,878	0		18,593,878
61	Other Utility Departments				
62	Operation and Maintenance				
63	TOTAL All Utility Dept. (Total of lines 25, 60, and 62)	18,593,878	0	0	18,593,878
64	Utility Plant				
65	Construction (By Utility Departments)				
66	Electric Plant				
67	Gas Plant	5,900,422			
68	Other				
69	TOTAL Construction (Total of lines 66 thru 68)	5,900,422	0		5,900,422
70	Plant Removal (By Utility Departments)				
71	Electric Plant				
72	Gas Plant	214,439			
73	Other				
74	TOTAL Plant Removal (Total of lines 71 thru 73)	214,439	0		214,439
75					
76	Other Accounts (Specify):				
77	PTO/Incentive/Severance Pay Liabilities	458,084			
78	Miscellaneous Services	37,350			
79	TOTAL Other Accounts	495,434	0		495,434
80					
81					
82					
83					
84					
85					
86					
87					
88					
89					
90					
91					
92					
93					
94					
95					
96	TOTAL SALARIES AND WAGES	25,204,173	0	0	25,204,173

Name of Respondant Cascade Natural Gas Corporation		This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr)	Year/Period of Report End of Dec. 31, 2011
Charges for Outside Professional and Other Consultative Services				
<p>1. Report the information specified below for all charges made during the year included in any account (including plant accounts) for outside consultative and other professional services. These services include rate, management, construction, engineering, research, financial, valuation, legal, accounting, purchasing, advertising, labor relations, and public relations rendered for the respondent under written or oral arrangement, for which aggregate payments were made during the year to any corporation, partnershp, organization of any kind, or individual (other than for services as an employee or for payments made for medical and related services) amounting to more than \$250,000, including payments for legislative services, except those which should be reported in Account 426.4 Expenditures for Certain Civic, Political, and Related Activities.</p> <p>(a) Name of person or organization rendering services.</p> <p>(b) Total charges for the year.</p> <p>2. Sum under a description "Other", all of the aforementioned services amounting to \$250,000 or less.</p> <p>3. Total under a description "Total", the total of all of the aforementioned services.</p> <p>4. Charges for outside professional and other consultative services provided by associated (affiliated) companies should be excluded from this schedule and be reported on Page 358, according to the instructions for that schedule.</p>				
Line No.	Description (a)	Amount (in dollars) (b)		
1	Other	1,441,732		
2				
3				
4				
5				
6				
7				
8				
9				
10				
11				
12				
13				
14				
15				
16				
17				
18				
19				
20				
21				
22				
23				
24				
25	Total	1,441,732		

Name of Respondent Cascade Natural Gas Corporation	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr)	Year of report Dec. 31, 2011
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Transactions with Associated (Affiliated) Companies

- 1 Report below the information called for concerning all goods or services received from or provided to associated (affiliated) companies amounting to more than \$250,000.
- 2 Sum under a description "Other", all of the aforementioned goods and services amounting to \$250,000 or less.
- 3 Total under a description "Total", the total of all of the aforementioned goods and services.
- 4 Where amounts billed to or received from the associated (affiliated) company are based on an allocation process, explain in a footnote the basis of the allocation.

Line No.	Description of the Good or Service (a)	Name of Associated/Affiliated Company (b)	Account(s) Charged or Credited (c)	Amount Charged or Credited (d)
1	Goods of Services Provided by or for Affiliated Companies			
2				
3		IGC/MDU/MDUR	107	2,976,561
4				
5		IGC/MDU/MDUR	426.1	9,308
6				
7		IGC/MDU/MDUR	426.4	5,029
8				
9		IGC/MDU/MDUR	426.5	226,301
10				
11		IGC/MDU/MDUR	813	105,207
12				
13		IGC/MDU/MDUR	875	93,265
14				
15		IGC/MDU/MDUR	880	113,177
16				
17		IGC/MDU/MDUR	902	75,324
18				
19		IGC/MDU/MDUR	903	3,447,663
20				
21		IGC/MDU/MDUR	909	2,120
22				
23		IGC/MDU/MDUR	920	4,470,451
24				
25		IGC/MDU/MDUR	921	4,053,719
26				
27		IGC/MDU/MDUR	922	(504)
28				
29		IGC/MDU/MDUR	923	245,028
30				
31		IGC/MDU/MDUR	926	454,935
32				
33		IGC/MDU/MDUR	930.1	49,114
34				
35		IGC/MDU/MDUR	930.2	193,804
36				
37		IGC/MDU/MDUR	931	1,351,856
38				
39	Other Services	Knife River/WBI	VAR	139,332
40				
41				
42	Total			18,011,690
43				
44				
45				

Name of Respondent Cascade Natural Gas Corporation	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr)	Year Ending Dec. 31, 2011
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COMPRESSOR STATIONS

- 1 Report below details concerning compressor stations. Use the following subheadings: field compressor stations products extraction compressor stations, underground storage compressor stations, transmission compressor stations, distribution compressor stations, and other compressor stations.
- 2 For the column (a), indicate the production areas where such stations are used. Group relatively small field compressor stations by production areas. Show the number of stations grouped. Identify any station held under a title other than full ownership. State in a footnote the name of owner or co-owners, the nature of respondent's title, and percent of ownership if jointly owned.

Line No.	Name of Station and Location (a)	Number of Units at Station (b)	Certificated Horsepower for Each Station (c)	Plant Cost (d)
1	Compressor Station at Burlington, WA Placed in Service: Aug, 2001	1	1350 HP	\$ 2,000,730
2				
3				
4				
5				
6				
7				
8				
9				
10				
11				
Total -				\$ 2,000,730

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COMPRESSOR STATIONS (continued)

Designate any station that was not operated during the past year. State in footnote whether the book cost of such station has been retired in the books of account, or what disposition of the station and its book cost are contemplated. Designate any compressor units in transmission compressor stations installed and put into operation during the year and show in a footnote each unit's size and the date the unit was placed in operation.

3. For column (e), include the type of fuel or power, if other than natural gas. If two types of fuel or power are used, show separate entries for natural gas and the other fuel or power.

Expenses (except depreciation and taxes)		Gas for Compressor Fuel in Dth (g)	Total Compressor Hours of Operation During Year (h)	No. of Compressors Operated at Time of Station Peak (i)	Date of Station Peak (j)	Line No.
Fuel or Power (e)	Other (f)					
\$ 5,658	\$ 107,225		Not available	1	Not available	1
						2
						3
						4
						5
						6
						7
						8
						9
						10
						11
\$ 5,658	\$ 107,225					

Name of Respondent Cascade Natural Gas Corporation	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr)	Year of report Dec. 31, 2011
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GAS STORAGE PROJECTS

1. Report injections and withdrawals of gas for all storage projects used by respondent.

Line No.	Item (a)	Gas Belonging to Respondent (Dth) (b)	Gas Belonging to Others (Dth) (c)	Total Amount (Dth) (d)
	STORAGE OPERATIONS (In Dth)			
1	Gas Delivered to Storage			
2	January			
3	February			
4	March			
5	April			
6	May			
7	June			
8	July			
9	August			
10	September			
11	October			
12	November			
13	December			
14	TOTAL (Total of lines 2 through 13)	None	None	None
	Gas Withdrawn from Storage			
16	January			
17	February			
18	March			
19	April			
20	May			
21	June			
22	July			
23	August			
24	September			
25	October			
26	November			
27	December			
28	TOTAL (Total of lines 16 through 27)	None	None	None

Name of Respondent Cascade Natural Gas Corporation	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr)	Year of report Dec. 31, 2011
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GAS STORAGE PROJECTS (continued)

1. On line 4, enter the total storage capacity Certificated by FERC.
certificated by FERC.
2. Report total amount of Dth or other unit, as applicable on lines 2, 3, 4, 7. If quantity is converted from
Mcf to Dth, provide conversion factor in a footnote.

Line No.	Item (a)	Total Amount (b)
STORAGE OPERATIONS		
1	Top or Working Gas End of Year	
2	Cushion Gas (Including Native Gas)	
3	Total Gas in Reservoir (Total of Line 1 and 2)	
4	Certificated Storage Capacity	
5	Number of injection - Withdrawal Wells	
6	Number of Observation Wells	
7	Maximum Days' Withdrawal from Storage	
8	Date of Maximum Days' Withdrawal	
9	LNG Terminal Companies (in Dth)	
10	Number of Tanks	
11	Capacity of Tanks	
12	LNG Volume	
13	Received at "Ship Rail"	
14	Transferred to Tanks	
15	Withdrawn from Tanks	
16	"Boil Off" Vaporization Loss	

Name of Respondent Cascade Natural Gas Corporation	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr)	Year of report Dec. 31, 2011
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TRANSMISSION LINES

1. Report below, by state, the total miles of transmission lines of each transmission system operated by respondent at end of year.
2. Report separately any lines held under a title other than full ownership. Designate such lines with an asterisk in column (b), and in a footnote state the name of owner, or co-owner, nature of respondent's title, and percent of ownership if jointly owned.
3. Report separately any line that was not operated during the past year. Enter in a footnote the details and state whether the book cost of such a line, or any portion thereof, has been retired in the books of account or what disposition of the line and its book costs are contemplated.
4. Report the number of miles of pipe to one decimal point.

Line No.	Designation (Identification) of Line or Group of Lines (a)	* (b)	Total Miles of Pipe (c)
1	None		
2			
3			
4			
5			
6			
7			
8			
9			
10			
11			
12			
13			
14			
15			
16			
17			
18			
19			
20			
21			
22			
23			
24			
25			

Name of Respondent Cascade Natural Gas Corporation	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr)	Year of report Dec. 31, 2011
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TRANSMISSION SYSTEM PEAK DELIVERIES

1. Report below the total transmission system deliveries of gas (in Dth), excluding deliveries to storage, for the period of system peak deliveries indicated below, during the 12 months embracing the heating season overlapping the year's end for which this report is submitted. The season's peak normally will be reached before the due date of this report, April 30, which permits inclusion of the peak information required on this page. Add rows as necessary to report all data. Number additional rows 6.01, 6.02, etc.

Line No.	Description (a)	Dth of Gas Delivered to Interstate Pipelines (b)	Dth of Gas Delivered to Others (c)	Total (b) + (c) (d)
SECTION A: SINGLE DAY PEAK DELIVERIES				
1	Date:			
2	Volumes of Gas Transported			
3	No-Notice Transportation			
4	Other Firm Transportation			
5	Interruptible Transportation			
6	Other (Describe)			
6.01				
7	TOTAL			N/A
8	Volumes of gas withdrawn from storage under Storage Contracts			
9	No-Notice Transportation			
10	Other Firm Transportation			
11	Interruptible Transportation			
12	Other (Describe)			
12				
13	TOTAL			N/A
14	Other Operational Activities			
15	Gas withdrawn from storage for system operations			
16	Reduction in Line Pack			
17	Other (Describe)			
18	TOTAL			N/A
19	SECTION B: CONSECUTIVE THREE-DAY PEAK DELIVERIES			
20	Date:			
21	Volumes of Gas Transported			
22	No-Notice Transportation			
23	Other Firm Transportation			
24	Interruptible Transportation			
25	Other (Describe)			
25				
26	TOTAL			N/A
27	Volumes of gas withdrawn from storage under Storage Contracts			
28	No-Notice Transportation			
29	Other Firm Transportation			
30	Interruptible Transportation			
31	Other (Describe)			
31				
32	TOTAL			N/A
33	Other Operational Activities			
34	Gas withdrawn from storage for system operations			
35	Reduction in Line Pack			
36	Other (Describe)			
37	TOTAL			N/A

Name of Respondent Cascade Natural Gas Corporation	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr)	Year of report Dec. 31, 2011
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AUXILIARY PEAKING FACILITIES

1. Report below auxiliary facilities of the respondent for meeting seasonal peak demands on the respondent's system, such as underground storage projects, liquefied petroleum gas installations, gas liquefaction plants, oil gas sets, etc.

2. For column (c), for underground storage projects, report the delivery capacity on February 1 of the heating season overlapping the year-end for which this report is submitted. For other facilities, report the rated maximum daily delivery capacities.

3. For column (d), include or exclude (as appropriate) the cost of any plant used jointly with another facility on the basis of predominant use, unless the auxiliary peaking facility is a separate plant as contemplated by general instruction 12 of the Uniform System of Accounts.

Line No.	Location of Facility (a)	Type of Facility (b)	Maximum Daily Delivery Capacity of Facility Dth (c)	Cost of Facility (in dollars) (d)	Was Facility Operated on Day of Highest Transmission Peak Delivery? (e)
1	None				
2					
3					
4					
5					
6					
7					
8					
9					
10					
11					
12					
13					
14					
15					
16					
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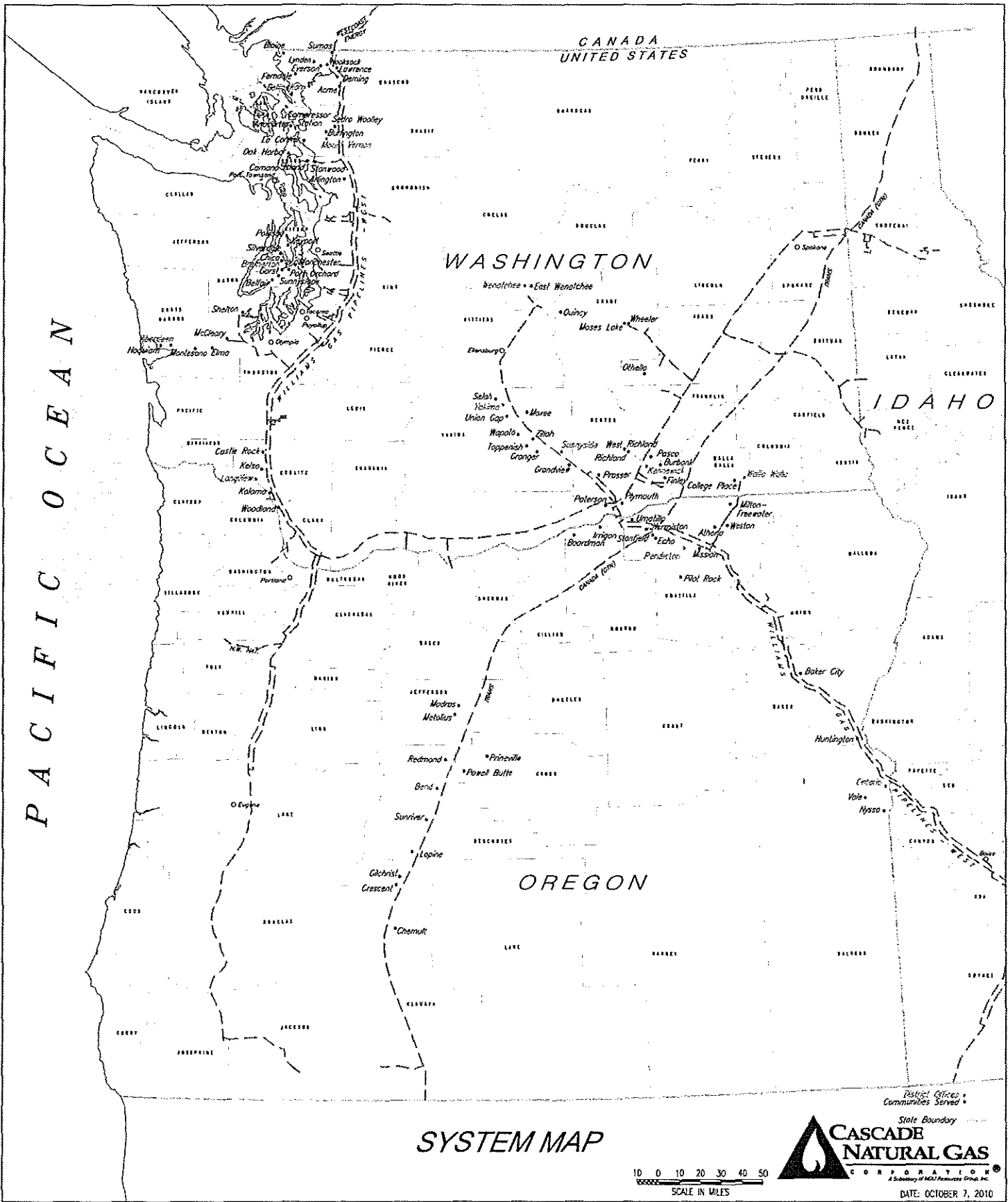
Name of Respondent Cascade Natural Gas Corporation		This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr)	Year of Report Dec. 31, 2011
GAS ACCOUNT - NATURAL GAS				
<p>1. The purpose of this schedule is to account for the quantity of natural gas received and delivered by the respondent.</p> <p>2. Natural gas means either natural gas unmixed or any mixture of natural and manufactured gas.</p> <p>3. Enter in column (c) the year to date Dth as reported in the schedules indicated for the items of receipts and deliveries.</p> <p>4. Enter in column (d) the respective quarter's Dth as reported in the schedules indicated for the items of receipts and deliveries.</p> <p>5. Indicate in a footnote the quantities of bundled sales and transportation gas and specify the line on which such quantities are listed.</p> <p>6. If the respondent operates two or more systems which are not interconnected, submit separate pages for this purpose.</p> <p>7. Indicate by footnote the quantities of gas not subject to Commission regulation which did not incur FERC regulatory costs by showing (1) the local distribution volumes another jurisdictional pipeline delivered to the local distribution company portion of the reporting pipeline (2) the quantities that the reporting pipeline transported or sold through its local distribution facilities or intrastate facilities and which the reporting pipeline received through gathering facilities or intrastate facilities, but not through any of the interstate portion of the reporting pipeline, and (3) the gathering line quantities that were not destined for interstate market or that were not transported through any interstate portion of the reporting pipeline.</p> <p>8. Indicate in a footnote the specific gas purchase expense account(s) and related to which the aggregate volumes reported on line No. 3 relate.</p> <p>9. Indicate in a footnote (1) the system supply quantities of gas that are stored by the reporting pipeline, during the reporting year and also reported as sales transportation and compression volumes by the reporting pipeline during the same reporting year, (2) the system supply quantities of gas that are stored by the reporting reporting pipeline, during the reporting year which the reporting pipeline intends to sell or transport in a future reporting year, and (3) contract storage quantities.</p> <p>10. Also indicate the volumes of pipeline production field sales that are included in both the company's total sales figure and the company's total transportation figure. Add additional information as necessary to the footnotes.</p>				
Line No.	Item (a)	Ref. Page No. of FERC Form Nos. 2/2-A (b)	Total Amount of Dth Year to Date (c)	Current 3 months Ended Amount of Dth Quarterly Only (d)
01 Name of System:				
2	GAS RECEIVED			
3	Gas purchases (Accounts 800-805)		30,603,384	10,312,328
4	Gas of others received for gathering (Account 489.1)	303	0	0
5	Gas of others received for transmission (Account 489.2)	305	0	0
6	Gas of others received for distribution (Account 489.3)	301	0	0
7	Gas of others received for contract storage (Account 489.4)	307	0	0
8	Exchanged gas received from others (Account 806)	328	0	0
9	Gas received as imbalances (Account 806)	328	0	0
10	Receipts of respondent's gas transported by others (Account 858)	332	0	0
11	Other gas withdrawn from storage (Explain)		1,146,732	337,017
12	Gas received from shippers as compressor station fuel		0	0
13	Gas received from shippers as lost and unaccounted for		0	0
14	Other receipts (specify) customer-owned gas		81,252,361	23,918,004
15	Total Receipts (Total of Lines 3 thru 14) -		113,002,477	34,567,348
16	GAS DELIVERED			
17	Gas sales (Accounts 480-484)	301	30,450,004	10,395,913
18	Deliveries of gas gathered for others (Account 489.1)	303	0	0
19	Deliveries of gas transported for others (Account 489.2)	301	81,252,361	23,918,004
20	Deliveries of gas distributed for others (Account 489.3)	301	0	0
21	Deliveries of contract storage gas (Account 489.4)	307	0	0
22	Exchange gas delivered to others (Account 806)	328	0	0
23	Gas delivered as imbalances (Account 806)	328	0	0
24	Deliveries of gas to others for transportation (Account 858)	332	0	0
25	Other gas delivered to storage (Explain)		1,201,701	200,433
26	Gas used for compressor station fuel	509	0	0
27	Other deliveries (Specify) Company used gas	331	15,912	3,979
28	Total Deliveries (Total Lines 17 thru 27) -		112,919,978	34,518,329
29	GAS UNACCOUNTED FOR			
30	Production system losses		0	0
31	Gathering system losses		0	0
32	Transmission system losses		0	0
33	Distribution system losses		82,499	49,019
34	Storage system losses		0	0
35	Other system losses (Specify)		0	0
36	Total Unaccounted For (Total of Lines 30 thru 35) -		82,499	49,019
37	Total Deliveries & Unaccounted For (Total of Lines 28 & 36) -		113,002,477	34,567,348

