| THIS FILING IS | | | |
|---|---|---|---|
| Item 1: | ☒ An Initial (Original) Submission | OR | ☐ Resubmission No. ___ |

Form 2 Approved
OMB No.1902-0028
(Expires 12/31/2020)

Form 3-Q Approved
OMB No.1902-0205
(Expires 11/30/2022)

# FERC FINANCIAL REPORT
# FERC FORM No. 2: Annual Report of Major Natural Gas Companies and Supplemental Form 3-Q: Quarterly Financial Report

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) | Year/Period of Report |
|---|---|
| Cascade Natural Gas Corporation | End of 2021/Q4 |

## 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 form 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 | Reference Schedules Pages |
| --- | --- |
| 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 167 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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QUARTERLY/ANNUAL REPORT OF MAJOR NATURAL GAS COMPANIES

## IDENTIFICATION

| 01 Exact Legal Name of Respondent | 02 Year/Period of Report | |
|---|---|---|
| Cascade Natural Gas Corporation | End of 2021/Q4 | |
| 03 Previous Name and Date of Change (if name changed during year) | | |
| 04 Address of Principal Office at End of Year (street, City, State, Zip Code) | | |
| 8113 West Grandridge Boulevard, Kennewick, WA 99336-7166 | | |
| 05 Name of Contact Person | 06 Title of Contact Person | |
| Kevin Conwell | Manager, Accounting & Finance | |
| 07 Address of Contact Person (Street, City, State, Zip Code) | | |
| 8113 West Grandridge Boulevard, Kennewick, WA 99336-7166 | | |
| 08 Telephone of Contact Person, Including Area Code | 09 This Report Is | 10 Date of Report |
| | (1) ☒ An Original | *(Mo, Da, Yr)* |
| 509-734-4524 | (2) ☐ A Resubmission | 12/31/2021 |

### 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 | 12 Title |
|---|---|
| Kevin Conwell | Manager, Accounting & Finance |
| 13 Signature | 14 Date Signed |
| Kevin Conwell | 12/31/2021 |

Title 18, U.S.C. 1001 makes it a crime for any person to 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 | This Report Is: | Date of Report | Year/Period of Report |
|---|---|---|---|
| Cascade Natural Gas Corporation | (1) ☒ An Original<br>(2) ☐ A Resubmission | (Mo, Da, Yr)<br>12/31/2021 | End of 2021/Q4 |

**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<br>(a) | Reference Page No.<br>(b) | Date Revised<br>(c) | Remarks<br>(d) |
|---|---|---|---|---|
| | GENERAL CORPORATE INFORMATION AND FINANCIAL STATEMENTS | | | |
| 1 | General Information | 101 | | |
| 2 | Control Over Respondent | 102 | | |
| 3 | Corporations Controlled by Respondent | 103 | | NA |
| 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 Accumulated Comprehensive Income and Hedging Activities | 117 | | |
| 9 | Statement of Retained Earnings for the Year | 118-119 | | |
| 10 | Statements of Cash Flows | 120-121 | | |
| 11 | Notes to Financial Statements | 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 | | NA |
| 15 | Gas Property and Capacity Leased to Others | 213 | | NA |
| 16 | Gas Plant Held for Future Use | 214 | | |
| 17 | Construction Work in Progress-Gas | 216 | | |
| 18 | Non-Traditional Rate Treatment Afforded New Projects | 217 | | NA |
| 19 | General Description of Construction Overhead Procedure | 218 | | |
| 20 | Accumulated Provision for Depreciation of Gas Utility Plant | 219 | | |
| 21 | Gas Stored | 220 | | |
| 22 | Investments | 222-223 | | |
| 23 | Investments in Subsidiary Companies | 224-225 | | NA |
| 24 | Prepayments | 230 | | |
| 25 | Extraordinary Property Losses | 230 | | NA |
| 26 | Unrecovered Plant and Regulatory Study Costs | 230 | | NA |
| 27 | Other Regulatory Assets | 232 | | |
| 28 | Miscellaneous Deferred Debits | 233 | | |
| 29 | Accumulated Deferred Income Taxes | 234-235 | | |
| | BALANCE SHEET SUPPORTING SCHEDULES (Liabilities and Other Credits) | | | |
| 30 | Capital Stock | 250-251 | | |
| 31 | Capital Stock Subscribed, Capital Stock Liability for Conversion, Premium on Capital Stock, and Installments Received on Capital Stock | 252 | | |
| 32 | Other Paid-in Capital | 253 | | NA |
| 33 | Discount on Capital Stock | 254 | | NA |
| 34 | Capital Stock Expense | 254 | | NA |
| 35 | Securities issued or Assumed and Securities Refunded or Retired During the Year | 255 | | NA |
| 36 | Long-Term Debt | 256-257 | | |
| 37 | Unamortized Debt Expense, Premium, and Discount on Long-Term Debt | 258-259 | | |

**List of Schedules (Natural Gas Company) (continued)**

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."

## General Information

1. Provide 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 the general corporate books are kept.

Kevin Conwell
Manager, Accounting & Finance
8113 West Grandridge Boulevard,
Kennewick, WA 99336-7166

2. Provide the name of the State under the laws of which respondent is incorporated and 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 trusteeship was created, and (d) date when possession by receiver or trustee ceased.

N/A

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 engaged:
(2) ☒ No

| Name of Respondent | This Report Is: | Date of Report (Mo, Da, Yr) | Year/Period of Report |
|---|---|---|---|
| Cascade Natural Gas Corporation | (1) ☒ An Original<br>(2) ☐ A Resubmission | 12/31/2021 | End of 2021/Q4 |

## 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 trustees, 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<br>(a) | Type of Control<br>(b) | State of Incorporation<br>(c) | Percent Voting Stock Owned<br>(d) |
|---|---|---|---|---|
| 1 | MDU Resources Group, Inc. (MDUR) | M | DE | 100.00 |
| 2 | MDU Energy Capital, LLC | I | DE | 100.00 |
| 3 | Praire Cascade Energy Holdings, LLC (PCEH) | D | DE | 100.00 |
| 4 | | | | |
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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, warrants, 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, in a footnote, 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.<br>Total:<br>By Proxy: | 3. Give the date and place of such meeting: |
|---|---|---|

| Line No. | Name (Title) and Address of Security Holder (a) | VOTING SECURITIES 4. Number of votes as of (date): Total Votes (b) | Common Stock (c) | Preferred Stock (d) | Other (e) |
|---|---|---|---|---|---|
| 5 | TOTAL votes of all voting securities | 1,000 | 1,000 | | |
| 6 | TOTAL number of security holders | 1 | 1 | | |
| 7 | TOTAL votes of security holders listed below | 1,000 | 1,000 | | |
| 8 | | | | | |
| 9 | | | | | |
| 10 | | | | | |
| 11 | Cascade is a wholly-owned subsidiary of MDU Resources Group, Inc. | | | | |
| 12 | MDU Resources Group, Inc. | | | | |
| 13 | PO Box 5650 | | | | |
| 14 | Bismarck, ND 58506-5650 | | | | |
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| 20 | | | | | |

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[Next page is 108.1]

| Name of Respondent | This Report Is: | Date of Report | Year/Period of Report |
|---|---|---|---|
| Cascade Natural Gas Corporation | (1) ☒ An Original<br>(2) ☐ A Resubmission | (Mo, Da, Yr)<br>12/31/2021 | End of 2021/Q4 |

**Important Changes During the Quarter/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.

1. Use this space to paste the disclosure required by instruction 1 of Page 108.1

2. Use this space to paste the disclosure required by instruction 2 of Page 108.1

3. Use this space to paste the disclosure required by instruction 3 of Page 108.1

4. Use this space to paste the disclosure required by instruction 4 of Page 108.1

5. Use this space to paste the disclosure required by instruction 5 of Page 108.1

6. Use this space to paste the disclosure required by instruction 6 of Page 108.1

7. Use this space to paste the disclosure required by instruction 7 of Page 108.1

8. Use this space to paste the disclosure required by instruction 8 of Page 108.1

9. Use this space to paste the disclosure required by instruction 9 of Page 108.1

10. Use this space to paste the disclosure required by instruction 10 of Page 108.1

11. Use this space to paste the disclosure required by instruction 11 of Page 108.1

12. Use this space to paste the disclosure required by instruction 12 of Page 108.1

13. Use this space to paste the disclosure required by instruction 13 of Page 108.1

1. None
2. None
3. None
4. None
5. None
6. None
7. None
8. Wages for union employees increased by 3.00% in May 2021.
9. None
10. None
11. OR Rate Change (Docket UG-390, Effective 2/1/2021)

| Revenue Class | Change | %Change | Number of Customers |
|---|---|---|---|
| Residential | $2,219,184.00 | 10.20% | 67,704 |
| Commercial | $928,162.00 | 10.20% | 10,228 |
| Industrial | $68,522.00 | 8.80% | 151 |
| Large Volume | $14,630.00 | 2.90% | 20 |
| **Total** | **$3,230,498.00** | | **78,103** |

12. Changes to Corporate Officers:
    Anne M. Jones title changed to VP and Chief Human Resources Officer
    Margaret (Peggy) A. Link title changed to VP and Chief Information Officer
    Karl A. Liepitz title changed to General Counsel and Secretary
    Allison R. Mann became Assistant Secretary
    Daniel S. Kuntz was removed
13. None