Name of Respondent Cascade Natural Gas Corporation	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr)	Year of report Dec. 31, 2011
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SYSTEM MAPS

1. Furnish five copies of a system map (one with each filed copy of this report) of the facilities operated by the respondent for the production, gathering, transportation, and sale of natural gas. New maps need not be furnished if no important change has occurred in the facilities operated by the respondent since the date of the maps furnished with a previous year's annual report. If, however, maps are not furnished for this reason, reference should be made in the space below to the year's annual report with which the maps were furnished.
2. Indicate the following information on the maps:
 - (a) Transmission lines,
 - (b) Incremental facilities,
 - (c) Location of gathering areas,
 - (d) Location of zones and rate areas,
 - (e) Location of storage fields,
 - (f) Location of natural gas fields,
 - (g) Location of compressor stations
 - (h) Normal direction of gas flow (indicated by arrows).
 - (i) Size of pipe,
 - (j) Location of products extraction plants, stabilization plants, purification plants, recycling areas, etc.
 - (k) Principal communities receiving service through the respondent's pipeline.
3. In addition, show on each map: graphic scale of the map; date of the facts the map purports to show, a legend giving all symbols and abbreviations used; designations of facilities leased to or from another company, giving name of such other company.
4. Maps not larger than 24 inches square are desired. If necessary, however, submit larger maps to show essential information. Fold the maps to a size not larger than this report. Bind the maps to the report

SEE MAP NEXT PAGE



Name of Respondent Cascade Natural Gas Corporation	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr)	Year of report Dec. 31, 2011
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FOOTNOTE REFERENCE

Page No. (a)	Line or Item No. (b)	Column No. (c)	Footnote No. (d)
	None		

Name of Respondent Cascade Natural Gas Corporation	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr)	Year of report Dec. 31, 2011
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FOOTNOTE TEXT

Footnote No. (a)	Footnote Text (b)
	<p align="center">None</p>

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THIS FILING IS

Item 1: An Initial (Original)
Submission

OR Resubmission No. ____

Form 2 Approved
OMB No. 1902-0028
(Expires 6/30/2011)

SUPPLEMENTAL REPORT TO
OREGON PUBLIC UTILITY COMMISSION



FERC FINANCIAL REPORT

FERC FORM No. 2: Annual Report of Major Natural Gas Companies

These reports are mandatory under the Natural Gas Act, Sections 10(a), and 16 and 18 CFR Parts 260.1 and 260.300. Failure to report may result in criminal fines, civil penalties, and other sanctions as provided by law. The Federal Energy Regulatory Commission does not consider these reports to be of a confidential nature.

Exact Legal Name of Respondent (Company)

Cascade Natural Gas Corporation

Year/Period of Report

End of 2011

**ANNUAL REPORT
OREGON SUPPLEMENT TO FERC FORM 2
FOR MULTI-STATE GAS COMPANIES
2011**

INDEX

<u>Page</u>	<u>Title</u>
1	Statement of Utility Operating Income for the Year
2	Gas Operating Revenues
3	Interdepartmental Sales – Natural Gas
3	Rent from Gas Property and Interdepartmental Rents
4-9	Gas Operation and Maintenance Expenses
10	Depreciation, Depletion, and Amortization of Gas Plant
11	Taxes, Other Than Income Taxes
12	Calculation of Current Federal Income Tax Expense
13	Calculation of Current State Income Taxes (Excise) Tax Expense
14-15	Accumulated Deferred Income Taxes, Account 190
16-17	Accumulated Deferred Income Taxes – Accelerated Amortization Property, Account 281
18-19	Accumulated Deferred Income Taxes – Other Property, Account 282
20-21	Accumulated Deferred Income Taxes – Other, Account 283
22A	Accumulated Deferred Investment Tax Credits, Account 255
23	Summary of Utility Plant and Accumulated Provisions for Depreciation, Amortization & Depletion – Situs
24-27	Gas Plant in Service by Account – Situs
28	Gas Plant Held for Future Use – Situs
29	Construction Work in Progress – Situs
30	Accumulated Provision for Depreciation of Gas Utility Plant – Situs
31	Summary of Utility Plant & Accumulated Provisions for Depreciation, Amortization & Depletion – Allocated
32-35	Gas Plant in Service By Account – Allocated
36	Gas Plant Held for Future Use – Allocated
37	Construction Work in Progress – Allocated
38	Accumulated Provision for Depreciation of Gas Utility Plant – Allocated
39	Gas Stored
40-42	Gas Purchases
43	Gas Used in Utility Operations – Credit
44-45	Gas Account – Natural Gas
46	Miscellaneous General Expenses
47	Political Advertising
48	Political Contributions
49	Expenditures to Any Person or Organization Having an Affiliated Interest for Services, etc.
50	Donations and Memberships
51	Officers' Salaries
52	Donations or Payments for Services Rendered By Persons Other Than Employees and Charged to Oregon Operating Accounts
53	Oregon Gas Utility Statistics



NAME OF RESPONDENT CASCADE NATURAL GAS CORPORATION	THIS REPORT IS: (1) <input checked="" type="checkbox"/> AN ORIGINAL (2) <input type="checkbox"/> A RESUBMISSION	DATE OF REPORT (M,D,Y)	YEAR OF REPORT DEC 31, 2011
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STATE OF OREGON - STATEMENT OF OPERATING INCOME FOR THE YEAR

LINE NO.	ACCOUNT (a)	(REF.) PAGE NO. (b)	GAS UTILITY	
			Current Year (c)	Previous Year (d)
UTILITY OPERATING INCOME				
1	Operating Revenues (400)	2	80,606,310	77,799,852
2	Operating Expenses			
3	Operation Expenses (401)	4-9	59,996,562	61,718,125
4	Maintenance Expenses (402)	4-9	1,018,109	751,692
5	Depreciation Expense (403)	10	4,257,760	4,225,732
6	Amortization & Depletion of Utility Plant (404-405)	10	171,985	49,957
7	Amortization of Utility Plant Acquisition Adjustment (406)	10	-	-
8	Amortization of Property Losses, Unrecovered Plant and Regulatory Study Costs (407.1)		-	-
9	Amortization of Conversion Expenses (407)		(305,000)	305,000
10	Taxes Other Than Income Taxes (408.1)	11	5,085,887	5,147,525
11	Income Taxes - Federal (409.1)	12	546,689	(59,326)
12	Income Taxes - Other (409.1)	13	(45,800)	469,011
13	Provision for Deferred Income Taxes (410.1)	14-21	1,946,522	595,864
14	(Less) Provision for Deferred Income Taxes - Cr. (411.1)	14-21	-	-
15	Investment Tax Credit Adjustment - Net (411.4)	22	(18,376)	(19,447)
16	(Less) Gains from Disposition of Utility Plant (411.6)		-	-
17	Losses from Disposition of Utility Plant (411.7)		-	-
18	TOTAL Utility Operating Expenses (Enter Total of lines 4 through 18)		72,654,338	\$ 73,184,133
19	Net Utility Operating Income (Enter Total of line 2 less 19)		7,951,972	\$ 4,615,719

NAME OF RESPONDENT CASCADE NATURALGAS CORPORATION	THIS REPORT IS: (1) <input checked="" type="checkbox"/> AN ORIGINAL (2) <input type="checkbox"/> A RESUBMISSION	DATE OF REPORT (M,D,Y)	YEAR OF REPORT DEC 31, 2011
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STATE OF OREGON - GAS OPERATING REVENUES (ACCOUNT 400)

LINE NO.	ACCOUNT (a)	OPERATING REVENUES		MCF OF NATURAL GAS SOLD		AVG. NO. OF NAT. GAS CUSTOMERS PER MO.	
		CURRENT YEAR (b)	PREVIOUS YEAR (c)	CURRENT YEAR (d)	PREVIOUS YEAR (e)	CURRENT YEAR (f)	PREVIOUS YEAR (g)
1	GAS SERVICE REVENUES						
2	480 Residential Sales	\$ 44,026,559	\$ 41,169,943	3,852,695	3,662,560	54,891	54,373
3	481 Commercial and Industrial Sales						
4	Small or Commercial	\$ 26,889,533	\$ 27,535,309	2,752,602	2,688,889	9,367	9,267
5	Large or Industrial	\$ 5,481,389	\$ 5,174,763	624,579	570,053	97	93
6	482 Other Sales to Public Authorities						
7	484 Interdepartmental Sales						
8	TOTAL Sales to Ultimate Consumers	\$ 76,397,481	\$ 73,880,015	7,229,876	6,921,502	64,355	63,733
9	483 Sales for Resale						
10	TOTAL Natural Gas Service Revenues	\$ 76,397,481	\$ 73,880,015	7,229,876	6,921,502	64,355	63,733
11	Revenues from Manufactured Gas						
12	TOTAL Gas Service Revenues	\$ 76,397,481	\$ 73,880,015				
13	OTHER OPERATING REVENUES						
14	485 Intracompany Transfers						
15	487 Forfeited Discounts						
16	488 Miscellaneous Service Revenues	\$ 333,197	\$ 76,827				
17	489 Revenue from Trans. of Gas of Others	\$ 3,913,606	\$ 3,795,269				
18	490 Sales of Prod. Ext. from Natural Gas						
19	491 Revenue from Natural Gas Proc. by Others						
20	492 Incidental Gasoline and Oil Sales						
21	493 Rent from Gas Property	\$ 13,000	\$ 13,435				
22	494 Interdepartmental Rents						
23	495 Other Gas Revenues	\$ 6,219	\$ 34,306				
24	TOTAL Other Operating Revenues	\$ 4,266,022	\$ 3,919,837				
25	TOTAL Gas Operating Revenues	\$ 80,663,503	\$ 77,799,852				
26	(Less) 496 Provision for Rate Refunds						
27	TOTAL Gas Operating Revenues Net of Provision for Refunds	\$ -	\$ -				
28	Dist. Type Sales by States (Incl. Main Line Sales to Residential and Commercial Customers)	\$ 70,916,092		6,605,297			
29	Main Line Industrial Sales (Incl. Main Line Sales to Public Authorities)	\$ 5,481,389		624,579			
30	Sales for Resale						
31	Other Sales to Public Authority (Local Dist. Only)						
32	Interdepartmental Sales						
33	TOTAL (Same as Line 10, Columns (b) and (d))	\$ 76,397,481		7,229,876			

NOTES:

NAME OF RESPONDENT CASCADE NATURAL GAS CORPORATION	THIS REPORT IS: (1) <input checked="" type="checkbox"/> AN ORIGINAL (2) <input type="checkbox"/> A RESUBMISSION	DATE OF REPORT (M,D,Y)	YEAR OF REPORT DEC 31, 2011
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STATE OF OREGON - INTERDEPARTMENTAL SALES - NATURAL GAS (Account 484)

Report particulars concerning sales of natural gas included in Account 484.

LINE NO.	DEPARTMENT AND BASIS OF CHARGES (a)	POINT OF DELIVERY (b)	MCF (14.74 psia AT 60 F) (c)	REVENUE (d)
	NONE			

RENT FROM GAS PROPERTY AND INTERDEPARTMENTAL RENTS (Accounts 493, 494)

1. Report particulars concerning rents received, included in Accounts 493 and 494.
2. Minor rents may be entered at the total amount for each class of such rents.
3. If rents are included which were arrived at under an arrangement for apportioning expenses of a joint facility, whereby the amount included in this account represents profit or return on property, depreciation, and taxes, give particulars and the basis of apportionment of such charges to Account 493 or 494.
4. Provide a subheading and total for each account.

LINE NO.	NAME OF LESSEE OR DEPARTMENT (Designate associated companies) (a)	DESCRIPTION OF PROPERTY (b)	AMOUNT OF REVENUE FOR YEAR	
			NATURAL GAS PROPERTY (c)	MANUFACTURED GAS PROPERTY (d)
	<u>Account 493</u>			
	Stone Bros., Inc.	Northern portion of parking lot at the Hermiston office for a latte stand	\$ 13,000	
	Allocation of Rent Paid by MDUR Group		\$ -	
	Total Account 493		\$ 13,000	

NAME OF RESPONDENT CASCADE NATURAL GAS CORPORATION	THIS REPORT IS: (1) <input checked="" type="checkbox"/> AN ORIGINAL (2) <input type="checkbox"/> A RESUBMISSION	DATE OF REPORT (M,D,Y)	YEAR OF REPORT DEC 31, 2011
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STATE OF OREGON - ALLOCATED GAS OPERATION AND MAINTENANCE EXPENSES

If the amount for previous year is not derived from previously reported figures, explain in footnotes

LINE NO.	ACCOUNT (a)	CURRENT YEAR (b)	PREVIOUS YEAR (c)
1	1. PRODUCTION EXPENSES		
2	A. Manufactured Gas Production		
3	Manufactured Gas Production (Detail Page 4A)	0	0
4	B. Natural Gas Production		
5	B1. Natural Gas Production and Gathering		
6	Operation		
7	750 Operation Supervision and Engineering		
8	751 Production Maps and Records		
9	752 Gas Wells Expenses		
10	753 Field Lines Expenses		
11	754 Field Compressor Station Expenses		
12	755 Field Compressor Station Fuel and Power		
13	756 Field Measuring and Regulating Station Expenses		
14	757 Purification Expenses		
15	758 Gas Well Royalties		
16	759 Other Expenses		
17	760 Rents		
18	Total Operation (Enter Total of lines 7 thru 17)	None	None
19	Maintenance		
20	761 Maintenance Supervision and Engineering		
21	762 Maintenance of Structures and Improvements		
22	763 Maintenance of Producing Gas Wells		
23	764 Maintenance of Field Lines		
24	765 Maintenance of Field Compressor Station Equipment		
25	766 Maintenance of Field Meas. and Reg. Sta. Equipment		
26	767 Maintenance of Purification Equipment		
27	768 Maintenance of Drilling and Cleaning Equipment		
28	769 Maintenance of Other Equipment		
29	TOTAL Maintenance (Enter Total of lines 20 thru 28)	None	None
30	TOTAL Natural Gas Production & Gathering (Total of lines 18 and 29)	None	None
31	B2. Products Extraction		
32	Operation		
33	770 Operation Supervision and Engineering		
34	771 Operation Labor		
35	772 Gas Shrinkage		
36	773 Fuel		
37	774 Power		
38	775 Materials		
39	776 Operation Supplies and Expenses		
40	777 Gas Processed by Others		
41	778 Royalties on Products Extracted		
42	779 Marketing Expenses		
43	780 Products Purchases for Resale		
44	781 Variation in Products Inventory		
45	(Less) 782 Extracted Products Used by the Utility - Credit		
46	783 Rents		
47	TOTAL Operation (Enter Total of lines 33 thru 46)	None	None

NAME OF RESPONDENT	THIS REPORT IS:	DATE OF REPORT	YEAR OF REPORT
CASCADE NATURAL GAS CORPORATION	(1) <input checked="" type="checkbox"/> AN ORIGINAL (2) <input type="checkbox"/> A RESUBMISSION	(M,D,Y)	DEC 31, 2011

STATE OF OREGON - ALLOCATED GAS OPERATION AND MAINTENANCE EXPENSES (Con't)

LINE NO.	ACCOUNT (a)	CURRENT YEAR (b)	PREVIOUS YEAR (c)
1	A. Manufactured Gas Production Detail		

NAME OF RESPONDENT CASCADE NATURAL GAS CORPORATION	THIS REPORT IS: (1) <input checked="" type="checkbox"/> AN ORIGINAL (2) <input type="checkbox"/> A RESUBMISSION	DATE OF REPORT (M,D,Y)	YEAR OF REPORT DEC 31, 2011
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STATE OF OREGON - ALLOCATED GAS OPERATION AND MAINTENANCE EXPENSES (Con't)

LINE NO.	ACCOUNT (a)	CURRENT YEAR (b)	PREVIOUS YEAR (c)
	B2. Products Extraction (Con't)		
48	Maintenance		
49	784 Maintenance Supervision and Engineering		
50	785 Maintenance of Structures and Improvements		
51	786 Maintenance of Extraction and Refining Equipment		
52	787 Maintenance of Pipe Lines		
53	788 Maintenance of Extracted Products Storage Equipment		
54	789 Maintenance of Compressor Equipment		
55	790 Maintenance of Gas Measuring and Reg. Equipment		
56	791 Maintenance of Other Equipment		
57	TOTAL Maintenance (Enter Total of lines 49 thru 56)	None	None
58	TOTAL Products Extraction (Enter Total of lines 47 and 57)	None	None
59	C. Exploration and Development		
60	Operation		
61	795 Delay Rentals		
62	796 Nonproductive Well Drilling		
63	797 Abandoned Leases		
64	798 Other Exploration		
65	TOTAL Exploration & Development (Enter Total of lines 61 thru 64)	None	None
	D. Other Gas Supply Expenses		
66	Operation		
67	800 Natural Gas Well Head Purchases		
68	800.1 Natural Gas Well Head Purchases, Intracompany Transfers		
69	801 Natural Gas Field Line Purchases		
70	802 Natural Gas Gasoline Plant Outlet Purchases		
71	803 Natural Gas Transmission Line Purchases		
72	804 Natural Gas City Gate Purchases	\$ 45,198,896	\$ 54,476,684
73	804.1 Liquefied Natural Gas Purchases		
74	805 Other Gas Purchases		
75	(Less) 805.1 Purchased Gas Cost Adjustments	\$ 3,982,488	\$ (4,547,220)
76	805.2 Incremental Gas Cost Adjustments		
77	TOTAL Purchased Gas (Enter Total of lines 67 to 75)	\$ 49,181,384	\$ 49,929,464
78	806 Exchange Gas	\$ -	\$ -
79	Purchased Gas Expenses		
80	807.1 Well Expenses - Purchased Gas		
81	807.2 Operation of Purchased Gas Measuring Stations		
82	807.3 Maintenance of Purchased Gas Measuring Stations		
83	807.4 Purchased Gas Calculations Expenses		
84	807.5 Other Purchased Gas Expenses		
85	TOTAL Purchased Gas Expenses (Enter Total of lines 80 thru 84)	None	None
86	808.1 Gas Withdrawn from Storage - Debit	\$ 500,317	\$ 644,534
87	(Less) 808.2 Gas Delivered to Storage - Credit	\$ -	\$ -
88	809.1 Withdrawals of Liquefied Natural Gas for Processing - Debit		
89	(Less) 809.2 Deliveries of Natural Gas for Processing - Credit		
90	(Less) Gas Used in Utility Operations - Credit		
91	810 Gas Used for Compressor Station Fuel - Credit		
92	811 Gas Used for Products Extraction - Credit		
93	812 Gas Used for Other Utility Operations - Credit	\$ (25,069)	\$ (18,268)
94	TOTAL Gas Used in Utility Operations - Credit (Lines 91 thru 93)	\$ (25,069)	\$ (18,268)
95	813 Other Gas Supply Expenses	\$ 22,289	\$ -
96	TOTAL Other Gas Supply Exp (Lines 77, 78, 85, 86 thru 89, 94, 95)	\$ 49,678,921	\$ 50,555,730
97	TOTAL Production Expenses (Total of lines 3, 30, 58, 65 and 96)	\$ 49,678,921	\$ 50,555,730

NAME OF RESPONDENT CASCADE NATURAL GAS CORPORATION	THIS REPORT IS: (1) <input checked="" type="checkbox"/> AN ORIGINAL (2) <input type="checkbox"/> A RESUBMISSION	DATE OF REPORT (M,D,Y)	YEAR OF REPORT DEC 31, 2011
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STATE OF OREGON - ALLOCATED GAS OPERATION AND MAINTENANCE EXPENSES

LINE NO.	ACCOUNT (a)	CURRENT YEAR (b)	PREVIOUS YEAR (c)
98	2. NATURAL GAS STORAGE, TERMINALING & PROCESSING EXPENSES		
99	A. Underground Storage Expenses		
100	Operation		
101	814 Operation Supervision and Engineering		
102	815 Maps and Records		
103	816 Wells Expenses		
104	817 Lines Expense		
105	818 Compressor Station Expenses		
106	819 Compressor Station Fuel and Power		
107	820 Measuring and Regulating Station Expenses		
108	821 Purification Expenses		
109	822 Exploration and Development		
110	823 Gas Losses		
111	824 Other Expenses		
112	825 Storage Well Royalties		
113	826 Rents		
114	TOTAL Operation (Enter Total of lines 101 thru 113)	None	None
115	Maintenance		
116	830 Maintenance Supervision and Engineering		
117	831 Maintenance of Structures and Improvements		
118	832 Maintenance of Reservoirs and Wells		
119	833 Maintenance of Lines		
120	834 Maintenance of Compressor Station Equipment		
121	835 Maintenance of Measuring and Regulating Station Equipment		
122	836 Maintenance of Purification Equipment		
123	837 Maintenance of Other Equipment		
124	TOTAL Maintenance (Enter Total of lines 116 thru 123)	None	None
125	TOTAL Underground Storage Expenses (Total of lines 114 and 124)	None	None
126	B. Other Storage Expenses		
127	Operation		
128	840 Operation Supervision and Engineering		
129	841 Operation Labor and Expenses		
130	842 Rents		
131	842.1 Fuel		
132	842.2 Power		
133	842.3 Gas Losses		
134	TOTAL Operation (Enter Total of lines 128 thru 133)	None	None
135	Maintenance		
136	843.1 Maintenance Supervision and Engineering		
137	843.2 Maintenance of Structures and Improvements		
138	843.3 Maintenance of Gas Holders		
139	843.4 Maintenance of Purification Equipment		
140	843.5 Maintenance of Liquefaction Equipment		
141	843.6 Maintenance of Vaporizing Equipment		
142	843.7 Maintenance of Compressor Equipment		
143	843.8 Maintenance of Measuring and Regulating Equipment		
144	843.9 Maintenance of Other Equipment		
145	TOTAL Maintenance (Enter Total of lines 136 thru 144)	None	None
146	TOTAL Other Storage Expenses (Enter Total of lines 134 and 145)	None	None

NAME OF RESPONDENT		THIS REPORT IS:	DATE OF REPORT	YEAR OF REPORT
CASCADE NATURAL GAS CORPORATION		(1) <input checked="" type="checkbox"/> AN ORIGINAL (2) <input type="checkbox"/> A RESUBMISSION	(M,D,Y)	DEC 31, 2011
STATE OF OREGON - ALLOCATED GAS OPERATION AND MAINTENANCE EXPENSES (Con't)				
LINE NO.	ACCOUNT (a)	CURRENT YEAR (b)	PREVIOUS YEAR (c)	
147	C. Liquefied Natural Gas Terminating and Processing Expenses			
148	Operation			
149	844.1 Operation Supervision and Engineering			
150	844.2 LNG Processing Terminal Labor and Expenses			
151	844.3 Liquefaction Processing Labor and Expenses			
152	844.4 Liquefaction Transportation Labor and Expenses			
153	844.5 Measuring and Regulation Labor and Expenses			
154	844.6 Compressor Station Labor and Expenses			
155	844.7 Communication System Expenses			
156	844.8 System Control and Load Dispatching			
157	845.1 Fuel			
158	845.2 Power			
159	845.3 Rents			
160	845.4 Demurrage Charges			
161	(Less) 845.5 Wharfage Receipts - Credit			
162	845.6 Processing Liquefied or Vaporized Gas by Others			
163	846.1 Gas Losses			
164	846.2 Other Expenses			
165	TOTAL Operation (Enter Total of lines 149 thru 164)	None	None	
166	Maintenance			
167	847.1 Maintenance Supervision and Engineering			
168	847.2 Maintenance of Structures and Improvements			
169	847.3 Maintenance of LNG Processing Terminal Equipment			
170	847.4 Maintenance of LNG Transportation Equipment			
171	847.5 Maintenance of Measuring and Regulating Equipment			
172	847.6 Maintenance of Compressor Station Equipment			
173	847.7 Maintenance of Communication Equipment			
174	847.8 Maintenance of Other Equipment			
175	TOTAL Maintenance (Enter Total of lines 167 thru 174)	None	None	
176	TOTAL Liquefied Nat Gas Terminating & Process Exp (Lines 165 & 175)	None	None	
177	TOTAL Natural Gas Storage (Enter Total of lines 125, 146, and 176)	None	None	
178	3. TRANSMISSION EXPENSES			
179	Operation			
180	850 Operation Supervision and Engineering			
181	851 System Control and Load Dispatching			
182	852 Communication System Expenses			
183	853 Compressor Station Labor and Expenses			
184	854 Gas for Compressor Station Fuel			
185	855 Other Fuel and Power for Compressor Stations			
186	856 Mains Expenses			
187	857 Measuring and Regulating Station Expenses			
188	858 Transmission and Compression of Gas by Others			
189	859 Other Expenses			
190	860 Rents			
191	TOTAL Operation (Enter Total of lines 180 thru 190)	None	None	
192	Maintenance			
193	861 Maintenance Supervision and Engineering			
194	862 Maintenance of Structures and Improvements			
195	863 Maintenance of Mains			
196	864 Maintenance of Compressor Station Equipment			
197	865 Maintenance of Measuring and Reg. Station Equipment			
198	866 Maintenance of Communication Equipment			
199	867 Maintenance of Other Equipment			
200	TOTAL Maintenance (Enter Total of lines 193 thru 199)	None	None	
201	TOTAL Transmission Expenses (Enter Total of lines 191 and 200)	None	None	

NAME OF RESPONDENT CASCADE NATURAL GAS CORPORATION	THIS REPORT IS: (1) <input checked="" type="checkbox"/> AN ORIGINAL (2) <input type="checkbox"/> A RESUBMISSION	DATE OF REPORT (M,D,Y)	YEAR OF REPORT DEC 31, 2011
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STATE OF OREGON - ALLOCATED GAS OPERATION AND MAINTENANCE EXPENSES (Con't)

LINE NO.	ACCOUNT (a)	CUURENT YEAR (b)	PREVIOUS YEAR (c)
202	4. DISTRIBUTION EXPENSES		
203	Operation		
204	870 Operation Supervision and Engineering	\$ 259,735	\$ 219,936
205	871 Distribution Load Dispatching	\$ 115,655	\$ 234,693
206	872 Compressor Station Labor and Expenses	\$ 39	\$ 1,385
207	873 Compressor Station Fuel and Power		\$ -
208	874 Mains and Services Expenses	\$ 607,660	\$ 527,615
209	875 Measuring and Regulating Station Expenses - General	\$ 206,392	\$ 135,639
210	876 Measuring and Regulating Station Expenses - Industrial	\$ 28,965	\$ 44,213
211	877 Measuring & Regulating Station Exp - City Gate Check Station		\$ -
212	878 Meter and House Regulator Expenses	\$ 343,068	\$ 352,266
213	879 Customer Installations Expenses	\$ 439,635	\$ 427,696
214	880 Other Expenses	\$ 881,951	\$ 684,948
215	881 Rents	\$ 16,236	\$ 75,226
216	TOTAL Operation (Enter Total of lines 204 thru 215)	\$ 2,899,336	\$ 2,703,617
217	Maintenance		
218	885 Maintenance Supervision and Engineering	\$ 259	\$ 1,605
219	886 Maintenance of Structures and Improvements	\$ 11,486	\$ 2,832
220	887 Maintenance of Mains	\$ 208,724	\$ 173,225
221	888 Maintenance of Compressor Station Equipment	\$ 5,286	\$ -
222	889 Maintenance of Meas. and Reg. Sta. Equip. - General	\$ 106,843	\$ 64,897
223	890 Maintenance of Meas. and Reg. Sta. Equip. - Industrial	\$ 34,695	\$ 26,830
224	891 Maint. of Meas. & Reg. Sta. Equip. - City Gate Check Station		\$ -
225	892 Maintenance of Services	\$ 171,240	\$ 122,521
226	893 Maintenance of Meters and House Regulators	\$ 294,465	\$ 210,770
227	894 Maintenance of Other Equipment	\$ 163,182	\$ 114,250
228	TOTAL Maintenance (Enter Total of lines 218 thru 227)	\$ 996,180	\$ 716,930
229	TOTAL Distribution Expenses (Enter Total of lines 216 and 228)	\$ 3,895,516	\$ 3,420,547
230	5. CUSTOMER ACCOUNTS EXPENSES		
231	Operation		
232	901 Supervision	\$ 14,932	\$ 11,446
233	902 Meter Reading Expenses	\$ 126,925	\$ 119,064
234	903 Customer Records and Collection Expenses	\$ 988,282	\$ 1,011,709
235	904 Uncollectible Accounts	\$ 189,812	\$ 492,038
236	905 Miscellaneous Customer Accounts Expenses	\$ 5,908	\$ (33,388)
237	TOTAL Customer Accounts Expenses (Total of lines 232 thru 236)	\$ 1,325,859	\$ 1,600,869
238	6. CUSTOMER SERVICE AND INFORMATIONAL EXPENSES		
239	Operation		
240	907 Supervision	\$ -	\$ 757
241	908 Customer Assistance Expenses	\$ 577,611	\$ 506,940
242	909 Informational and Instructional Expenses	\$ 17,190	\$ 8,628
243	910 Miscellaneous Customer Service and Informational Expenses	\$ 87	\$ 90
244	TOTAL Customer Service & Information Expenses (Lines 240 thru 243)	\$ 594,888	\$ 516,415
245	7. SALES EXPENSES		
246	Operation		
247	911 Supervision	\$ -	\$ -
248	912 Demonstrating and Selling Expenses	\$ -	\$ -
249	913 Advertising Expenses	\$ 3,400	\$ 2,859
250	916 Miscellaneous Sales Expenses	\$ -	\$ -
251	TOTAL Sales Expenses (Enter Total of lines 247 thru 250)	\$ 3,400	\$ 2,859

NAME OF RESPONDENT CASCADE NATURAL GAS CORPORATION	THIS REPORT IS: (1) <input checked="" type="checkbox"/> AN ORIGINAL (2) <input type="checkbox"/> A RESUBMISSION	DATE OF REPORT (M,D,Y)	YEAR OF REPORT DEC 31, 2011
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STATE OF OREGON - ALLOCATED GAS OPERATION AND MAINTENANCE EXPENSES (Con't)

LINE NO.	ACCOUNT (a)	CURRENT YEAR (b)	PREVIOUS YEAR (c)
252	8. ADMINISTRATIVE AND GENERAL EXPENSES		
253	Operation		
254	920 Administrative and General Salaries	\$ 1,517,248	\$ 3,059,497
255	921 Office Supplies and Expenses	\$ 1,413,739	\$ 1,245,004
256	(Less) 922 Administrative Expenses Transferred - Cr.	\$ (128,197)	\$ (124,534)
257	923 Outside Services Employed	\$ 422,202	\$ 501,743
258	924 Property Insurance	\$ 20,373	\$ 24,291
259	925 Injuries and Damages	\$ 273,066	\$ 329,210
260	926 Employee Pensions and Benefits	\$ 1,455,688	\$ 791,127
261	927 Franchise Requirements	\$ -	\$ -
262	928 Regulatory Commission Expenses	\$ -	\$ -
263	(Less) 929 Duplicate Charges - Cr.	\$ -	\$ -
264	930.1 General Advertising Expenses	\$ 23,307	\$ 8,944
265	930.2 Miscellaneous General Expenses	\$ 153,696	\$ 479,777
266	931 Rents	\$ 343,036	\$ 23,576
267	TOTAL Operation (Enter Total lines 254 thru 266)	\$ 5,494,158	\$ 6,338,635
268	Maintenance		
269	935 Maintenance of General Plant	\$ 21,929	\$ 34,761
270	TOTAL Administrative and General Exp (Total of lines 267 and 269)	\$ 5,516,087	\$ 6,373,396
271	TOTAL Gas O. & M. Exp (Lines 97,177,201,229,237,244,251 and 270)	\$ 61,014,671	\$ 62,469,816

STATE OF OREGON - ALLOCATED GAS OPERATION AND MAINTENANCE EXPENSES

LINE NO.	FUNCTIONAL CLASSIFICATIONS (a)	OPERATION (b)	MAINTENANCE (c)	TOTAL (d)
272	Production			
273	Manufactured Gas	\$ -	\$ -	\$ -
274	Natural Gas:			
275	Production and Gathering		\$ -	\$ -
276	Products Extraction		\$ -	\$ -
277	Exploration and Dev		\$ -	\$ -
278	TOTAL Natural Gas		\$ -	\$ -
279	Other Gas Supply Expenses	\$ 49,678,921	\$ -	\$ 49,678,921
280	TOTAL Production	\$ 49,678,921	\$ -	\$ 49,678,921
281	Underground Storage			
282	Other Storage			\$ -
283	LNG Terminiling and Processing			\$ -
284	Transmission Expenses			\$ -
285	Distribution Expenses	\$ 2,899,336	\$ 996,180	\$ 3,895,516
286	Customer Accounts Expenses	\$ 1,325,859	\$ -	\$ 1,325,859
287	Customer Service and Informational Expenses	\$ 594,888	\$ -	\$ 594,888
288	Sales Expenses	\$ 3,400	\$ -	\$ 3,400
289	Admin and General Expenses	\$ 5,494,158	\$ 21,929	\$ 5,516,087
290	TOTAL Gas O. & M. Expenses	\$ 59,996,562	\$ 1,018,109	\$ 61,014,671