**Comparative Balance Sheet (Assets and Other Debits)**

| Line No. | Title of Account<br>(a) | Reference Page Number<br>(b) | Current Year End of Quarter/Year Balance<br>(c) | Prior Year End Balance 12/31<br>(d) |
| --- | --- | --- | --- | --- |
| 1 | **UTILITY PLANT** | | | |
| 2 | Utility Plant (101-106, 114) | 200-201 | 1,318,970,377 | 1,261,132,623 |
| 3 | Construction Work in Progress (107) | 200-201 | 12,403,284 | 7,469,182 |
| 4 | TOTAL Utility Plant (Enter Total of lines 2 and 3) | 200-201 | 1,331,373,661 | 1,268,601,805 |
| 5 | (Less) Accum. Prov. for Depr. Amort. Depl. (108, 111, 115) | | 560,598,727 | 535,972,380 |
| 6 | Net Utility Plant (Enter Total of line 4 less 5) | | 770,774,934 | 732,629,425 |
| 7 | Nuclear Fuel (120.1 thru 120.4, and 120.6) | | 0 | 0 |
| 8 | (Less) Accum. Provision for Amort., of Nuclear Fuel Assemblies (120.5) | | 0 | 0 |
| 9 | Nuclear Fuel (Total of line 7 less 8) | | 0 | 0 |
| 10 | Net Utility Plant (Total of lines 6 and 9) | | 770,774,934 | 732,629,425 |
| 11 | Utility Plant Adjustments (116) | 122 | 0 | 0 |
| 12 | Gas Stored-Base Gas (117.1) | 220 | 0 | 0 |
| 13 | System Balancing Gas (117.2) | 220 | 0 | 0 |
| 14 | Gas Stored in Reservoirs and Pipelines-Noncurrent (117.3) | 220 | 0 | 0 |
| 15 | Gas Owed to System Gas (117.4) | 220 | 0 | 0 |
| 16 | **OTHER PROPERTY AND INVESTMENTS** | | | |
| 17 | Nonutility Property (121) | | 197,965 | 197,964 |
| 18 | (Less) Accum. Prov. for Depr. and Amort. (122) | | 0 | 0 |
| 19 | Investments in Associated Companies (123) | 222-223 | 0 | 0 |
| 20 | Investment in Subsidiary Companies (123.1) | 224-225 | 0 | 0 |
| 21 | (For Cost of Account 123.1, See Footnote Page 224, line 42) | | | |
| 22 | Noncurrent Portion of Allowances | | 0 | 0 |
| 23 | Other Investments (124) | 222-223 | 11,766,463 | 12,858,484 |
| 24 | Sinking Funds (125) | | 0 | 0 |
| 25 | Depreciation Fund (126) | | 0 | 0 |
| 26 | Amortization Fund - Federal (127) | | 0 | 0 |
| 27 | Other Special Funds (128) | | 0 | 0 |
| 28 | Long-Term Portion of Derivative Assets (175) | | 0 | 0 |
| 29 | Long-Term Portion of Derivative Assets - Hedges (176) | | 0 | 0 |
| 30 | TOTAL Other Property and Investments (Total of lines 17-20, 22-29) | | 11,964,428 | 13,056,448 |
| 31 | **CURRENT AND ACCRUED ASSETS** | | | |
| 32 | Cash (131) | | 1,307,793 | 3,828,206 |
| 33 | Special Deposits (132-134) | | 0 | 0 |
| 34 | Working Fund (135) | | 0 | 0 |
| 35 | Temporary Cash Investments (136) | 222-223 | 0 | 0 |
| 36 | Notes Receivable (141) | | 0 | 0 |
| 37 | Customer Accounts Receivable (142) | | 18,757,633 | 18,230,150 |
| 38 | Other Accounts Receivable (143) | | 6,544,470 | 1,451,114 |
| 39 | (Less) Accum. Provision for Uncollectible Accounts - Credit (144) | | 964,551 | 1,271,514 |
| 40 | Notes Receivable from Associated Companies (145) | | 0 | 0 |
| 41 | Accounts Receivable from Assoc. Companies (146) | | 294,103 | 223,393 |
| 42 | Fuel Stock (151) | | 0 | 0 |
| 43 | Fuel Stock Expenses Undistributed (152) | | 0 | 0 |

| Name of Respondent | This Report Is: | Date of Report | Year/Period of Report |
|---|---|---|---|
| Cascade Natural Gas Corporation | (1) ☒ An Original<br>(2) ☐ A Resubmission | (Mo, Da, Yr)<br>12/31/2021 | End of 2021/Q4 |

**Comparative Balance Sheet (Assets and Other Debits)(continued)**

| Line No. | Title of Account<br>(a) | Reference Page Number<br>(b) | Current Year End of Quarter/Year Balance<br>(c) | Prior Year End Balance 12/31<br>(d) |
|---|---|---|---|---|
| 44 | Residuals (Elec) and Extracted Products (153) | | 0 | 0 |
| 45 | Plant Material and Operating Supplies (154) | | 6,247,140 | 5,882,426 |
| 46 | Merchandise (155) | | 0 | 0 |
| 47 | Other Materials and Supplies (156) | | 0 | 0 |
| 48 | Nuclear Materials Held for Sale (157) | | 0 | 0 |
| 49 | Allowances (158.1 and 158.2) | | 0 | 0 |
| 50 | (Less) Noncurrent Portion of Allowances | | 0 | 0 |
| 51 | Stores Expenses Undistributed (163) | | 0 | 0 |
| 52 | Gas Stored Underground - Current (164.1) | 220 | 82,031 | 789,505 |
| 53 | Liquefied Natural Gas Stored and Held for Processing (164.2tru164.3) | 220 | 2,189,496 | 2,008,340 |
| 54 | Prepayments (165) | 230 | 9,071,714 | 4,761,412 |
| 55 | Advances for Gas (166 thru 167) | | 0 | 0 |
| 56 | Interest and Dividends Receivable (171) | | 0 | 0 |
| 57 | Rents Receivable (172) | | 0 | 0 |
| 58 | Accrued Utility Revenues (173) | | 46,698,628 | 29,367,149 |
| 59 | Miscellaneous Current and Accrued Assets (174) | | 0 | 0 |
| 60 | Derivative Instrument Assets (175) | | 673,660 | 0 |
| 61 | (Less) Long-Term Portion of Derivative Instrument Assets (175) | | 0 | 0 |
| 62 | Derivative Instrument Assets - Hedges (176) | | 0 | 0 |
| 63 | (Less) Long-Term Portion of Derivative Instrument Assets - Hedges (176) | | 0 | 0 |
| 64 | TOTAL Current and Accrued Assets (Total of lines 32 thru 63) | | 90,902,117 | 65,270,181 |
| 65 | **DEFERRED DEBITS** | | | |
| 66 | Unamortized Debt Expenses (181) | | 1,360,452 | 1,522,268 |
| 67 | Extraordinary Property Losses (182.1) | 230 | 0 | 0 |
| 68 | Unrecovered Plant and Regulatory Study Costs (182.2) | 230 | 0 | 0 |
| 69 | Other Regulatory Assets (182.3) | 232 | 46,646,856 | 49,567,123 |
| 70 | Prelim. Survey and Investigation Charges (Electric) (183) | | 0 | 0 |
| 71 | Preliminary Survey and Investigation Charges (Gas)(183.1 and 183.2) | | 52,532 | 0 |
| 72 | Clearing Accounts (184) | | 92,538 | 43,666 |
| 73 | Temporary Facilities (185) | | 0 | 0 |
| 74 | Miscellaneous Deferred Debits (186) | 233 | 125,926,574 | 108,825,531 |
| 75 | Def. Losses from Disposition of Utility Plt. (187) | | 0 | 0 |
| 76 | Research, Devel. and Demonstration Expend. (188) | | 0 | 0 |
| 77 | Unamortized Loss on Reacquired Debt (189) | | 1,354,899 | 1,414,758 |
| 78 | Accumulated Deferred Income Taxes (190) | 234-235 | 9,342,672 | 10,338,490 |
| 79 | Unrecovered Purchased Gas Costs (191) | | 54,630,045 | 0 |
| 80 | TOTAL Deferred Debits (Total of lines 66 thru 79) | | 239,406,568 | 171,711,836 |
| 81 | TOTAL Assets and Other Debits (Total of lines 10-15,30,64,and 80) | | 1,113,048,047 | 982,667,890 |

| Name of Respondent | This Report Is: | Date of Report | Year/Period of Report |
|---|---|---|---|
| Cascade Natural Gas Corporation | (1) ☒ An Original<br>(2) ☐ A Resubmission | (Mo, Da, Yr)<br>12/31/2021 | End of 2021/Q4 |

**Comparative Balance Sheet (Liabilities and Other Credits)**

| Line No. | Title of Account<br>(a) | Reference Page Number<br>(b) | Current Year End of Quarter/Year Balance<br>(c) | Prior Year End Balance 12/31<br>(d) |
|---|---|---|---|---|
| 1 | **PROPRIETARY CAPITAL** | | | |
| 2 | Common Stock Issued (201) | 250-251 | 1,000 | 1,000 |
| 3 | Preferred Stock Issued (204) | 250-251 | 0 | 0 |
| 4 | Capital Stock Subscribed (202,205) | 252 | 0 | 0 |
| 5 | Stock Liability for Conversion (203, 206) | 252 | 0 | 0 |
| 6 | Premium on Capital Stock (207) | 252 | 313,117,553 | 286,117,553 |
| 7 | Other Paid-In Capital (208-211) | 253 | 0 | 0 |
| 8 | Installments Received on Capital Stock (212) | 252 | 0 | 0 |
| 9 | (Less) Discount on Capital Stock (213) | 254 | 0 | 0 |
| 10 | (Less) Capital Stock Expense (214) | 254 | 0 | 0 |
| 11 | Retained Earnings (215, 215.1, 216) | 118-119 | 62,921,654 | 52,820,557 |
| 12 | Unappropriated Undistributed Subsidiary Earnings (216.1) | 118-119 | 0 | 0 |
| 13 | (Less) Reacquired Capital Stock (217) | 250-251 | 0 | 0 |
| 14 | Accumulated Other Comprehensive Income (219) | 117 | (1,886,032) | (2,458,023) |
| 15 | Total Proprietary Capital (lines 2 thru 14) | | 374,154,175 | 336,481,087 |
| 16 | **LONG-TERM DEBT** | | | |
| 17 | Bonds (221) | 256-257 | 0 | 0 |
| 18 | (Less) Reacquired Bonds (222) | 256-257 | 0 | 0 |
| 19 | Advances from Associated Companies (223) | 256-257 | 0 | 0 |
| 20 | Other Long-Term Debt (224) | 256-257 | 395,950,000 | 379,000,000 |
| 21 | Unamortized Premium on Long-Term Debt (225) | 258-259 | 0 | 0 |
| 22 | (Less) Unamortized Discount on Long-Term Debt-Debit Dr (226) | 258-259 | 0 | 0 |
| 23 | (Less) Current Portion of Long-Term Debt | | 0 | 0 |
| 24 | Total Long-Term Debt (Total of lines 17 thru 23) | | 395,950,000 | 379,000,000 |
| 25 | **OTHER NONCURRENT LIABILITIES** | | | |
| 26 | Obligations Under Capital Leases - Noncurrent (227) | | 0 | 0 |
| 27 | Accumulated Provision for Property Insurance (228.1) | | 0 | 0 |
| 28 | Accumulated Provision for Injuries and Damages (228.2) | | 20,286,543 | 20,611,880 |
| 29 | Accumulated Provision for Pensions and Benefits (228.3) | | 5,626,153 | 6,407,940 |
| 30 | Accumulated Miscellaneous Operating Provisions (228.4) | | 0 | 24,135 |
| 31 | Accumulated Provision for Rate Refunds (229) | | 0 | 0 |