NAME OF RESPONDENT		THIS REPORT IS:		DATE OF REPORT		YEAR OF REPORT	
CASCADE NATURALGAS CORPORATION		(1) <input checked="" type="checkbox"/> AN ORIGINAL (2) <input type="checkbox"/> A RESUBMISSION		(M,D,Y)		DEC 31, 2011	
STATE OF OREGON - ALLOCATED DEPRECIATION, DEPLETION, AND AMORTIZATION OFF GAS PLANT (Account 403, 404.1, 404.2, 404.3, 405) (Except Amortization of Acquisition Adjustments)							
Report the amounts of depreciation expense, depletion and amortization for the accounts indicated and classify according to the plant functional groups shown.							
LINE NO.	FUNCTIONAL CLASSIFICATION (a)	DEPRECIATION EXPENSE (ACCOUNT 403) (b)	AMORTIZATION & DEPLETION OF PRODUCING NATURAL GAS LAND & LAND RIGHTS (ACCOUNT 404.1) (c)	AMORTIZATION OF UNDERGROUND STORAGE LAND & LAND RIGHTS (ACCOUNT 404.2) (d)	AMORTIZATION OF OTHER LIMITED-TERM GAS PLANT (ACCOUNT 404.3) (e)	AMORTIZATION OF OTHER GAS PLANT (ACCOUNT 405) (f)	TOTAL (g)
1	Intangible plant			171,985			171,985
2	Production plant, manufactured gas						-
3	Production and gathering plant, Natural Gas						-
4	Products extraction plant						-
5	Underground gas storage plant						-
6	Othr storage plant						-
7	Base load LNG terminaling and processing plant						-
8	Transmission plant	184,584					184,584
9	Distribution plant	3,639,188					3,639,188
10	General plant	433,988					433,988
11	Common plant - gas						-
12							
13							
14							
15							
16							
17							
18							
19	TOTAL	4,257,760	-	171,985	-	-	4,429,745

NAME OF RESPONDENT CASCADE NATURAL GAS CORPORATION	THIS REPORT IS: (1) <input checked="" type="checkbox"/> AN ORIGINAL (2) <input type="checkbox"/> A RESUBMISSION	DATE OF REPORT (M,D,Y)	YEAR OF REPORT DEC 31, 2011
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STATE OF OREGON - ALLOCATED TAXES, OTHER THAN INCOME TAXES (Account 408.1)

LINE NO.	KIND OF TAX (a)	AMOUNT (b)
1	Property Tax	1,306,548
2	Payroll Taxes	392,808
3	Oregon PUC Regulatory Fee	194,500
4	Oregon Department of Energy Fee	66,183
5	City Franchise Taxes	3,106,054
6	Miscellaneous Taxes	19,794
TOTAL (Must agree with page 1, line 11)		5,085,887

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[Next page is 12]

Name of Respondent Cascade Natural Gas Corporation	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr)	Year of Report Dec. 31, 2011
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STATE OF OREGON - ALLOCATED CALCULATION OF CURRENT FEDERAL INCOME TAX EXPENSE (Account 409.1)

1. Report amounts used to derive current Federal income tax expense, Account 409.1, for the reporting period. If amounts are shown in thousands, show (000) in the heading for column (b).
2. Show amounts increasing taxable income as positive values and amounts decreasing taxable income as negative.
3. Current tax expense on this schedule must match the amount reported on page 1, line 12 of this report. Separately identify adjustments arising from revisions of prior year accruals.
4. Minor amounts of other additions (subtractions) may be grouped.

Line No.	PARTICULARS (Details) (a)	Amount (b)
1	Gas Operating Revenues	322,598,896
2	Operations and Maintenance Expenses	(234,062,916)
3	Taxes, Other than Income	(29,581,713)
4	State Income (Excise) Tax	50,141
5	Interest	(11,128,263)
6	Other Income	(786,377)
7	Federal Income Tax Depreciation	
8	Pre-1981	(518,095)
9	Post-1980	(47,171,182)
10	Other Additions (Subtractions) to Derive Taxable Income	
11	CIAC	998,045
12	Tax Gain (loss) on disposal of assets:	
13	Pre-1981 assets	(414,461)
14	Post-1980 assets	56,495
15	Vacation Accrual adjustment	216,275
16	Retiree Medical Accrual adjustment	(1,408,182)
17	Amort of loss on reacquired debt (4281)	246,390
18	SFAS No.87 pension plan accrual	(3,947,249)
19	SFAS No.87 accrual-SERP DO add back bk expense	259,972
20	SERP-perm difference piece	(185,253)
21	Bad Debt Adjustment	(785,412)
22	Charitable Contributions (5981.4261)	142,363
23	Permanent diff's	
24	50 % of business meals & entertainment	176,570
25	Penalties (5984)	423,383
26	Lobbying (5912.4264)	18,046
27	Tax exempt interest	164,529
28	Interest capitalized adj (IRS>books)	(27,204)
29	Customer Advances - 2520.000 to 2520.2991	(163,767)
30	CC&B Deduction	(400,000)
31	263A Adjustment - UNICAP	21,646
32	401K Dividends (MDUR)	(101,353)
33	Severance accrual - prior year	(121,000)
34	Deferred Gas Costs	4,267,019
35	Royalty Income (15% of royalty income receipts)	(4,708)
36	Broken Meter interest charges	12,436
37	Bremerton MGP expenses deferred	(374,808)
38	Federal Tax Net Income	(1,529,717)
39	Show Computation of Tax:	
40	Federal Tax Rate	35%
41	Estimated Federal Tax	(535,401)
42	Adjustments to Estimated Federal Tax	
43	Difference between 12/31/10 accrual and tax return	1,768,241
44	FIN48 adjustment for 2007 - 2009 audit	716,810
45	Provision for Current Federal Income Tax	1,949,650
46	Allocated to:	Total
47	Washington	1,419,440
48	Oregon	546,689
49	Total	1,966,129
		(12,473)
		(4,006)
		1,406,967
		542,683
		1,949,650

Name of Respondent Cascade Natural Gas Corporation	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr)	Year of Report Dec. 31, 2011
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STATE OF OREGON - ALLOCATED CALCULATION OF CURRENT STATE INCOME TAX EXPENSE (Account 409.1)

1. Report amounts used to derive current state income (excise) tax expense, Account 409.1, for the reporting period. If amounts are shown in thousands, show (000) in the heading for column (b).
2. Show amounts increasing taxable income as positive values and amounts decreasing taxable income as negative.
3. Current tax expense on this schedule must match the amount reported on page 1, line 13 of this report. Separately identify adjustments arising from revisions of prior year accruals.
4. Minor amounts of other additions (subtractions) may be grouped.

Line No.	particulars (Details) (a)	Amount (b)
1	Gas Operating Revenues	322,598,896
2	Operations and Maintenance Expenses	(234,062,916)
3	Taxes, Other than Income	(29,581,713)
4	State Income (Excise) Tax	
5	Interest	(11,128,263)
6	Other Income	(786,377)
7	Federal Income Tax Depreciation	-
8	Pre-1981	(518,095)
9	Post-1980	(48,890,025)
10	Other Additions (Subtractions) to Derive Taxable Income	-
11	CIAC	998,045
12	Tax Gain (loss) on disposal of assets:	-
13	Pre-1981 assets	(414,461)
14	Post-1980 assets	56,495
15	Vacation Accrual adjustment	216,275
16	Retiree Medical Accrual adjustment	(1,408,182)
17	Amort of loss on reacquired debt (4281)	246,390
18	SFAS No.87 pension plan accrual	(3,947,249)
19	SFAS No.87 accrual-SERP DO add back bk expense	259,972
20	SERP-perm difference piece	(185,253)
21	Bad Debt Adjustment	(785,412)
22	Charitable Contributions (5981.4261)	142,363
23	Permanent diff's	-
24	50 % of business meals & entertainment	176,570
25	Penalties (5984)	423,383
26	Lobbying (5912.4264)	18,046
27	Tax exempt interest	164,529
28	Interest capitalized adj (IRS>books)	(27,204)
29	Customer Advances - 2520.000 to 2520.2991	(163,767)
30	CC&B Deduction	(400,000)
31	263A Adjustment - UNICAP	21,646
32	401K Dividends (MDUR)	(101,353)
33	Severance accrual - prior year	(121,000)
34	Deferred Gas Costs	4,267,019
35	Royalty Income (15% of royalty income receipts)	(4,708)
36	Broken Meter Interest charges	12,436
37	Bremerton MGP expenses deferred	(374,808)
38	Federal Tax Net Income	(3,298,721)
39	Oregon Apportionment Rate	20%
40	State Tax Net Income	(659,744)
41	Show Computation of Tax:	
42	State Tax Rate	7.6%
43		(50,141)
44	Adjustments to Estimated Federal Tax	
45	Difference between 12/31/10 accrual and tax return	(31,902)
46	FIN48 adjustment for 2007 - 2009 audit	36,268
47	Provision for Current Federal Income Tax	(45,775)
48	Allocated to:	Total
49	Oregon	(45,775)
	<u>409.1</u> <u>409.2</u>	
	(45,800) 25	

Name of Respondent Cascade Natural Gas Corporation	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr)	Year of report Dec. 31, 2011
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STATE OF OREGON - ALLOCATED ACCUMULATED DEFERRED INCOME TAXES (Account 190)

1. Report the information called for below concerning the respondent's accounting for deferred income taxes.

2. In the space provided:

(a) Identify, by amount and classification, significant items for which deferred taxes are being provided.

(b) Indicate insignificant amounts under OTHER.

Line No.	Account Subdivisions (a)	Balance at Beginning of Year (b)	CHANGES DURING YEAR	
			Amounts Debited to Account 410.1 (c)	Amounts Credited to Account 411.1 (d)
1	Electric	0		
2				
3	Other			
4	TOTAL ELECTRIC			
5	Gas	15,620,251	2,483,639	-
6				
7	Other	-		
8	TOTAL GAS	15,620,251	2,483,639	-
9	Other (Specify)	-		
10	TOTAL (Account 190)	15,620,251	2,483,639	-
11	Classification of Totals			
12	Federal Income Tax	14,917,666	2,462,551	-
13	State Income Tax	702,585	21,088	-
14	Local Income Tax	-	-	-
15				
16	Amounts assigned to jurisdictions as follows:			
17	Federal Income Tax - Washington	See Below	1,808,744	-
18	Federal Income Tax - Oregon	See Below	653,807	-
19	State Income Tax - Oregon	702,585	21,088	-
20				
21				
22				
The federal balance in account 190 is allocated to Washington & Oregon on the basis of the Company's 3-factor formula which is used for the allocation of corporate level operating & maintenance expenses and interstate plant as follows:				
		Beginning of Year	End of Year	
	Federal Income Tax related account Balance	14,917,666	23,784,568	
		-	-	
	Balance to be allocated	14,917,666	23,784,568	
	Washington allocation factor	75.65%	75.69%	
	Washington Allocated balance	11,285,214	18,002,540	
	Oregon allocation factor	24.35%	24.31%	
	Oregon Allocated balance	3,632,452	5,782,028	

Name of Respondent Cascade Natural Gas Corporation	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr)	Year of report Dec. 31, 2011
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STATE OF OREGON - ALLOCATED ACCUMULATED DEFERRED INCOME TAXES (Account 190) (continued)

3. Beginning balance may be omitted if not readily available. Report gas utility deferred taxes only.
4. Use separate pages as required.

CHANGES DURING YEAR		ADJUSTMENTS				Balance at End of Year (k)	Line No.
Amounts Debited to Account 410.2 (e)	Amounts Credited to Account 411.2 (f)	DEBITS		CREDITS			
		Account No. (g)	Amount (h)	Account No. (i)	Amount (j)		
						-	1
							2
							3
							4
-	-	Regulatory accounts related to FAS 158 adjustment	6,352,371	Regulatory accounts related to deferred tax effect of OR State Tax Rate Increase	-	24,456,261	5
						-	6
-	-		6,352,371		-	24,456,261	8
						-	9
-	-		6,352,371		-	24,456,261	10
							11
-	-		6,404,351		-	23,784,566	12
-	-		(51,980)		-	671,693	13
-	-		-		-	-	14
							15
							16
-	-		4,703,996		-	See Below	17
-	-		1,700,355		-	See Below	18
-	-		(51,980)		-	671,693	19
							20
							21
							22

Name of Respondent CASCADE NATURAL GAS CORPORATION	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr)	Year of report Dec. 31, 2011
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ACCUMULATED DEFERRED INCOME TAXES - Accelerated Amortization Property (Account 281)

1. Report the information called for below concerning the respondent's accounting for deferred income taxes relating to amortizable property.

2. In the space provided furnish explanations, including the following in columnar order:
 and dec (a) State each certification number with a brief description of property. (b) Total and amortizable cost of such property.
 (c) Date amortization for tax purposes commenced. (d) "Normal" depreciation rate used in computing the deferred tax.

Line No.	Account Subdivisions (a)	Balance at Beginning of Year (b)	CHANGES DURING YEAR	
			Amounts Debited to Account 410.1 (c)	Amounts Credited to Account 411.1 (d)
1	Accelerated Amortization (Account 281)			
2	Electric			
3	Defense Facilities			
4	Pollution Control Facilities			
5	Other			
6				
7				
8	TOTAL Electric (Total of lines 3 thru 7)	-	-	-
9	Gas			
10	Defense Facilities			
11	Pollution Control Facilities			
12	Other			
13				
14				
15	TOTAL Gas (Total of lines 10 thru 14)	-	-	-
16	Gas (Specify)			
17	TOTAL (Acct 281) Total of 8, 15 & 16	-	-	-
18	Classification of TOTAL			
19	Federal Income Tax	-	-	-
20	State Income Tax	-	-	-
21	Local Income Tax	-	-	-

Name of Respondent CASCADE NATURAL GAS CORPORATION	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr)	Year of report Dec. 31, 2011
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ACCUMULATED DEFERRED INCOME TAXES - Accelerated Amortization Property (Account 281) (continued)

(e) Tax rate used originally defer amount and the tax rate used during the current year to amortize previous deferrals.

3. Beginning balance may be omitted if not readily available. Report gas utility deferred taxes only.

4. Use separate pages as required.

CHANGES DURING YEAR		ADJUSTMENTS				Balance at End of Year (k)	Line No.
Amounts Debited to Account 410.2 (e)	Amounts Credited to Account 411.2 (f)	DEBITS		CREDITS			
		Account No. (g)	Amount (h)	Account No. (l)	Amount (j)		
							1
							2
							3
							4
							5
							6
							7
-	-	-	-	-	-	-	8
							9
							10
							11
							12
							13
							14
-	-	-	-	-	-	-	15
-	-	-	-	-	-	-	16
-	-	-	-	-	-	-	17
							18
-	-		-		-	-	19
-	-		-		-	-	20
-	-		-		-	-	21

Name of Respondent Cascade Natural Gas Corporation	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr)	Year of report Dec. 31, 2011
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ACCUMULATED DEFERRED INCOME TAXES-Other Property (Account 282)

1. Report the information called for below concerning the respondent's accounting for deferred income taxes relating to property not subject to accelerated amortization.
2. In the space provided furnish explanations, including the following in columnar order:
 - (a) State the general method or methods of liberalized depreciation being used (sum-of-year digits, declining balance, etc.)
 - (b) Estimated lives (i.e. useful life, guideline life, guideline class life, etc.)
 - (c) Classes of plant to which each method is being applied and date method was adopted.

Line No.	Account Subdivisions (a)	Balance at Beginning of Year (b)	CHANGES DURING YEAR	
			Amounts Credited to Account 410.1 (c)	Amounts Credited to Account 411.1 (d)
1	Account 282			
2	Electric	-		
3	Gas	(64,156,548)	(8,651,205)	-
4	Other (Define)	-		
5	Total (Total of Lines 2 thru 4)	(64,156,548)	(8,651,205)	-
6	Other (Specify)	-		
7				
8				
9	Total (Account 282) Lines 5 thru 8	(64,156,548)	(8,651,205)	-
10	Classification of Totals			
11	Federal Income Tax	(61,370,885)	(8,389,612)	-
12	State Income Tax	(2,785,663)	(261,593)	-
13	Local Income Tax	-	-	-
	Amounts assigned to jurisdictions as follows:			
	Federal Income Tax - Washington	See Below	(6,162,170)	-
	Federal Income Tax - Oregon	See Below	(2,227,442)	-
	State Income Tax - Oregon	(2,785,663)	(261,593)	-
	The federal balance in account 282 relating to utility plant for ratemaking is allocated to Washington & Oregon on the basis of the Company's Rate Base ratio, the remaining portion is allocated on the basis of the Company's ratio of utility plant in each state as follows:			
		Beginning of Year	End of Year	
	Federal Income Tax Acct Balance Relating to utility plant for ratemaking	-	(72,320,671)	
	Washington allocation factor	75.57%	76.13%	
	Washington Allocated balance relating to utility plant for ratemaking	-	(55,057,727)	
	Oregon allocation factor	24.43%	23.87%	
	Oregon Allocated balance relating to utility plant for ratemaking	-	(17,262,944)	
	Remaining balance to be allocated on Utility Plant	(61,370,885)	3,238,117	
	Oregon allocation factor	22.98%	22.93%	
	Oregon allocation	(14,103,029)	742,500	
	Plus Oregon Allocation of utility plant for ratemaking related balance	-	(17,262,944)	
	Total Oregon Allocated Balance	(14,103,029)	(16,520,444)	

Name of Respondent Cascade Natural Gas Corporation	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr)	Year of report Dec. 31, 2011
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ACCUMULATED DEFERRED INCOME TAXES-Other Property (Account 282) (continued)

3. Beginning balance may be omitted if not readily available. Report gas utility deferred taxes only.
4. Use separate pages as required.