## Comparative Balance Sheet (Liabilities and Other Credits)(continued)

| Line No. | Title of Account (a) | Reference Page Number (b) | Current Year End of Quarter/Year Balance (c) | Prior Year End Balance 12/31 (d) |
|---|---|---|---|---|
| 32 | Long-Term Portion of Derivative Instrument Liabilities | | 0 | 0 |
| 33 | Long-Term Portion of Derivative Instrument Liabilities - Hedges | | 0 | 0 |
| 34 | Asset Retirement Obligations (230) | | 86,293,704 | 80,731,567 |
| 35 | Total Other Noncurrent Liabilities (lines 26 through 34) | | 112,206,400 | 107,775,522 |
| 36 | **CURRENT AND ACCRUED LIABILITIES** | | | |
| 37 | Current Portion of Long-Term Debt | | 0 | 0 |
| 38 | Notes Payable (231) | | 0 | 0 |
| 39 | Accounts Payable (232) | | 43,745,908 | 32,338,759 |
| 40 | Notes Payable to Associated Companies (233) | | 0 | 0 |
| 41 | Accounts Payable to Associated Companies (234) | | 2,697,058 | 2,741,053 |
| 42 | Customer Deposits (235) | | 128,600 | 439,628 |
| 43 | Taxes Accrued (236) | 262-263 | 10,105,695 | 10,559,476 |
| 44 | Interest Accrued (237) | | 3,189,578 | 3,206,393 |
| 45 | Dividends Declared (238) | | 3,590,000 | 3,590,000 |
| 46 | Matured Long-Term Debt (239) | | 0 | 0 |
| 47 | Matured Interest (240) | | 0 | 0 |
| 48 | Tax Collections Payable (241) | | 274,509 | 240,873 |
| 49 | Miscellaneous Current and Accrued Liabilities (242) | 268 | 8,989,412 | 8,631,023 |
| 50 | Obligations Under Capital Leases-Current (243) | | 0 | 0 |
| 51 | Derivative Instrument Liabilities (244) | | 0 | 558,998 |
| 52 | (Less) Long-Term Portion of Derivative Instrument Liabilities | | 0 | 0 |
| 53 | Derivative Instrument Liabilities - Hedges (245) | | 0 | 0 |
| 54 | (Less) Long-Term Portion of Derivative Instrument Liabilities - Hedges | | 0 | 0 |
| 55 | Total Current and Accrued Liabilities (lines 37 through 54) | | 72,720,760 | 62,306,203 |
| 56 | **DEFERRED CREDITS** | | | |
| 57 | Customer Advances for Construction (252) | | 3,876,511 | 3,328,367 |
| 58 | Accumulated Deferred Investment Tax Credits (255) | | 117,872 | 159,891 |
| 59 | Deferred Gains from Disposition of Utility Plant (256) | | 0 | 0 |
| 60 | Other Deferred Credits (253) | 269 | 6,073,932 | (55,443,192) |
| 61 | Other Regulatory Liabilities (254) | 278 | 49,752,296 | 53,893,462 |
| 62 | Unamortized Gain on Reacquired Debt (257) | 260 | 0 | 0 |
| 63 | Accumulated Deferred Income Taxes - Accelerated Amortization (281) | | 0 | 0 |
| 64 | Accumulated Deferred Income Taxes - Other Property (282) | | 63,070,704 | 60,631,436 |
| 65 | Accumulated Deferred Income Taxes - Other (283) | | 35,125,397 | 34,535,114 |
| 66 | Total Deferred Credits (lines 57 through 65) | | 158,016,712 | 97,105,078 |
| 67 | TOTAL Liabilities and Other Credits (Total of lines 15,24,35,55,and 66) | | 1,113,048,047 | 982,667,890 |

| Name of Respondent | This Report Is: | Date of Report (Mo, Da, Yr) | Year/Period of Report |
|---|---|---|---|
| Cascade Natural Gas Corporation | (1) ☒ An Original<br>(2) ☐ A Resubmission | 12/31/2021 | End of 2021/Q4 |

## 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 columnin 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 purches, and a summary of the adjustments made to balance sheet, income, and expense accounts.
12. If any notes appearing in the report to stokholders 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 mehods 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<br>(a) | Reference Page Number<br>(b) | Total Current Year to Date Balance for Quarter/Year<br>(c) | Total Prior Year to Date Balance for Quarter/Year<br>(d) | Current Three Months Ended Quarterly Only No Fourth Quarter<br>(e) | Prior Three Months Ended Quarterly Only No Fourth Quarter<br>(f) |
|---|---|---|---|---|---|---|
| 1 | **UTILITY OPERATING INCOME** | | | | | |
| 2 | Gas Operating Revenues (400) | 300-301 | 364,468,849 | 337,332,678 | 0 | 0 |
| 3 | Operating Expenses | | | | | |
| 4 | Operating Expenses (401) | 317-325 | 242,850,915 | 226,702,157 | 0 | 0 |
| 5 | Maintenance Expenses (402) | 317-325 | 9,778,743 | 8,775,878 | 0 | 0 |
| 6 | Depreciation Expense (403) | 336-338 | 32,730,757 | 31,270,348 | 0 | 0 |
| 7 | Depreciation Expense for Asset Retirement Costs (403.1) | 336-338 | 0 | 0 | 0 | 0 |
| 8 | Amort. & Depl. Of Utility Plant (404-405) | 336-338 | 4,306,096 | 3,517,420 | 0 | 0 |
| 9 | Amort. of Utility Plant Acq. Adj. (406) | 336-338 | 0 | 0 | 0 | 0 |
| 10 | Amort. of Prop. Losses, Unrecovered Plant and Reg. Study Costs (407.1) | | 0 | 0 | 0 | 0 |
| 11 | Amortization of Conversion Expenses (407.2) | | 0 | 0 | 0 | 0 |
| 12 | Regulatory Debits (407.3) | | 0 | 0 | 0 | 0 |
| 13 | (Less) Regulatory Credits (407.4) | | 0 | 0 | 0 | 0 |
| 14 | Taxes Other Than Income Taxes (408.1) | 262-263 | 35,112,657 | 33,154,852 | 0 | 0 |
| 15 | Income Taxes - Federal (409.1) | 262-263 | 2,471,363 | 5,951,436 | 0 | 0 |
| 16 | Income Taxes-Other (409.1) | 262-263 | 497,214 | 521,437 | 0 | 0 |
| 17 | Provision for Deferred Income Taxes (410.1) | 234-235 | 14,001,629 | 12,874,278 | 0 | 0 |
| 18 | (Less) Provision for Deferred Income Taxes-Cr. (411.1) | 234-235 | 14,610,608 | 17,683,657 | 0 | 0 |
| 19 | Investment Tax Credit Adj. - Net (411.4) | | (42,019) | (42,019) | 0 | 0 |
| 20 | (Less) Gains from Disp. Of Utility Plant (411.6) | | 0 | 0 | 0 | 0 |
| 21 | Losses from Disp. Of Utility Plant (411.7) | | 0 | 0 | 0 | 0 |
| 22 | (Less) Gains from Disposition of Allowances (411.8) | | 0 | 0 | 0 | 0 |
| 23 | Losses from Disposition of Allowances (411.9) | | 0 | 0 | 0 | 0 |
| 24 | Accretion Expense (411.10) | | 0 | 0 | 0 | 0 |
| 25 | TOTAL Utility Operating Expenses (Enter Total of lines 4 thru 24) | | 327,096,747 | 305,042,130 | 0 | 0 |
| 26 | Net Util Oper Inc (Enter Tot Line 2 less 25), Carry to Pg117, line 27 | | 37,372,102 | 32,290,548 | 0 | 0 |

| Name of Respondent | This Report Is: | Date of Report (Mo, Da, Yr) | Year/Period of Report |
|---|---|---|---|
| Cascade Natural Gas Corporation | (1) ☒ An Original<br>(2) ☐ A Resubmission | 12/31/2021 | End of 2021/Q4 |

**Statement of Income**

| 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 | 0 | 0 | 364,468,849 | 337,332,678 | 0 | 0 |
| 3 | | | | | | |
| 4 | 0 | 0 | 242,850,915 | 226,702,157 | 0 | 0 |
| 5 | 0 | 0 | 9,778,743 | 8,775,878 | 0 | 0 |
| 6 | 0 | 0 | 32,730,757 | 31,270,348 | 0 | 0 |
| 7 | 0 | 0 | 0 | 0 | 0 | 0 |
| 8 | 0 | 0 | 4,306,096 | 3,517,420 | 0 | 0 |
| 9 | 0 | 0 | 0 | 0 | 0 | 0 |
| 10 | 0 | 0 | 0 | 0 | 0 | 0 |
| 11 | 0 | 0 | 0 | 0 | 0 | 0 |
| 12 | 0 | 0 | 0 | 0 | 0 | 0 |
| 13 | 0 | 0 | 0 | 0 | 0 | 0 |
| 14 | 0 | 0 | 35,112,657 | 33,154,852 | 0 | 0 |
| 15 | 0 | 0 | 2,471,363 | 5,951,436 | 0 | 0 |
| 16 | 0 | 0 | 497,214 | 521,437 | 0 | 0 |
| 17 | 0 | 0 | 14,001,629 | 12,874,278 | 0 | 0 |
| 18 | 0 | 0 | 14,610,608 | 17,683,657 | 0 | 0 |
| 19 | 0 | 0 | (42,019) | (42,019) | 0 | 0 |
| 20 | 0 | 0 | 0 | 0 | 0 | 0 |
| 21 | 0 | 0 | 0 | 0 | 0 | 0 |
| 22 | 0 | 0 | 0 | 0 | 0 | 0 |
| 23 | 0 | 0 | 0 | 0 | 0 | 0 |
| 24 | 0 | 0 | 0 | 0 | 0 | 0 |
| 25 | 0 | 0 | 327,096,747 | 305,042,130 | 0 | 0 |
| 26 | 0 | 0 | 37,372,102 | 32,290,548 | 0 | 0 |

| Name of Respondent | This Report Is: | Date of Report | Year/Period of Report |
|---|---|---|---|
| Cascade Natural Gas Corporation | (1) ☒ An Original<br>(2) ☐ A Resubmission | (Mo, Da, Yr)<br>12/31/2021 | End of 2021/Q4 |