CHANGES DURING YEAR		ADJUSTMENTS				Balance at End of Year (k)	Line No.
Amounts Debited to Account 410.2 (e)	Amounts Credited to Account 411.2 (f)	DEBITS		CREDITS			
		Account No. (g)	Amount (h)	Account No. (i)	Amount (j)		
-	-	254 & 182.3	2,761,732		-	(70,046,021)	1
-	-		2,761,732		-	(70,046,021)	2
-	-		2,761,732		-	(70,046,021)	3
-	-				-	-	4
-	-				-	-	5
-	-				-	-	6
-	-				-	-	7
-	-				-	-	8
-	-				-	-	9
-	-	254 & 182.3	677,943		-	(69,082,554)	10
-	-	254 & 182.3	2,083,789		-	(963,467)	11
-	-				-	-	12
-	-		497,949		-	See Below	13
-	-		179,994		-	See Below	
-	-		2,083,789		-	(963,467)	

Name of Respondent Cascade Natural Gas Corporation	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr)	Year of report Dec. 31, 2011
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STATE OF OREGON - ACCUMULATED DEFERRED INCOME TAXES-OTHER (Account 283)

1. Report the information called for below concerning the respondent's accounting for deferred income taxes relating to amounts recorded in Account 283.
2. In the space provided below include amounts relating to insignificant items under Other.

Line No.	Account Subdivisions (a)	Balance at Beginning of Year (b)	CHANGES DURING YEAR	
			Amounts Credited to Account 410.1 (c)	Amounts Credited to Account 411.1 (d)
1	Account 283			
2	Electric	0		
3	Gas	(19,982,386)	(808,142)	-
4	Other (Define)	-		
5	Total (Total of Lines 2 thru 4)	(19,982,386)	(808,142)	-
6	Other (Specify)	-		
7				
8				
9	Total (Account 283) Lines 5 thru 8	(19,982,386)	(808,142)	-
10	Classification of Totals			
11	Federal Income Tax	(18,974,198)	(909,864)	-
12	State Income Tax	(1,008,190)	101,722	-
13	Local Income Tax	-	-	-
	Amounts assigned to jurisdictions as follows:			
	Federal Income Tax - Washington	See below	(668,295)	-
	Federal Income Tax - Oregon	See below	(241,569)	-
	State Income Tax - Oregon	(1,008,190)	101,722	-
	The federal balance in account 283 relating to debt refinancing costs is allocated to Washington & Oregon on the basis of the Company's Rate Base ratio, the remaining portion is allocated on the basis of the 3-factor formula which is used for the allocation of corporate level operating & maintenance expenses and interstate plant. The allocation in each state is as follows:			
		Beginning of Year	End of Year	
	Federal Income Tax Acct Balance Relating to Debt Refinancing	(528,464)	(450,939)	
	Washington allocation factor	77.02%	76.13%	
	Washington Allocated balance relating to Debt Refinancing	(407,023)	(343,300)	
	Oregon allocation factor	22.98%	23.87%	
	Oregon Allocated balance relating to Debt Refinancing	(121,441)	(107,639)	
	Remaining balance to be allocated on 3-factor	(18,445,732)	(25,858,402)	
	Oregon allocation factor	24.35%	24.31%	
	Oregon allocation	(4,491,536)	(6,285,691)	
	Plus Oregon Allocation of Debt refinancing related balance	(121,441)	(107,639)	
	Total Oregon Allocated Balance	(4,612,977)	(6,393,330)	

Name of Respondent Cascade Natural Gas Corporation	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr)	Year of report Dec. 31, 2011
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STATE OF OREGON - ACCUMULATED DEFERRED INCOME TAXES-OTHER (Account 283) (continued)

3. Beginning balance may be omitted if not readily available. Report gas utility deferred taxes only.
4. Use separate pages as required.

CHANGES DURING YEAR		ADJUSTMENTS				Balance at End of Year (k)	Line No.
Amounts Debited to Account 410.2 (e)	Amounts Credited to Account 411.2 (f)	DEBITS		CREDITS			
		Account No. (g)	Amount (h)	Account No. (i)	Amount (j)		
-	-					-	1
-	-					-	2
-	-	Regulatory accounts related to deferred tax effect of OR State Tax Rate increase	16,173	Regulatory accounts related to FAS 158 adjustment	(6,704,957)	(27,479,312)	3
-	-		16,173		(6,704,957)	(27,479,312)	4
-	-					-	5
-	-					-	6
-	-					-	7
-	-		16,173		(6,704,957)	(27,479,312)	8
-	-					-	9
-	-		(6,226)		(6,417,055)	(26,307,341)	10
-	-		22,399		(287,002)	(1,171,971)	11
-	-					-	12
-	-		(4,573)		(4,713,327)	See below	13
-	-		(1,653)		(1,703,728)	See below	
-	-		22,399		(287,902)	(1,171,971)	

Name of Respondent CASCADE NATURAL GAS CORPORATION	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr)				Year Ending Dec. 31, 2011
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STATE OF OREGON - ALLOCATED ACCUMULATED DEFERRED INVESTMENT TAX CREDIT (Account 255)

Report below information applicable to Account 255. Explain by footnote any correction or adjustment to the account balance shown in column (g). Include in column (i) the average period over which the tax credit is amortized.

Line No.	Account Subdivision (a)	Balance at Beginning of Year	Deferred For Year		Allocations to Current Year's Income		Adjustments (g)	Balance at End of Year (h)	Average period of Allocation to Income (i)
			Account No (c)	Amount (d)	Account No (e)	Amount (f)			
1	Gas utility								
2	3%								
3	4%	NOT			411.4	-		NOT	31 Years
4	7%				411.4	-			31 Years
5	10%	ALLOCATED			411.4	(18,376)		ALLOCATED	23 Years
6	Total	0		0		(18,376)			
7	Other (list separately and show 3%, 4%, 7%, 10% and TOTAL)								
8									
9									
10									
11									
12									
13									
14									
15									
16									
17									
18									
19									
20									
21									
22									
23									
24									
25									

Name of Respondent		This Report Is:		Date of Report		Year of Report	
Cascade Natural Gas Corporation		(1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		(Mo, Da, Yr)		Dec. 31, 2011	
STATE OF OREGON - SITUS							
SUMMARY OF UTILITY PLANT AND ACCUMULATED PROVISIONS FOR DEPRECIATION, AMORTIZATION AND DEPLETION							
Line No.	Item (a)	Total	Electric	Gas	Other (Specify)	Other (Specify)	Common
		(b)	(c)	(d)	(e)	(f)	(g)
1	UTILITY PLANT						
2	In Service						
3	Plant in Service (classified)	152,563,878		152,563,878			
3.a	ARO Assets	4,425		4,425			
4	Property under capital leases	-					
5	Plant purchased or sold	-					
6	Completed construction not classified	-					
7	Experimental plant unclassified	-					
8	TOTAL (Enter Total of lines 3 thru 7)	152,568,303	-	152,568,303	-		-
9	Leased to Others	-					
10	Held for Future Use	-					
11	Construction Work In Progress	657,112		657,112			
12	Acquisition Adjustments	-					
13	Total Utility Plant (Enter Total of lines 8 thru 12)	153,225,415	-	153,225,415	-		-
14	Accumulated Prov For Depr, Amort, & Depl.	(71,274,093)		(71,274,093)			
15	Net Utility Plant (Line 13 less 14)	81,951,322	-	81,951,322	-		-
16	DETAIL OF ACCUMULATED PROVISIONS FOR DEPRECIATION, AMORTIZATION AND DEPLETION						
17	In Service						
18	Depreciation	(71,274,093)		(71,274,093)			
19	Amort. and Depl. of producing natural gas land and land rights	-		-			
20	Amort. of underground storage land and land rights	-		-			
21	Amort. of other utility plant	-		-			
22	Total In-Service (Enter Total of lines 18 thru 21)	(71,274,093)	-	(71,274,093)	-		-
23	Leased to Others						
24	Depreciation	-		-			
25	Amortization and depletion	-		-			
26	Total leased to others (Enter Total of lines 24 and 25)	-	-	-	-		-
27	Held for Future Use						
28	Depreciation	-		-			
29	Amortization and depletion	-		-			
30	Total leased to others (Enter Total of lines 28 and 29)	-	-	-	-		-
31	Abandonment of Leases (Natural Gas)						
32	Amort. Of Plant Acquisitions Adj.	-		-			
33	TOTAL Accumulated Provisions (should agree with line 14)(lines 22,26, 30, 31 & 32)	(71,274,093)	-	(71,274,093)	-		-

Name of Respondent Cascade Natural Gas Corporation	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr)	Year of Report Dec. 31, 2011
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STATE OF OREGON - SITUS GAS PLANT IN SERVICE

<p>1. Report below the original cost of gas plant in service according to the prescribed accounts.</p> <p>2. In addition to Account 101, Gas Plant In Service (Classified), this page and the next include Account 102, Gas Plant Purchased or Sold; Experimental Gas Plant Unclassified; and Account 106, Completed Construction not Classified.</p> <p>3. Include in column (c) or (d), as appropriate, corrections of additions and retirements for the current or preceding year.</p> <p>4. Include in column (c) or (d), as appropriate, corrections of additions and retirements for the current or preceding year.</p>	<p>5. Classify Account 106 according to prescribed accounts on an estimated basis if necessary, and include entries in column (c). Also to be included in column (c) are entries for reversals of tentative distributions of prior year reported in column (b). Likewise, if the respondent has significant amount of plant retirements which have not been classified to primary accounts at the end of the year, include in column (d) a tentative distribution of such retirements, on an estimated basis, with appropriate contra entry to the account for</p>	<p>accumulated depreciation provision. Include also in column (d) reversals of tentative distributions of prior year unclassified retirements. Attach supplemental statement showing the account distributions of these tentative classifications in column (c) and (d), including the reversals of the prior years tentative account distributions of these amounts. Careful observance of the above instructions and the texts of Accounts 101 and 106 will avoid serious omissions of the reported amount of respondent's plant actually in service at the end of year. (Continue on page 25)</p>
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LINE NO.	ACCOUNT (a)	BALANCE AT BEG. OF YEAR (b)	ADDITIONS (c)	RETIREMENTS (d)	ADJUSTMENTS (e)	TRANSFERS (f)	BALANCE AT END OF YEAR (g)
1	1. Intangible Plant						
2	301 Organization						
3	302 Franchises and Consents	73,667	-	-	-	-	73,667
4	303 Miscellaneous Intangible Plant	-	-	-	-	-	-
5	TOTAL Intangible Plant	73,667	-	-	-	-	73,667
6	2. Production Plant						
7	Natural Gas Production & Gathering Plant						
8	325.1 Producing lands	-					-
9	325.2 Producing leaseholds	-					-
10	325.3 Gas rights	-					-
11	325.4 Rights-of-way	-					-
12	325.5 Other land and land rights	-					-
13	326 Gas well structures	-					-
14	327 Field compressor station structures	-					-
15	328 Field measuring and regulating station structures	-					-
16	329 Other structures	-					-
17	330 Producing gas wells- Well construction	-					-
18	331 Producing gas wells- Well equipment	-					-
19	332 Field lines	-					-
20	333 Field compressor station equipment	-					-
21	334 Field measuring and regulating station equipment	-					-
22	335 Drilling and cleaning equipment	-					-
23	336 Purification equipment	-					-
24	337 Other equipment	-					-
25	338 Unsuccessful exploration & development costs	-					-
26	TOTAL Production & Gathering Plant	-	-	-	-	-	-
27	Products Extraction Plant						
28	340 Land and land rights	-					-
29	341 Structures and improvements	-					-
30	342 Extraction and refining equipmnet	-					-
31	343 Pipe lines	-					-
32	344 Extracted products storage equipment	-					-

Name of Respondent Cascade Natural Gas Corporation	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr)	Year of Report Dec. 31, 2011
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STATE OF OREGON - SITUS GAS PLANT IN SERVICE

6. Show in column (f) reclassifications or transfers within utility plant accounts. Include also in column (f) the additions or reductions of primary account classifications arising from distribution of amounts initially recorded in Account 102. In showing the clearance of Account 102, include in column (e) the amounts with respect to accumulated provision for depreciation, acquisition adjustments, etc., and show in column (f) only the offset to the debits or credits distributed in column (f) to primary account classifications.

7. For Account 399, state the nature and use of plant included in this account and if substantial in amount submit a supplementary statement showing sub-account classification of such plant conforming to the requirements of these pages.

8. For each amount comprising the reported balance and changes in Account 102, state the property purchased or sold, name of vendor or purchaser, and date of transaction. If proposed journal entries have been filed with the Commission as required by the Uniform System of Accounts, give also date of such filing.

LINE NO.	ACCOUNT (a)	BALANCE AT BEG. OF YEAR (b)	ADDITIONS (c)	RETIREMENTS (d)	ADJUSTMENTS (e)	TRANSFERS (f)	BALANCE AT END OF YEAR (g)
	2. Production Plant (Con't)						
	Products Extraction Plant (Con't)						
33	345 Compressor equipment	-					-
34	346 Gas measuring and regulating equipment	-					-
35	347 Other equipment	-					-
36	TOTAL Products Extraction Plant	-	-	-	-	-	-
37	TOTAL Nat. Gas Production Plant	-	-	-	-	-	-
38	Mfd. Gas Production Plant (Submit Suppl. Statement)						
39	TOTAL Production Plant	-	-	-	-	-	-
40	3. Natural Gas Storage & Processing Plant						
41	Underground Storage						
42	350.1 Land	-					-
43	350.2 Rights-of-way	-					-
44	351 Structures and improvements	-					-
45	352 Wells	-					-
46	352.1 Storage leaseholds and rights	-					-
47	352.2 Reservoirs	-					-
48	352.3 Non-recoverable natural gas	-					-
49	353 Lines	-					-
50	354 Compressor station equipment	-					-
51	355 Measuring and regulating equipment	-					-
52	356 Purification equipment	-					-
53	357 Other equipment	-					-
54	TOTAL Underground Storage Plant	-	-	-	-	-	-
55	Other Storage Plant						
56	360 Land and land rights	-					-
57	361 Structures and improvements	-					-
58	362 Gas holders	-					-
59	363 Purification equipment	-					-
60	363.1 Liquefaction equipment	-					-
61	363.2 Vaporizing equipment	-					-
62	363.3 Compressor equipment	-					-
63	363.4 Measuring and regulating equipment	-					-
64	363.5 Other equipment	-					-
65	TOTAL Other Storage Plant	-	-	-	-	-	-

Name of Respondent		This Report Is:		Date of Report		Year of Report	
Cascade Natural Gas Corporation		(1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		(Mo, Da, Yr)		Dec. 31, 2011	
STATE OF OREGON - SITUS GAS PLANT IN SERVICE							
LINE NO.	ACCOUNT (a)	BALANCE AT BEG. OF YEAR (b)	ADDITIONS (c)	RETIREMENTS (d)	ADJUSTMENTS (e)	TRANSFERS (f)	BALANCE AT END OF YEAR (g)
66	Base Load Liquefied Natural Gas Terminating and Processing Plant						
67	364.1 Land and land rights	-					-
68	364.2 Structures and improvements	-					-
69	364.3 LNG Processing terminal equipment	-					-
70	364.4 LNG Transportation equipment	-					-
71	364.5 Measuring and regulating equipment	-					-
72	364.6 Compressor station equipment	-					-
73	364.7 Communications equipment	-					-
74	364.8 Other equipment	-					-
75	TOTAL Base Load Liquefied Natural Gas, Terminating & Processing Plant	-	-	-	-	-	-
76	Total Nat. Gas Storage & Proc. Plant	-	-	-	-	-	-
77	4. Transmission Plant						
78	365.1 Land and land rights	13,131	-	-	-	-	13,131
79	365.2 Rights of way	7,693	-	-	-	-	7,693
80	366 Structures and improvements	-					-
81	367 Mains	2,422,096	-	-	-	3,396,824	5,818,920
82	368 Compressor station equipment	-					-
83	369 Measuring and regulating station equipment	48,548	-	-	-	-	48,548
84	370 Communication equipment	-					-
85	371 Other equipment	-					-
86	TOTAL Transmission Plant	2,491,468	-	-	-	3,396,824	5,888,292
87	5. Distribution Plant						
88	374 Land and land rights	170,902	-	-	-	-	170,902
89	375 Structures and improvements	326,674	-	-	-	-	326,674
90	376 Mains	72,969,136	333,807	(98,452)	(1)	(3,396,824)	69,807,666
91	377 Compressor station equipment	-					-
92	378 Measuring and regulating equipment - General	6,907,125	119,332	(93,805)	-	-	6,932,652
93	379 Measuring and regulating equipment - City Gate	-					-
94	380 Services	38,041,104	661,180	(31,393)	(1)	-	38,670,890
95	381 Meters	11,321,288	316,804	(23,407)	(1)	-	11,614,684
96	382 Meter installations	7,897,188	44,850	(1,458)	(1)	-	7,940,579
97	383 House regulators	2,301,044	68,282	(11,431)	(1)	-	2,357,894
98	384 House regulator installations	-					-
99	385 Industrial measuring and regulating station equipment	1,388,713	50,947	(13,268)	-	-	1,426,392
100	386 Other property on customers' premises	-					-
101	387 Other equipment	-					-
102	388 ARO - Distribution	4,425	-	-	-	-	4,425
102.a	TOTAL Distribution Plant	141,327,599	1,595,202	(273,214)	(5)	(3,396,824)	139,252,758

Name of Respondent		This Report Is:			Date of Report	Year of Report	
Cascade Natural Gas Corporation		(1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission			(Mo, Da, Yr)	Dec. 31, 2011	
STATE OF OREGON - SITUS GAS PLANT IN SERVICE							
LINE NO.	ACCOUNT (a)	BALANCE AT BEG. OF YEAR (b)	ADDITIONS (c)	RETIREMENTS (d)	ADJUSTMENTS (e)	TRANSFERS (f)	BALANCE AT END OF YEAR (g)
104	6. General Plant						
105	389 Land and land rights	316,796	-	-	-	-	316,796
106	390 Structures and improvements	3,151,237	7,941	-	-	-	3,159,178
107	391 Office furniture, fixtures and equipment	134,709	-	(13,720)	(2)	-	120,987
108	392 Transportation equipment	1,637,752	219,688	(139,253)	-	-	1,718,187
109	393 Stores equipment	3,787	-	(2,615)	(1)	-	1,171
110	394 Tools, shop and garage equipment	667,190	93,946	(21,765)	1	-	739,372
111	395 Laboratory equipment	-	-	-	-	-	-
112	396 Power operated equipment	563,007	84,234	(156,577)	1	-	490,665
113	397 Communication equipment	811,702	53,288	(70,925)	1	-	794,066
114	398 Miscellaneous equipment	13,160	-	-	4	-	13,164
115	SUBTOTAL	7,299,340	459,097	(404,855)	4	-	7,353,586
116	399 Other Tangible Property	-	-	-	-	-	-
117	TOTAL General Plant	7,299,340	459,097	(404,855)	4	-	7,353,586
118	TOTAL (Accounts 101 and 106)	151,192,074	2,054,299	(678,069)	(1)	-	152,568,303
119	Gas Plant Purchased (See Instr. 8)	-	-	-	-	-	-
120	(less) Gas Plant Sold (See Instr. 8)	-	-	-	-	-	-
121	Experimental Gas Plant Unclassified	-	-	-	-	-	-
122	TOTAL Gas Plant in Service	151,192,074	2,054,299	(678,069)	(1)	-	152,568,303

Name of Respondent Cascade Natural Gas Corporation	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr)	Year of Report Dec. 31, 2011
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STATE OF OREGON - SITUS GAS PLANT HELD FOR FUTURE USE (Account 105)

- Report separately each property held for future use at end of the year having an original cost of \$100,000 or more. Other items of property held or future use may be grouped provided that the number of properties so grouped is indicated.
- For property having an original cost of \$100,000 or more previously used in utility operations, now held for future use, give, in addition to other required information, the date that utility use of such property was discontinued, and the date the original cost was transferred to Account 105.

Line No.	Description and Location of Property (a)	Date Originally Included in this Acct. (b)	Date Expected to be Used in Utility Service (c)	Balance at End of Year (d)
1	Natural gas lands, leaseholds, and gas rights held for future utility use.			None
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46	TOTAL -	0	0	0

Name of Respondent Cascade Natural Gas Corporation		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr)	Year of Report Dec. 31, 2011
STATE OF OREGON - SITUS CONSTRUCTION WORK IN PROGRESS - GAS (Account 107)				
1. Report below descriptions and balances at end of year of projects in process of construction (107).				
2. Show items relating to "research, development, and demonstration" projects last, under a caption Research, Development, and Demonstration (see Account 107 of the Uniform System of Accounts).				
3. Minor projects may be grouped.				
Line No.	Description of Projects (a)	Construction Work In Progress (Acct 107) (b)	Estimated Additional Cost of Project (c)	
1	Installation of mains, service lines, measuring and regulating stations, meter sets and telemetering, etc.	657,112		
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Name of Respondent Cascade Natural Gas Corporation	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr)	Year of Report Dec. 31, 2011
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STATE OF OREGON - SITUS ACCUMULATED PROVISION FOR DEPRECIATION OF GAS UTILITY PLANT (account 108)

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| <ol style="list-style-type: none"> 1. Explain in a footnote any important adjustments during year. 2. Explain in a footnote any difference between the amount for book cost of plant retired, Line 11, column (c), and that reported for gas plant in service, pages 24-27, column (d), excluding retirements of non-depreciable property. 3. The provisions of Account 108 in the Uniform System of accounts require that retirements of depreciable plant be recorded when such plant is removed from service. If the respondent has a significant amount of plant retired at year end which has not been recorded and/or classified to various reserve functional classifications make preliminary | <ol style="list-style-type: none"> 4. Show separately interest credits under a sinking fund or similar method of depreciation accounting. <p style="font-size: small;">closing entries to tentatively functionalize the book cost of the plant retired. In addition, include all costs included in retirement work in progress at year end in the appropriate functional classifications.</p> |
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Section A. Balances and Changes During the Year

Line No.	Item (a)	Total (c+d+e) (b)	Gas Plant In Service (c)	Gas Plant Held For Future Use (d)	Gas Plant Leased to Others (e)
1	Balance beginning of year	(67,808,725)	(67,808,725)		
2	Depreciation provisions for year, charged to:				
3	(403) Depreciation expense	(3,882,522)	(3,882,522)		
4	(413) Exp. of gas plant leased to others	-			
5	Vehicl & Power Equipment Usage - Clearing	(155,555)	(155,555)		
6	Other clearing accounts	-			
7	Other Account (specify):				
7.01	ARO Assets	-	-		
7.02	Other	-			
8		-			
9	TOTAL Depreciation Provisions for Year (Enter total of lines 3 thru 8)	(4,038,077)	(4,038,077)		
10	Net Charges for Plant Retired:				
11	Book cost of plant retired	643,230	643,230		
12	Cost of removal	83,596	83,596		
13	Salvage (credits)	(100,153)	(100,153)		
14	TOTAL Net Charges for Plant Retired (enter Total of Lines 11 thru 13)	626,673	626,673		
15	Other Debit or Credit Items (Describe)				
15.01	Increase/Decrease in Retirement work in progress	(12,245)	(12,245)		
15.02	Adjustment due to change in allocation rate	(41,719)	(41,719)		
16.00					
17	Balance End of Year (Enter Total of Lines 1, 9, 14, 15, & 16)	(71,274,093)	(71,274,093)		

Section B. Balances at End of Year According to Functional Classifications

18	Production - Manufactured Gas	-	-		
19	Production and Gathering - Natural Gas	-	-		
20	Products Extraction - Natural Gas	-	-		
21	Underground Gas Storage	-	-		
22	Other Storage Plant	-	-		
23	Base Load LNG Terminating and Proc. Plant	-	-		
24	Transmission	(2,516,228)	(2,516,228)		
25	Distribution	(65,244,677)	(65,244,677)		
26	General	(3,473,372)	(3,473,372)		
26.01	Intangible	(73,667)	(73,667)		
26.02	Retirement Work-In-Progress	33,851	33,851		
27	TOTAL (Enter Total of Lines 18 thru 26)	(71,274,093)	(71,274,093)		

Name of Respondent		This Report Is:		Date of Report		Year of Report	
Cascade Natural Gas Corporation		(1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		(Mo, Da, Yr)		Dec. 31, 2011	
STATE OF OREGON - ALLOCATED							
SUMMARY OF UTILITY PLANT AND ACCUMULATED PROVISIONS FOR DEPRECIATION, AMORTIZATION AND DEPLETION							
Line No.	Item (a)	Total (b)	Electric (c)	Gas (d)	Other (Specify) (e)	Other (Specify) (f)	Common (g)
1	UTILITY PLANT						
2	In Service						
3	Plant in Service (classified)	6,289,892		6,289,892			
3.a	ARO Assets	-					
4	Property under capital leases	-					
5	Plant purchased or sold	-					
6	Completed construction not classified	-					
7	Experimental plant unclassified	-					
8	TOTAL (Enter Total of lines 3 thru 7)	6,289,892	-	6,289,892	-		-
9	Leased to Others	-					
10	Held for Future Use						
11	Construction Work In Progress	1,404,148		1,404,148			
12	Acquisition Adjustments	-					
13	Total Utility Plant (Enter Total of lines 8 thru 12)	7,694,040	-	7,694,040	-		-
14	Accumulated Prov For Depr, Amort, & Depl.	(3,570,350)		(3,570,350)			
15	Net Utility Plant (Line 13 less 14)	4,123,690	-	4,123,690	-		-
16	DETAIL OF ACCUMULATED PROVISIONS FOR DEPRECIATION, AMORTIZATION AND DEPLETION						
17	In Service						
18	Depreciation	(3,348,409)		(3,348,409)			
19	Amort. and Depl. of producing natural gas land and land rights	-		-			
20	Amort. of underground storage land and land rights	-		-			
21	Amort. of other utility plant	(221,941)		(221,941)			
22	Total In-Service (Enter Total of lines 18 thru 21)	(3,570,350)	-	(3,570,350)	-		-
23	Leased to Others						
24	Depreciation	-		-			
25	Amortization and depletion	-		-			
26	Total leased to others (Enter Total of lines 24 and 25)	-	-	-	-		-
27	Held for Future Use						
28	Depreciation	-		-			
29	Amortization and depletion	-		-			
30	Total leased to others (Enter Total of lines 28 and 29)	-	-	-	-		-
31	Abandonment of Leases (Natural Gas)						
32	Amort. Of Plant Acquisitions Adj.	-		-			
33	TOTAL Accumulated Provisions (should agree with line 14)(lines 22,26, 30, 31 & 32)	(3,570,350)	-	(3,570,350)	-		-

Name of Respondent Cascade Natural Gas Corporation	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr)	Year of Report Dec. 31, 2011
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STATE OF OREGON - ALLOCATED GAS PLANT IN SERVICE

<p>1. Report below the original cost of gas plant in service according to the prescribed accounts.</p> <p>2. In addition to Account 101, Gas Plant In Service (Classified), this page and the next include Account 102, Gas Plant Purchased or Sold; Experimental Gas Plant Unclassified; and Account 106, Completed Construction not Classified.</p> <p>3. Include in column (c) or (d), as appropriate, corrections of additions and retirements for the current or preceding year.</p> <p>4. Include in column (c) or (d), as appropriate, corrections of additions and retirements for the current or preceding year.</p>	<p>5. Classify Account 106 according to prescribed accounts on an estimated basis if necessary, and include entries in column (c). Also to be included in column (c) are entries for reversals of tentative distributions of prior year reported in column (b). Likewise, if the respondent has significant amount of plant retirements which have not been classified to primary accounts at the end of the year, include in column (d) a tentative distribution of such retirements, on an estimated basis, with appropriate contra entry to the account for</p>	<p>accumulated depreciation provision. Include also in column (d) reversals of tentative distributions of prior year unclassified retirements. Attach supplemental statement showing the account distributions of these tentative classifications in column (c) and (d), including the reversals of the prior years tentative account distributions of these amounts. Careful observance of the above instructions and the texts of Accounts 101 and 106 will avoid serious omissions of the reported amount of respondent's plant actually in service at the end of year.</p> <p align="right">(Continue on page 25)</p>
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LINE NO.	ACCOUNT (a)	BALANCE AT BEG. OF YEAR (b)	ADDITIONS (c)	RETIREMENTS (d)	ADJUSTMENTS (e)	TRANSFERS (f)	BALANCE AT END OF YEAR (g)
1	1. Intangible Plant						
2	301 Organization	37,484	-	-	-	-	37,484
3	302 Franchises and Consents	-	-	-	-	-	-
4	303 Miscellaneous Intangible Plant	1,993,357	993,501	-	-	-	2,986,858
5	TOTAL Intangible Plant	2,030,841	993,501	-	-	-	3,024,342
6	2. Production Plant						
7	Natural Gas Production & Gathering Plant						
8	325.1 Producing lands	-					-
9	325.2 Producing leaseholds	-					-
10	325.3 Gas rights	-					-
11	325.4 Rights-of-way	-					-
12	325.5 Other land and land rights	-					-
13	326 Gas well structures	-					-
14	327 Field compressor station structures	-					-
15	328 Field measuring and regulating station structures	-					-
16	329 Other structures	-					-
17	330 Producing gas wells- Well construction	-					-
18	331 Producing gas wells- Well equipment	-					-
19	332 Field lines	-					-
20	333 Field compressor station equipment	-					-
21	334 Field measuring and regulating station equipment	-					-
22	335 Drilling and cleaning equipment	-					-
23	336 Purification equipment	-					-
24	337 Other equipment	-					-
25	338 Unsuccessful exploration & development costs	-					-
26	TOTAL Production & Gathering Plant	-	-	-	-	-	-
27	Products Extraction Plant						
28	340 Land and land rights	-					-
29	341 Structures and improvements	-					-
30	342 Extraction and refining equipmnet	-					-
31	343 Pipe lines	-					-
32	344 Extracted products storage equipment	-					-

Name of Respondent Cascade Natural Gas Corporation	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr)	Year of Report Dec. 31, 2011
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STATE OF OREGON - ALLOCATED GAS PLANT IN SERVICE

6. Show in column (f) reclassifications or transfers within utility plant accounts. Include also in column (f) the additions or reductions of primary account classifications arising from distribution of amounts initially recorded in Account 102. In showing the clearance of Account 102, include in column (e) the amounts with respect to accumulated provision for depreciation, acquisition adjustments, etc., and show in column (f) only the offset to the debits or credits distributed in column (f) to primary account classifications.

7. For Account 399, state the nature and use of plant included in this account and if substantial in amount submit a supplementary statement showing sub-account classification of such plant conforming to the requirements of these pages.

8. For each amount comprising the reported balance and changes in Account 102, state the property purchased or sold, name of vendor or purchaser, and date of transaction. If proposed journal entries have been filed with the Commission as required by the Uniform System of Accounts, give also date of such filing.

LINE NO.	ACCOUNT (a)	BALANCE AT BEG. OF YEAR (b)	ADDITIONS (c)	RETIREMENTS (d)	ADJUSTMENTS (e)	TRANSFERS (f)	BALANCE AT END OF YEAR (g)
	2. Production Plant (Con't)						
	Products Extraction Plant (Con't)						
33	345 Compressor equipment	-					-
34	346 Gas measuring and regulating equipment	-					-
35	347 Other equipment	-					-
36	TOTAL Products Extraction Plant	-	-	-	-	-	-
37	TOTAL Nat. Gas Production Plant	-	-	-	-	-	-
38	Mfd. Gas Production Plant (Submit Suppl. Statement)						
39	TOTAL Production Plant	-	-	-	-	-	-
40	3. Natural Gas Storage & Processing Plant						
41	Underground Storage						
42	350.1 Land	-					-
43	350.2 Rights-of-way	-					-
44	351 Structures and improvements	-					-
45	352 Wells	-					-
46	352.1 Storage leaseholds and rights	-					-
47	352.2 Reservoirs	-					-
48	352.3 Non-recoverable natural gas	-					-
49	353 Lines	-					-
50	354 Compressor station equipment	-					-
51	355 Measuring and regulating equipment	-					-
52	356 Purification equipment	-					-
53	357 Other equipment	-					-
54	TOTAL Underground Storage Plant	-	-	-	-	-	-
55	Other Storage Plant						
56	360 Land and land rights	-					-
57	361 Structures and improvements	-					-
58	362 Gas holders	-					-
59	363 Purification equipment	-					-
60	363.1 Liquefaction equipment	-					-
61	363.2 Vaporizing equipment	-					-
62	363.3 Compressor equipment	-					-
63	363.4 Measuring and regulating equipment	-					-
64	363.5 Other equipment	-					-
65	TOTAL Other Storage Plant	-	-	-	-	-	-

Name of Respondent		This Report Is:		Date of Report		Year of Report	
Cascade Natural Gas Corporation		(1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		(Mo, Da, Yr)		Dec. 31, 2011	
STATE OF OREGON - ALLOCATED GAS PLANT IN SERVICE							
LINE NO.	ACCOUNT (a)	BALANCE AT BEG. OF YEAR (b)	ADDITIONS (c)	RETIREMENTS (d)	ADJUSTMENTS (e)	TRANSFERS (f)	BALANCE AT END OF YEAR (g)
66	Base Load Liquefied Natural Gas Terminating and Processing Plant	-	-	-	-	-	-
67	364.1 Land and land rights	-	-	-	-	-	-
68	364.2 Structures and improvements	-	-	-	-	-	-
69	364.3 LNG Processing terminal equipment	-	-	-	-	-	-
70	364.4 LNG Transportation equipment	-	-	-	-	-	-
71	364.5 Measuring and regulating equipment	-	-	-	-	-	-
72	364.6 Compressor station equipment	-	-	-	-	-	-
73	364.7 Communications equipment	-	-	-	-	-	-
74	364.8 Other equipment	-	-	-	-	-	-
75	TOTAL Base Load Liquefied Natural Gas, Terminating & Processing Plant	-	-	-	-	-	-
76	Total Nat. Gas Storage & Proc. Plant	-	-	-	-	-	-
77	4. Transmission Plant	-	-	-	-	-	-
78		-	-	-	-	-	-
79	365.1 Land and land rights	-	-	-	-	-	-
80	365.2 Rights of way	-	-	-	-	-	-
81	366 Structures and improvements	-	-	-	-	-	-
82	367 Mains	-	-	-	-	-	-
83	368 Compressor station equipment	-	-	-	-	-	-
84	369 Measuring and regulating station equipment	-	-	-	-	-	-
85	370 Communication equipment	-	-	-	-	-	-
86	371 Other equipment	-	-	-	-	-	-
87	TOTAL Transmission Plant	-	-	-	-	-	-
88	5. Distribution Plant	-	-	-	-	-	-
89	374 Land and land rights	23,393	-	-	-	-	23,393
90	375 Structures and improvements	97,539	850	-	-	-	98,389
91	376 Mains	-	-	-	-	-	-
92	377 Compressor station equipment	-	-	-	-	-	-
93	378 Measuring and regulating equipment - General	-	-	-	-	-	-
94	379 Measuring and regulating equipment - City Gate	-	-	-	-	-	-
95	380 Services	-	-	-	-	-	-
96	381 Meters	-	-	-	-	-	-
97	382 Meter installations	-	-	-	-	-	-
98	383 House regulators	-	-	-	-	-	-
99	384 House regulator installations	-	-	-	-	-	-
100	385 Industrial measuring and regulating station equipment	-	-	-	-	-	-
101	386 Other property on customers' premises	-	-	-	-	-	-
102	387 Other equipment	-	-	-	-	-	-
102.a	388 ARO - Distribution	-	-	-	-	-	-
103	TOTAL Distribution Plant	120,932	850	-	-	-	121,782

Name of Respondent		This Report Is:			Date of Report	Year of Report	
Cascade Natural Gas Corporation		(1) <input checked="" type="checkbox"/> An Original			(Mo, Da, Yr)	Dec. 31, 2011	
		(2) <input type="checkbox"/> A Resubmission					
STATE OF OREGON - ALLOCATED GAS PLANT IN SERVICE							
LINE NO.	ACCOUNT (a)	BALANCE AT BEG. OF YEAR (b)	ADDITIONS (c)	RETIREMENTS (d)	ADJUSTMENTS (e)	TRANSFERS (f)	BALANCE AT END OF YEAR (g)
104	6. General Plant						
105	389 Land and land rights	2,090	-	-	-	-	2,090
106	390 Structures and improvements	145,063	-	-	-	-	145,063
107	391 Office furniture, fixtures and equipment	2,304,272	153,752	(196,513)	-	-	2,261,511
108	392 Transportation equipment	209,008	53,182	-	-	-	262,190
109	393 Stores equipment	14,797	-	(70)	-	-	14,727
110	394 Tools, shop and garage equipment	194,727	61,767	(604)	-	-	255,890
111	395 Laboratory equipment	27,304	-	(222)	-	-	27,082
112	396 Power operated equipment	27,086	-	-	-	-	27,086
113	397 Communication equipment	148,009	464	(383)	-	-	148,090
114	398 Miscellaneous equipment	39	-	-	-	-	39
115	SUBTOTAL	3,072,395	269,165	(197,792)	-	-	3,143,768
116	399 Other Tangible Property	-	-	-	-	-	-
117	TOTAL General Plant	3,072,395	269,165	(197,792)	-	-	3,143,768
118	TOTAL (Accounts 101 and 106)	5,224,168	1,263,516	(197,792)	-	-	6,289,892
119	Gas Plant Purchased (See Instr. 8)	-	-	-	-	-	-
120	(less) Gas Plant Sold (See Instr. 8)	-	-	-	-	-	-
121	Experimental Gas Plant Unclassified	-	-	-	-	-	-
122	TOTAL Gas Plant in Service	5,224,168	1,263,516	(197,792)	-	-	6,289,892

Name of Respondent Cascade Natural Gas Corporation	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr)	Year of Report Dec. 31, 2011
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STATE OF OREGON - ALLOCATED GAS PLANT HELD FOR FUTURE USE (Account 105)

- Report separately each property held for future use at end of the year having an original cost of \$100,000 or more. Other items of property held or future use may be grouped provided that the number of properties so grouped is indicated.
- For property having an original cost of \$100,000 or more previously used in utility operations, now held for future use, give, in addition to other required information, the date that utility use of such property was discontinued, and the date the original cost was transferred to Account 105.