**Statement of Income(continued)**

| Line No. | Title of Account<br>(a) | Reference Page Number<br>(b) | Total Current Year to Date Balance for Quarter/ Year<br>(c) | Total Prior Year to Date Balance for Quarter/Year<br>(d) | Current Three Months Ended Quarterly Only No Fourth Quarter<br>(e) | Prior Three Months Ended Quarterly Only No Fourth Quarter<br>(f) |
|---|---|---|---|---|---|---|
| 27 | Net Utility Operating Income (Carried forward from page 114) | | 37,372,102 | 32,290,548 | 0 | 0 |
| 28 | **OTHER INCOME AND DEDUCTIONS** | | | | | |
| 29 | Other Income | | | | | |
| 30 | Nonutility Operating Income | | | | | |
| 31 | Revenues form Merchandising, Jobbing and Contract Work (415) | | 0 | 0 | 0 | 0 |
| 32 | (Less) Costs and Expense of Merchandising, Job & Contract Work (416) | | 0 | 0 | 0 | 0 |
| 33 | Revenues from Nonutility Operations (417) | | 9,111 | 5,926 | 0 | 0 |
| 34 | (Less) Expenses of Nonutility Operations (417.1) | | 0 | 0 | 0 | 0 |
| 35 | Nonoperating Rental Income (418) | | 0 | 0 | 0 | 0 |
| 36 | Equity in Earnings of Subsidiary Companies (418.1) | 119 | 0 | 0 | 0 | 0 |
| 37 | Interest and Dividend Income (419) | | 2,768,280 | 3,901,514 | 0 | 0 |
| 38 | Allowance for Other Funds Used During Construction (419.1) | | 0 | 29,360 | 0 | 0 |
| 39 | Miscellaneous Nonoperating Income (421) | | 14,420 | 6,389 | 0 | 0 |
| 40 | Gain on Disposition of Property (421.1) | | 0 | 0 | 0 | 0 |
| 41 | TOTAL Other Income (Total of lines 31 thru 40) | | 2,791,811 | 3,943,189 | 0 | 0 |
| 42 | Other Income Deductions | | | | | |
| 43 | Loss on Disposition of Property (421.2) | | 0 | 0 | 0 | 0 |
| 44 | Miscellaneous Amortization (425) | | 0 | 0 | 0 | 0 |
| 45 | Donations (426.1) | 340 | 164,531 | 135,910 | 0 | 0 |
| 46 | Life Insurance (426.2) | | (1,196,648) | (6,436,487) | 0 | 0 |
| 47 | Penalties (426.3) | | 465 | 55 | 0 | 0 |
| 48 | Expenditures for Certain Civic, Political and Related Activities (426.4) | | 324,389 | 270,185 | 0 | 0 |
| 49 | Other Deductions (426.5) | | 0 | 0 | 0 | 0 |
| 50 | TOTAL Other Income Deductions (Total of lines 43 thru 49) | 340 | (707,263) | (6,030,337) | 0 | 0 |
| 51 | Taxes Applic. to Other Income and Deductions | | | | | |
| 52 | Taxes Other than Income Taxes (408.2) | 262-263 | 918 | 1,117 | 0 | 0 |
| 53 | Income Taxes-Federal (409.2) | 262-263 | 552,174 | 1,450,390 | 0 | 0 |
| 54 | Income Taxes-Other (409.2) | 262-263 | (51,724) | 137,241 | 0 | 0 |
| 55 | Provision for Deferred Income Taxes (410.2) | 234-235 | 51,345 | 1,283,693 | 0 | 0 |
| 56 | (Less) Provision for Deferred Income Taxes-Credit (411.2) | 234-235 | 7,772 | 738,821 | 0 | 0 |
| 57 | Investment Tax Credit Adjustments-Net (411.5) | | 0 | 0 | 0 | 0 |
| 58 | (Less) Investment Tax Credits (420) | | 0 | 0 | 0 | 0 |
| 59 | TOTAL Taxes on Other Income and Deductions (Total of lines 52-58) | | 544,941 | 2,133,620 | 0 | 0 |
| 60 | Net Other Income and Deductions (Total of lines 41, 50, 59) | | 2,954,133 | 7,839,906 | 0 | 0 |
| 61 | **INTEREST CHARGES** | | | | | |
| 62 | Interest on Long-Term Debt (427) | | 15,764,577 | 15,952,541 | 0 | 0 |
| 63 | Amortization of Debt Disc. and Expense (428) | 258-259 | 163,541 | 211,496 | 0 | 0 |
| 64 | Amortization of Loss on Reacquired Debt (428.1) | | 59,860 | 44,119 | 0 | 0 |
| 65 | (Less) Amortization of Premium on Debt-Credit (429) | 258-259 | 0 | 0 | 0 | 0 |
| 66 | (Less) Amortization of Gain on Reacquired Debt-Credit (429.1) | | 0 | 0 | 0 | 0 |
| 67 | Interest on Debt to Associated Companies (430) | 340 | 0 | 0 | 0 | 0 |
| 68 | Other Interest Expense (431) | 340 | 31,354 | 64,227 | 0 | 0 |
| 69 | (Less) Allowance for Borrowed Funds Used During Construction-Credit (432) | | 207,532 | 775,997 | 0 | 0 |
| 70 | Net Interest Charges (Total of lines 62 thru 69) | | 15,811,800 | 15,496,386 | 0 | 0 |
| 71 | Income Before Extraordinary Items (Total of lines 27,60 and 70) | | 24,514,435 | 24,634,068 | 0 | 0 |
| 72 | **EXTRAORDINARY ITEMS** | | | | | |
| 73 | Extraordinary Income (434) | | 0 | 0 | 0 | 0 |
| 74 | (Less) Extraordinary Deductions (435) | | 0 | 0 | 0 | 0 |
| 75 | Net Extraordinary Items (Total of line 73 less line 74) | | 0 | 0 | 0 | 0 |
| 76 | Income Taxes-Federal and Other (409.3) | 262-263 | 0 | 0 | 0 | 0 |
| 77 | Extraordinary Items after Taxes (Total of line 75 less line 76) | | 0 | 0 | 0 | 0 |
| 78 | Net Income (Total of lines 71 and 77) | | 24,514,435 | 24,634,068 | 0 | 0 |

| Name of Respondent | This Report Is: | Date of Report | Year/Period of Report |
|---|---|---|---|
| Cascade Natural Gas Corporation | (1) ☒ An Original<br>(2) ☐ A Resubmission | (Mo, Da, Yr)<br>12/31/2021 | End of 2021/Q4 |

**Statement of Income(continued)**

| Line No. | Current Year to Date (g) | Previous Year to Date (h) | Current Year to Date (i) | Previous Year to Date (j) | Current Year to Date (k) | Previous Year to Date (l) |
|---|---|---|---|---|---|---|
| 27 | — | — | 37,372,102 | 32,290,548 | — | — |
| 28 | | | | | | |
| 29 | | | | | | |
| 30 | | | | | | |
| 31 | — | — | — | — | — | — |
| 32 | — | — | — | — | — | — |
| 33 | — | — | 9,111 | 5,926 | — | — |
| 34 | — | — | — | — | — | — |
| 35 | — | — | — | — | — | — |
| 36 | — | — | — | — | — | — |
| 37 | — | — | 2,768,280 | 3,901,514 | — | — |
| 38 | — | — | — | 29,360 | — | — |
| 39 | — | — | 14,420 | 6,389 | — | — |
| 40 | — | — | — | — | — | — |
| 41 | — | — | 2,791,811 | 3,943,189 | — | — |
| 42 | | | | | | |
| 43 | | — | — | — | | — |
| 44 | | — | — | — | | — |
| 45 | | — | 164,531 | 135,910 | | — |
| 46 | | — | (1,196,648) | (6,436,487) | | — |
| 47 | | — | 465 | 55 | | — |
| 48 | | — | 324,389 | 270,185 | | — |
| 49 | — | — | — | — | — | — |
| 50 | — | — | (707,263) | (6,030,337) | — | — |
| 51 | | | | | | |
| 52 | — | — | 918 | 1,117 | — | — |
| 53 | — | — | 552,174 | 1,450,390 | — | — |
| 54 | — | — | (51,724) | 137,241 | — | — |
| 55 | — | — | 51,345 | 1,283,693 | — | — |
| 56 | — | — | 7,772 | 738,821 | — | — |
| 57 | — | — | — | — | — | — |
| 58 | — | — | — | — | — | — |
| 59 | — | — | 544,941 | 2,133,620 | — | — |
| 60 | — | — | 2,954,133 | 7,839,906 | — | — |
| 61 | | | | | | |
| 62 | — | — | 15,764,577 | 15,952,541 | — | — |
| 63 | — | — | 163,541 | 211,496 | — | — |
| 64 | — | — | 59,860 | 44,119 | — | — |
| 65 | — | — | — | — | — | — |
| 66 | — | — | — | — | — | — |
| 67 | — | — | — | — | — | — |
| 68 | — | — | 31,354 | 64,227 | — | — |
| 69 | — | — | 207,532 | 775,997 | — | — |
| 70 | — | — | 15,811,800 | 15,496,386 | — | — |
| 71 | — | — | 24,514,435 | 24,634,068 | — | — |
| 72 | | | | | | |
| 73 | — | — | — | — | — | — |
| 74 | — | — | — | — | — | — |
| 75 | — | — | — | — | — | — |
| 76 | — | — | — | — | — | — |
| 77 | — | — | — | — | — | — |
| 78 | — | — | 24,514,435 | 24,634,068 | — | — |
| | | | | | | |