Line No.	Description and Location of Property (a)	Date Originally Included in this Acct. (b)	Date Expected to be Used in Utility Service (c)	Balance at End of Year (d)
1	Natural gas lands, leaseholds, and gas rights held for future utility use.			None
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45				
46	TOTAL-	0	0	0

Name of Respondent Cascade Natural Gas Corporation	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr)	Year of Report Dec. 31, 2011
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STATE OF OREGON - ALLOCATED CONSTRUCTION WORK IN PROGRESS - GAS (Account 107)

1. Report below descriptions and balances at end of year of projects in process of construction (107).
2. Show items relating to "research, development, and demonstration" projects last, under a caption Research, Development, and Demonstration (see Account 107 of the Uniform System of Accounts).
3. Minor projects may be grouped.

Line No.	Description of Projects (a)	Construction Work In Progress (Acct 107) (b)	Estimated Additional Cost of Project (c)
1	Installation of mains, service lines, measuring and regulating stations, meter sets and telemetering, etc. Other general plant work in progress expenditures	1,404,148	
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43	TOTAL -	1,404,148	0

Name of Respondent Cascade Natural Gas Corporation	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr)	Year of Report Dec. 31, 2011
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STATE OF OREGON - ALLOCATED ACCUMULATED PROVISION FOR DEPRECIATION OF GAS UTILITY PLANT (account 108)

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| <p>1. Explain in a footnote any important adjustments during year.</p> <p>2. Explain in a footnote any difference between the amount for book cost of plant retired, Line 11, column (c), and that reported for gas plant in service, pages 24-27, column (d), excluding retirements of non-depreciable property.</p> <p>3. The provisions of Account 108 in the Uniform System of accounts require that retirements of depreciable plant be recorded when such plant is removed from service. If the respondent has a significant amount of plant retired at year end which has not been recorded and/or classified to various reserve functional classifications make preliminary</p> | <p>4 closing entries to tentatively functionalize the book cost of the plant retired. In addition, include all costs included in retirement work in progress at year end in the appropriate functional classifications.</p> <p>4 Show separately interest credits under a sinking fund or similar method of depreciation accounting.</p> |
|---|--|

Section A. Balances and Changes During the Year

Line No.	Item (a)	Total (c+d+e) (b)	Gas Plant In Service (c)	Gas Plant Held For Future Use (d)	Gas Plant Leased to Others (e)
1	Balance beginning of year	(3,233,604)	(3,233,604)		
2	Depreciation provisions for year, charged to:				
3	(403) Depreciation expense	(375,238)	(375,238)		
4	(413) Exp. of gas plant leased to others	-			
5	Vehicle & Power Equipment Usage - Clearing	(24,372)	(24,372)		
6	Other clearing accounts	-			
7	Other Account (specify):				
7.01	ARO Assets	-			
7.02	Other	-			
8		-			
9	TOTAL Depreciation Provisions for Year (Enter total of lines 3 thru 8)	(399,610)	(399,610)		
10	Net Charges for Plant Retired:				
11	Book cost of plant retired	232,629	232,629		
12	Cost of removal	-			
13	Salvage (credits)	(1,337)	(1,337)		
14	TOTAL Net Charges for Plant Retired (enter Total of Lines 11 thru 13)	231,292	231,292		
15	Other Debit or Credit Items (Describe)				
15.01	Increase/Decrease in Retirement work in progress	310	310		
15.02	Adjustment due to change in allocation rate	53,203	53,203		
16.00					
17	Balance End of Year (Enter Total of Lines 1, 9, 14, 15, & 16)	(3,348,409)	(3,348,409)		

Section B. Balances at End of Year According to Functional Classifications

18	Production - Manufactured Gas	-	-		
19	Production and Gathering - Natural Gas	-	-		
20	Products Extraction - Natural Gas	-	-		
21	Underground Gas Storage	-	-		
22	Other Storage Plant	-	-		
23	Base Load LNG Terminaling and Proc. Plant	-	-		
24	Transmission	2,516,227	2,516,227		
25	Distribution	(9,412,509)	(9,412,509)		
26	General	3,473,372	3,473,372		
26.01	Intangible	73,667	73,667		
26.02	Retirement Work-In-Progress	833	833		
27	TOTAL (Enter Total of Lines 18 thru 26)	(3,348,409)	(3,348,409)		

NAME OF RESPONDENT CASCADE NATURAL GAS CORPORATION	THIS REPORT IS: (1) <input checked="" type="checkbox"/> AN ORIGINAL (2) <input type="checkbox"/> A RESUBMISSION	DATE OF REPORT (M,D,Y)	YEAR OF REPORT DEC 31, 2011
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STATE OF OREGON - GAS STORED (ACCOUNT 117, 164.1, 164.2 AND 164.3)

- Report below the information called for concerning inventories of gas stored.
- The Uniform System of Accounts provides that inventory cost records be maintained on a consolidated basis for all storage projects with separate records showing the Mcf of inputs and withdrawals and balance for each project, except under certain specified circumstances. If the respondent's inventory cost records are not maintained on a consolidated basis for all storage projects, furnish an explanation of the accounting followed and reason for any deviation from the general basis provided by the Uniform System of Accounts. Separate schedules on this schedule form should be furnished for each group of storage projects for which separate inventory cost records are maintained.
- If during the year adjustment was made of the stored gas inventory, such as to correct for cumulative inaccuracies of gas measurements, furnish an explanation of the reason for the adjustment, the Mcf and dollar amount of adjustment and account charged or credited.
- Give a concise statement of the facts and the accounting performed with respect to any encroachment of withdrawals during the year, or restoration of previous encroachment, upon native gas constituting the "gas cushion" of any storage reservoir.
- If the respondent uses a "base stock" in connection with its inventory accounting, give a concise statement of the basis of establishing such "base stock", the inventory basis, and the accounting performed with respect to any encroachment of withdrawals upon "base stock", or restoration of previous encroachment including brief particulars of any such accounting during the year.
- If respondent has provided accumulated provision for such stored gas which may not eventually be fully recovered from any storage project, furnish a statement showing: (a) date of Commission authorization of such accumulated provision, (b) explanation of circumstances requiring such provision, (c) basis of provision and factors of calculation, (d) estimated ultimate accumulated provision accumulation, (e) a summary showing balance of accumulated provision and entires during year.
- Pressure base of gas volumes reported in this schedule is 14.73 psia at 60" F.

Line No.	Description	NonCurrent (Acct 117) (a)	Current (Acct 164.1) (b)	LNG (Acct 164.2) (c)	LNG (Acct 164.3) (d)	Total (e)
1	Balance, beginning of year		Not allocated	Not allocated		Not allocated
2	Gas delivered to storage					
3	(contract account)		0	0		0
4	Gas withdrawn from storage					
5	(contra account)			\$ 23,617		\$ 23,617
6	Other debits or credits					
7	(explain)					
8						
9						
10						
11						
12	Balance, end of year		Not allocated	Not allocated		Not allocated
13	Mcf					
14	Amount per Mcf					

15 State basis of segregation of inventory between current and noncurrent portions:
16

17	Gas delivered to storage:					
18	Mcf					Not allocated
19	Amount per Mcf					Not allocated
20	Cost basis of gas delivered to storage:					
21	Specify: Own production (give production area, see					
22	uniform system of accounts); average system purchases;					
23	specific purchases (state which purchases).					
24	Does cost of gas delivered to storage include any expenses					
25	for use of respondent's transmission, storage, or other					
26	facilities? If so, give particulars and date of Commission					
27	approval of the accounting.					
28						

29	Gas withdrawn from storage:					
30	Mcf					3,375
31	Amount per Mcf					7.00
32	Cost basis of withdrawals:					
33	Specify: average cost, lifo, fifo, (Explain any change in					Fifo
34	inventory basis during year and give date of Commission					
35	approval of the change or approval of an inventory basis					
36	different from that referred to in uniform system of accounts.)					
37						
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NAME OF RESPONDENT CASCADE NATURAL GAS CORPORATION	THIS REPORT IS: (1) <input checked="" type="checkbox"/> AN ORIGINAL (2) <input type="checkbox"/> A RESUBMISSION	DATE OF REPORT (M,D,Y)	YEAR OF REPORT DEC 31, 2011
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STATE OR OREGON - GAS PURCHASES (Accounts 800, 801, 802, 803, 804.1 and 805)

1. Report particulars of gas purchases during the year in the manner prescribed below. (Code numbers to be used in reporting for Columns (d), (e) and (f) will be supplied by the Commission.)

2. Provide subheadings and totals for prescribed accounts as follows:

- 800 Natural Gas Well Head Purchases
- 801 Natural Gas Field Line Purchases
- 802 Natural Gas Gasoline Plant Outlet Purchases
- 803 Natural Gas Transmission Line Purchases
- 804 Natural Gas City Gate Purchases
- 804.1 Liquefied Natural Gas Purchases
- 805 Other Gas Purchases

Purchases are to be reported in account number sequence; e.g., all purchases charged to Account 800, followed by charges to Account 801, etc. Under each account number, purchases should be reported by states in alphabetical order. Totals are to be shown for each account in Columns (k) and (l) and should agree with the books of account, or any differences reconciled.

3. Purchases may be reported by gas purchase contract totals (at the option of the respondent) where one contract includes two or more FERC producer rate schedules or small producer certificates, provided that the same price is being paid for all gas purchased under the contract. If two or more prices are in effect under the same contract, separate details for each price shall be reported. The name and FERC rate schedule or small producer certificate docket number of each seller included in the contract total shall be listed on separate sheets, clearly cross-referenced. Where two or more prices are in effect, the sellers at each price are to be listed separately.

4. Purchases of less than 100,000 Mcf per year per contract from sellers not affiliated with the reporting company may (at the option of the respondent) be grouped by account number, except when the purchases were permanently discontinued during the reporting year. When grouped purchases are reported, the number of grouped purchases is to be reported in Column (a). Only Columns (a), (k), and (m) are to be completed for grouped purchases; however, the Commission may request additional details when necessary. Grouped non-jurisdictional purchases should be shown on a separate line.

5. Column instructions are as follows:

Columns (a) and (d) - In reporting the names of sellers under FERC rate schedules, use the names as they appear on the filed rate schedules. Abbreviations may be used where necessary. The code number to be used is the Commission-assigned number.

Column (b) - Give the name of the producing field only for purchases at the wellhead or from field lines. The plant name should be given for purchases from gasoline plant outlets. If purchases under a contract are from more than one field or plant, use the name of the one contributing the largest volume. Use a footnote to list the other fields or plants involved.

Column (c) - State the net rate in cents per Mcf as of December 31 for the reported year, applicable to the volume shown in Column (k).

The net rate includes all applicable deductions and downward adjustments. The rate is effective and is filed pursuant to applicable statutes and regulations and (as to FERC rates schedules) permitted by the Commission to become effective.

Columns (e) and (f) - General Services Administration location code designations are to be used to designate the state and county where the gas is received. Where gas is received in more than one county, use the code designation for the county having the largest volume, and by footnote list the other counties involved.

Column (g) - List the assigned Commission rate schedule number or small producer certificate docket number. Use the designation "NJ" in Column (g) to indicate non-jurisdictional purchases.

Column (h) - In some cases, two or more lines will be required to report a purchase, as when two or more rates are being paid under the same contract, or when purchases under the same rate schedule are charged to more than one account. If for such reasons the producer rate schedule or non-jurisdictional purchase contract appears on more than one line, enter a numerical code (selected by the respondent) in Column (h) to so indicate. Once established, the same numerical suffix is to be used for all subsequent years reporting of the purchase. If the purchase was permanently discontinued during the reporting year, so indicate by an asterisk(*) in column (h). Column (h) is also to be used to enter any Commission assigned letter rate schedule suffix (e.g. R.S. No. 22A).

Column (i) - Show date of the gas purchase contract. If gas is purchased under a renegotiated contract, show the dates of the original and renegotiated contracts on the following line in brackets. If new acreage is dedicated by ratification of an existing contract, show the date of the ratification rather than the date of the original contract. If gas is being sold from a different reservoir than the original dedicated acreage pursuant to Section 2.56 (f) (2) of the Commission's Rules of Practice and Procedure, place the letter "A" after the contract date.

Column (j) - Show, for each purchase, the approximate BTU per cubic foot, determined in accordance with the definition in item No. 7 of the General Instructions for FERC Form 2.

Column (k) - State the volume of purchased gas as finally measured for purposes of determining the amount payable for the gas. Include current year receipts of make-up gas that was paid for in prior years.

Column (l) - State the dollar amount (omit cents) paid and previously paid for the volumes of gas shown in Col. (k).

Column (m) - State the average cost per MCF to the nearest hundredth of a cent. (Column (l) divided by Column (k) multiplied by 100.)

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STATE OR OREGON - GAS PURCHASES (Account 800, 801, 802, 803, 804, 804.1 and 805) (Con't)

LINE NO.	NAME OF SELLER (DESIGNATE ASSOCIATED COMPANIES) (a)	Name of Producing Field or Gasoline Plant (b)	Net Rate Effective December 31 (c)
1	804 Natural Gas City Gate Purchases		
2	Core firm supply		
3			
4	Peaking Services		
5			
6	Interstate Pipeline Transportation		
7			
8			
9	TOTAL		
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NAME OF RESPONDENT CASCADE NATURAL GAS CORPORATION	THIS REPORT IS: (1) <input checked="" type="checkbox"/> AN ORIGINAL (2) <input type="checkbox"/> A RESUBMISSION	DATE OF REPORT (M,D,Y)	YEAR OF REPORT DEC 31, 2011
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STATE OR OREGON - GAS PURCHASES (Account 800, 801, 802, 803, 804, 804.1 and 805) (Con't)

Code (d)	State Code (e)	County Code (f)	Rate Schedule		Date of Contract (l)	Approx. BTU Per Cu Ft (j)	Gas Purchased - Mcf (14.73 psia 60 °F) (k)	Cost of Gas (l)	Cost Per Mcf (cents) (m)	LINE NO.
			No. (g)	Suffix (h)						
						10.30	7,481,456	\$ 43,367,938	579.67	1
								\$ 278,228	n/a	2
								\$ 5,535,218	n/a	3
									n/a	4
									n/a	5
									n/a	6
									n/a	7
									n/a	8
							7,481,456	\$ 49,181,384		9
										10
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NAME OF RESPONDENT CASCADE NATURAL GAS CORPORATION	THIS REPORT IS: (1) x AN ORIGINAL (2) o A RESUBMISSION	DATE OF REPORT (M,D,Y)	YEAR OF REPORT DEC 31, 2011
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STATE OF OREGON - GAS USED IN UTILITY OPERATIONS - CREDIT (Accounts 810, 811 and 812)

- Report below particulars of credits during the year to Accounts 810, 811 and 812, which offset charges to operating expenses or other accounts for the cost of gas from the respondent's own supply.
- Natural gas means either natural gas unmixed, or any mixture of natural and manufactured gas.
- If the reported MCF for any use is an estimated quantity, state such fact.
- If any natural gas was used by the respondent for which charge was not made to the appropriate operating expenses or other account, list separately in column © the MCF of gas so use omitting entries in columns (d) and (e).
- Pressure base of measurement, to be reported in columns (c) and (f) is 14.73 psia at 60 °F.

LINE NO.	PURPOSE FOR WHICH GAS WAS USED (a)	ACCOUNT CHARGED (b)	Natural Gas			Manufactured Gas	
			MCF OF GAS USED (14.73 PSIA AT 60 °F) (c)	AMOUNT OF CREDIT (d)	AMOUNT PER MCF (CENTS) (e)	MCF OF GAS USED (14.73 PSIA AT 60 °F) (f)	AMOUNT OF CREDIT (g)
1	810 Gas used for Compressor Station Fuel - Credit						
2	811 Gas used for Products Extraction - Credit						
3	(a) Gas shrinkage & other usage in respondent's own processing						
4	(b) Gas shrinkage, etc. for respondent's gas processed by others						
5	812 Gas used for Other Utility Operations - Credit (Report separately for each principal use. Group minor uses).	812	4,523	\$ 25,069	0	0	0
7							
8							
9							
10							
11							
12							
13							
14							
15							
16							
17							
18							
19	TOTAL		4,523	\$ 25,069			

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NAME OF RESPONDENT CASCADE NATURAL GAS CORPORATION	THIS REPORT IS: (1) <input checked="" type="checkbox"/> AN ORIGINAL (2) <input type="checkbox"/> A RESUBMISSION	DATE OF REPORT (M,D,Y)	YEAR OF REPORT DEC 31, 2011
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STATE OF OREGON - GAS ACCOUNT - NATURAL GAS

- The purpose of this schedule is to account for the quantity of natural gas received and delivered by the respondent taking into consideration differences in pressure bases used in measuring MCF of natural gas received and delivered.
- Natural gas means either natural gas unmixed or any mixture of natural and manufactured gas.
- Enter in column (c) the MCF as reported in the schedules indicated for the respective items of receipts and deliveries.

LINE NO.	ITEM (a)	REFERENCE PAGE NO. (b)	MCF (14.73 PSIA AT 60 °F) (c)
1	GAS RECEIVED		Mcf
2	Natural gas produced		
3	LPG gas produced and mixed with natural gas		
4	Manufactured gas produced and mixed with natural gas		
5	Purchased gas:		
6	a. Wellhead		
7	b. Field lines		
8	c. Gasoline Plants		
9	d. Transmission line		
10	e. City gate under FERC rate schedules		7,391,028
11	f. LNG		
12	g. Other		
13	TOTAL GAS PURCHASED		7,391,028
14	Gas of others received for transportation		22,962,138
15	Receipts of respondents' gas transported or compressed by others		
16	Exchange gas received		
17	Gas withdrawn from underground storage		94,951
18	Gas received from LNG storage		
19	Gas received from LNG processing		
20	Other receipts: (specify)		
21	TOTAL RECEIPTS		30,448,117

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STATE OF OREGON - GAS ACCOUNT - NATURAL GAS (Con't)

4. In a footnote report the volumes of gas from respondent's own production delivered to respondent's transmission system and included in natural gas sale.
5. If the respondent operates two or more systems which are not interconnected, separate schedules should be submitted. Insert pages should be used for this purpose.

LINE NO.	ITEM (a)	REFERENCE PAGE NO. (b)	MCF (14.73 PSIA AT 60 °F) (c)
	GAS RECEIVED		
22	Natural gas sales		
23	a. Field sales:		
24	(i) To interstate pipeline companies for resale pursuant		
25	to FERC rate schedules		
26	(ii) Retail industrial sales		
27	(iii) Other field sales		
28	TOTAL FIELD SALES		
29	b. Transmission systems sales:		
30	(i) To interstate pipeline co for resale under FERC rate schedules		
31	(ii) To intrastate pipeline companies and gas utilities for resale		
32	under FERC rate schedules		
33	(iii) Mainline Industrial sales under FERC certification		
34	(iv) Other mainline industrial sales		
35	(v) Other transmission system sales		
36	TOTAL TRANSMISSION SYSTEM SALES		
37	c. Local distribution by respondent		
38	(i) Retail industrial sales		624,579
39	(ii) Other distribution system sales		6,605,297
40	TOTAL DISTRIBUTION SYSTEM SALES		7,229,876
41	d. Interdepartmental sales		
42	TOTAL SALES		7,229,876
43			
44	Deliveries of gas transported or compressed for:		
45	a. Other interstate pipeline companies		
46	b. Others		22,962,138
47	TOTAL GAS TRANSPORTED OR COMPRESSED FOR OTHERS		22,962,138
48	Deliveries of Respondent's gas for transportation or compression by others		
49	Exchange gas delivered		
50	Natural gas used by respondent		4,523
51	Natural gas delivered to underground storage		
52	Natural gas delivered to LNG storage		
53	Natural gas delivered to LNG processing		
54	Natural gas for franchise requirements		
55	Other deliveries (specify)		
56	TOTAL SALES & OTHER DELIVERIES (Lines 42,46,47 thru 54)		30,196,537
57	Production system losses		
58	Storage losses		
59	Transmission system losses		
60	Distribution system losses		251,579
61	Others		
62	TOTAL UNACCOUNTED FOR (Enter Lines 57 thru 61)		251,579
63	TOTAL SALES, OTHER DELIVERIES & UNACCOUNTED FOR		30,448,116

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STATE OF OREGON - Miscellaneous General Expenses (Account 930.2)

Report below the information called for concerning items included in miscellaneous general expenses.

LINE NO.	ITEMS (a)	AMOUNT APPLICABLE TO STATE OF OREGON (b)
1	Industry association dues.	39,293
2	Experimental and general research expenses. a. Gas Research Institute (GRI) b. Other	
3	Publishing and distributing information and reports to stockholders, trustee, registrar, and transfer agent fees and expenses, and other expenses of servicing outstanding securities of	
4		
5	Bank and Other Finance Fees (paid to Bank of New York, Payflex and MDU for CNGC's share of corporate banking fees)	69,092
6	Director's Fees (paid to MDU for CNGC's share of director's expenses)	58,058
7	Miscellaneous under \$250,000 (6 items)	(12,747)
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38	TOTAL	153,696

NAME OF RESPONDENT CASCADE NATURAL GAS CORPORATION	THIS REPORT IS: (1) <input checked="" type="checkbox"/> AN ORIGINAL (2) <input type="checkbox"/> A RESUBMISSION	DATE OF REPORT (M,D,Y)	YEAR OF REPORT DEC 31, 2011
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STATE OF OREGON - POLITICAL ADVERTISING

1. List all 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
2. Give the specific purpose of such advertising, when and where placed, and the account or accounts charged
3. Report whole dollars only. Provide a total for each account and a grand total.

LINE NO.	DESCRIPTION (a)	ACCOUNT CHARGED (b)	AMOUNT (c)
1	NONE		
	TOTAL		

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STATE OF OREGON - POLITICAL CONTRIBUTIONS

1. List all 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.
2. The purpose of all contributions or payments should be clearly explained.
3. Report whole dollars only. Provide a total for each account and a grand total.

LINE NO.	DESCRIPTION (a)	ACCOUNT CHARGED (b)	AMOUNT (c)
1	NONE		
	TOTAL		

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**STATE OF OREGON - EXPENDITURES TO ANY PERSON OR ORGANIZATION
HAVING AN AFFILIATED INTEREST FOR SERVICES, ETC.**

- Report all expenditures to any person or organization having an affiliated interest for service, advice, auditing, associating, sponsoring, engineering, managing, operating, financial, legal or other services. See Oregon Revised Statute 757.015 for definition of "affiliated interest."
- Give reference if such expenditures have in the past been approved by the Commission.
Describe the services received and the account or accounts charged. Report whole dollars only.

LINE NO.	DESCRIPTION (a)	ACCOUNT NUMBER (b)	TOTAL AMOUNT (c)	AMOUNT ASSIGNED TO OREGON (d)
1	MDU/MDUR Allocated - approved in Order 07-418	107	2,976,561	723,602
2	MDU/MDUR Allocated - approved in Order 07-418	426.1	9,308	2,263
3	MDU/MDUR Allocated - approved in Order 07-418	426.4	5,029	1,223
4	MDU/MDUR Allocated - approved in Order 07-418	426.5	226,301	55,014
5	MDU/MDUR Allocated - approved in Order 07-418	813	105,207	25,576
6	MDU/MDUR Allocated - approved in Order 07-418	875	93,265	22,673
7	MDU/MDUR Allocated - approved in Order 07-418	880	113,177	27,513
8	MDU/MDUR Allocated - approved in Order 07-418	902	75,324	18,311
9	MDU/MDUR Allocated - approved in Order 07-418	903	3,447,663	838,127
10	MDU/MDUR Allocated - approved in Order 07-418	909	2,120	515
11	MDU/MDUR Allocated - approved in Order 07-418	920	4,470,451	1,086,767
12	MDU/MDUR Allocated - approved in Order 07-418	921	4,053,719	985,459
13	MDU/MDUR Allocated - approved in Order 07-418	922	(504)	(123)
18	MDU/MDUR Allocated - approved in Order 07-418	923	245,028	59,566
19	MDU/MDUR Allocated - approved in Order 07-418	926	454,935	110,595
20	MDU/MDUR Allocated - approved in Order 07-418	930.1	49,114	11,940
21	MDU/MDUR Allocated - approved in Order 07-418	930.2	193,804	47,114
22	MDU/MDUR Allocated - approved in Order 07-418	931	1,351,856	328,636
23	Other Services	VAR	139,332	2,160
	TOTALS		18,011,690	4,346,931

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STATE OF OREGON - Donations and Memberships

1. List all donations and membership expenditures made by the utility during the year and the accounts charged. Give the name, city and state of each organization to whom a donation has been made. Group donations under headings such as:
- a. Contributions to and memberships in charitable organizations
 - b. Organizations of the utility industry
 - c. Technical and professional organizations
 - d. Commercial and trade organizations
 - e. All other organizations and kinds of donations and contributions
2. List donations by type and group by the account charged. Report whole dollars only. Provide a total for each group of donations.

LINE NO.	DESCRIPTION (a)	ACCOUNT NUMBER (b)	TOTAL AMOUNT (c)	AMOUNT ASSIGNED TO OREGON (d)
1	<i>(a) Contributions to and memberships in charitable organizations:</i>			
2	CNGC Matching Contributions to Winter Help (Washington, Oregon)			
3		426.1	37,000	8,995
4	MDU Resource Foundation (Bismark, North Dakota)	426.1	70,252	17,078
5	Special Olympics (Washington)	426.1	2,500	-
6	Carson Kolzig Foundation (Tri-Cities, Washington)	426.1	3,500	851
7	Second Harvest Tri-Cities (Tri-Cities, Washington)	426.1/921	10,697	2,600
8	Habitat for Humanity (Tri-Cities, Washington)	426.1	1,000	243
9	Ignite Youth Mentoring (Tri-Cities, Washington)	426.1	3,000	729
10	Boys & Girls Clubs (Tri-Cities, Washington)	426.1	1,500	365
11	Other Organizations under \$1,000 (26 organizations)	426.1/921	6,736	1,596
12	Total contributions to and memberships in charitable organizations		136,185	32,458
13				
14	<i>(e) All Other Organizations and Kinds of Donations and Contributions:</i>			
15	The Foundation for Private Enterprise (Olympia, WA)	426.1	1,500	365
16	Home Builders Association (Tri-Cities, Washington)	426.1	1,500	365
17	West Richland Chamber of Commerce (Tri-Cities, Washington)	426.1	1,500	365
18	Cowlitz Economic Development Council (Longview, Washington)	921	1,675	-
19	Miscellaneous (2 organizations)	426.1/921	3,300	2,165
20	Economic Development for Central Oregon (Bend, Oregon)	921	7,500	7,500
21	Association of Washington Businesses (Olympia, WA)	426.1/930.2/921	11,340	2,756
22	Other Organizations under \$1,000 (83 organizations)	426.1/930.2/921	21,503	4,635
23	Total all other organizations and kinds of donations and contributions		49,818	18,150
24				
25	<i>(b) Organizations of the Utility Industry:</i>			
26	American Gas Association (Washington D.C.)	930.2	137,589	33,448
27	Northwest Gas Association (West Linn, Oregon)	930.2/921	43,057	10,468
28	Pipeline Association For Public Awareness	921	18,950	4,607
29	UTC	921	2,746	668
30	Other Organizations under \$1,000 (1 organization)	930.2	666	162
31	Total organizations of the utility industry		203,008	49,352
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42	TOTAL		389,011	99,960

NAME OF RESPONDENT CASCADE NATURAL GAS CORPORATION	THIS REPORT IS: (1) <input checked="" type="checkbox"/> AN ORIGINAL (2) <input type="checkbox"/> A RESUBMISSION	DATE OF REPORT (M,D,Y)	YEAR OF REPORT DEC 31, 2011
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STATE OF OREGON - OFFICERS' SALARIES

1. Report below the name, title and salary for the year for each executive officer whose salary is \$50,000 or more. An "executive officer" of a respondent includes its president, secretary, treasurer, and vice president in charge of a principle business unit, division or function (such as sales, administration or finance) and any other person who performs similar policy making functions.
2. If a change was made during the year in the incumbent of any position, show name and total remuneration of the previous incumbent and date the change in incumbency was made.
3. Utilities which are required to file similar data with the Securities and Exchange Commission, may substitute a copy of item 4, Regulation S-K, identified as this schedule page. The substituted page(s) should be conformed to the size of this page.

LINE NO.	TITLE (a)	NAME OF OFFICER (b)	SALARY FOR YEAR	
			TOTAL (a)	OREGON (a)
1	President and CEO of MDU Utilities Group 1/	David L. Goodin	4/	
2	Chairman of the Board 2/	Terry D. Hildestad	4/	
3	Executive VP & General Manager 3/	K. Frank Morehouse	4/	
4	VP Operations 3/	Tim Clark	4/	
5	VP CAO and Asst. Treasurer 3/	Scott W. Madison	4/	
6	EVP Reg. ,Gas Supply, & Bus. Dvlpmnt. 1/	Dennis Haider	4/	
7	Asst. Secretary 2/	Julie A. Krenz	4/	
8	General Counsel and Secretary 2/	Paul K. Sandness	4/	
9	General Counsel and Secretary 2/	Daniel S. Kuntz	4/	
10				
11				
12				
13	1/ Salary includes amount allocated to CNGC from MDU			
14	2/ Salary includes amount allocated to CNGC from MDUR			
15	3/ Salary includes amount allocated to CNGC from IGC			
16	4/ Confidential salary data included on filed reports with WUTC			
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NAME OF RESPONDENT CASCADE NATURAL GAS CORPORATION	THIS REPORT IS: (1) <input checked="" type="checkbox"/> AN ORIGINAL (2) <input type="checkbox"/> A RESUBMISSION	DATE OF REPORT (M,D,Y)	YEAR OF REPORT DEC 31, 2011
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STATE OF OREGON-DONATIONS OR PAYMENTS FOR SERVICES RENDERED BY PERSONS OTHER THAN EMPLOYEES AND CHARGED TO OREGON OPERATING ACCOUNTS

- Report for each service rendered (including materials furnished incidental to the service which are impracticable of separation) by recipient and in total the aggregate of all payments made during the year where the aggregate of such payments to a recipient was \$25,000 or more including fees, retainers, commissions, gifts, contributions, assessments, bonuses, subscriptions, allowances for expenses or any other form of payments for services, traffic settlements, amounts paid for general services and licenses, accruals paid to trustees of pension and other employee benefit funds, and amounts paid for construction or maintenance of plant to persons other than affiliates to any one corporation, institution, association, firm, partnership, committee, or person (not an employee of the respondent). Indicate by an asterisk in column (c) each item that includes payments for materials furnished incidental to the service performed. Payments to a recipient by two or more companies within a single system under a cost sharing or other joint arrangement shall be considered a single item for reporting in this schedule and shall be shown in the report of the principal company in the joint arrangement (as measured by gross operating revenues) with references thereto in the reports of the other system companies in the joint agreement.
- If more convenient, this schedule may be filled out for a group of companies considered as one system and shown only in the report of the principal company in the system, with references thereto in the reports of the other companies.

LINE NO.	NAME OF RECIPIENT (a)	NATURE OF SERVICE (b)	AMOUNT OF PAYMENT (c)
1	Deloitte & Touche	Audit	53,441
2	Mears Group Inc.	Engineering	37,003
3	Tupper, Mack, Brower & Jensen	Environmental	55,237
4	H. Gil Peach & Associates LLC	Consulting	-
5	Anchor Qea	Environmental	-
6	Salter, Joyce, Ziker PLLC	Environmental	13,679
7	Celerity Consulting Group	Environmental	24,624
8	Kadrmass, Lee & Jackson	Engineering	20,252
9	Eugene Water & Electric Board	Environmental	68,731
10	Perkins Coie LLP	Legal	11,280
11	Jackson Lewis LLP	Personnel	10,407
12	Aspect Consulting LLC	Environmental	-
13	Aecomm Inc	Environmental	25,017
14	New York Life Retirement Plan	Consulting	7,050
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27	TOTAL		326,721

NAME OF RESPONDENT CASCADE NATURAL GAS CORPORATION	THIS REPORT IS: (1) <input checked="" type="checkbox"/> AN ORIGINAL (2) <input type="checkbox"/> A RESUBMISSION	DATE OF REPORT (M,D,Y)	YEAR OF REPORT DEC 31, 2011
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In order to help us with production of our Oregon Utility Statistics publication, please indicate:

Oregon Production Statistics(therms)

Gas Produced	-
Gas Purchased	<u>313,706,084</u>
Total Receipts	<u>313,706,084</u>

Gas Sales	<u>311,067,471</u>
Gas used by Company	<u>46,597</u>
Gas Delivered to LNG Storage - Net	-
Losses & Billing Delay	<u>2,592,016</u>
Total Disbursements	<u>313,706,084</u>

Oregon Revenue by Service Class

Residential	\$ <u>44,026,559</u>
Commercial & Industrial	\$ <u>32,370,922</u>
Firm	\$ -
Interruptible	\$ -
Transportation	\$ <u>3,913,606</u>
Total	\$ <u>80,311,087</u>

Gas Sold in Therms(Oregon)

Residential	<u>39,694,212</u>
Commercial & Industrial	<u>34,795,004</u>
Firm	-
Interruptible	-
Transportation	<u>236,578,255</u>
Total	<u>311,067,471</u>

Average Number of Customers

Residential	<u>54,891</u>
Commercial & Industrial	<u>9,464</u>
Firm	-
Interruptible	-
Transportation	<u>32</u>
Total	<u>64,387</u>

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