| Name of Respondent | This Report Is: | Date of Report | Year/Period of Report |
|---|---|---|---|
| Cascade Natural Gas Corporation | (1) ☒ An Original<br>(2) ☐ A Resubmission | (Mo, Da, Yr)<br>12/31/2021 | End of 2021/Q4 |

## 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 available-for-sale securities (b) | Minimum Pension liabililty Adjustment (net amount) (c) | Foreign Currency Hedges (d) | Other Adjustments (e) |
|---|---|---|---|---|---|
| 1 | Balance of Account 219 at Beginning of Preceding Year | | | | |
| 2 | Preceding Qtr/Yr to Date Reclassifications from Acct 219 to Net Income | | | | |
| 3 | Preceding Quarter/Year to Date Changes in Fair Value | | (2,458,023) | | |
| 4 | Total (lines 2 and 3) | — | (2,458,023) | — | — |
| 5 | Balance of Account 219 at End of Preceding Quarter/Year | | (2,458,023) | | |
| 6 | Balance of Account 219 at Beginning of Current Year | | (2,458,023) | | |
| 7 | Current Qtr/Yr to Date Reclassifications from Acct 219 to Net Income | | | | |
| 8 | Current Quarter/Year to Date Changes in Fair Value | | 571,991 | | |
| 9 | Total (lines 7 and 8) | — | 571,991 | — | — |
| 10 | Balance of Account 219 at End of Current Quarter/Year | | (1,886,032) | | |

| Name of Respondent | This Report Is: | Date of Report | Year/Period of Report |
|---|---|---|---|
| Cascade Natural Gas Corporation | (1) ☒ An Original<br>(2) ☐ A Resubmission | (Mo, Da, Yr)<br>12/31/2021 | End of 2021/Q4 |

**Statement of Accumulated Comprehensive Income and Hedging Activities(continued)**

| Line No. | Other Cash Flow Hedges Interest Rate Swaps<br>(f) | Other Cash Flow Hedges [Insert Footnote at Line 1 to specify]<br>(g) | Totals for each category of items recorded in Account 219<br>(h) | Net Income (Carried Forward from Page 116, Line 78)<br>(i) | Total Comprehensive Income<br>(j) |
|---|---|---|---|---|---|
| 1 | | | | | |
| 2 | | | | | |
| 3 | | | (2,458,023) | | |
| 4 | — | — | (2,458,023) | 24,634,068 | 22,176,045 |
| 5 | | | (2,458,023) | | |
| 6 | | | (2,458,023) | | |
| 7 | | | | | |
| 8 | | | 571,991 | | |
| 9 | — | — | 571,991 | 24,514,435 | 25,086,426 |
| 10 | | | (1,886,032) | | |

| Name of Respondent | This Report Is: | Date of Report (Mo, Da, Yr) | Year/Period of Report |
|---|---|---|---|
| Cascade Natural Gas Corporation | (1) ☒ An Original<br>(2) ☐ A Resubmission | 12/31/2021 | End of 2021/Q4 |

**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 Quarter Year to Date Balance (c) | Previous Quarter Year to Date Balance (d) |
|---|---|---|---|---|
| | UNAPPROPRIATED RETAINED EARNINGS | | | |
| 1 | Balance-Beginning of Period | | 52,820,557 | 40,331,710 |
| 2 | Changes (Identify by prescribed retained earnings accounts) | | | |
| 3 | Adjustments to Retained Earnings (Account 439) | | | |
| 4 | TOTAL Credits to Retained Earnings (Account 439) (footnote details) | | — | — |
| 5 | TOTAL Debits to Retained Earnings (Account 439) (footnote details) | | — | — |
| 6 | Balance Transferred from Income (Acct 433 less Acct 418.1) 400-403 | | 24,514,435 | 24,634,068 |
| 7 | Appropriations of Retained Earnings (Account 436) | | — | — |
| 8 | TOTAL Appropriations of Retained Earnings (Account 436) (footnote details) | | — | — |
| 9 | Dividends Declared-Preferred Stock (Account 437) | | | |
| 10 | TOTAL Dividends Declared-Preferred Stock (Account 437) (footnote details) | | — | — |
| 11 | Dividends Declared-Common Stock (Account 438) | | | |
| 12 | TOTAL Dividends Declared-Common Stock (Account 438) (footnote details) | | (14,413,338) | (12,145,221) |
| 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) | | 62,921,654 | 52,820,557 |
| 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 | | 62,921,654 | 52,820,557 |
| 21 | UNAPPROPRIATED UNDISTRIBUTED SUBSIDIARY EARNINGS (Account 216.1) | | | |
| | Report only on an Annual Basis no 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 | This Report Is: | Date of Report (Mo, Da, Yr) | Year/Period of Report |
|---|---|---|---|
| Cascade Natural Gas Corporation | (1) ☒ An Original<br>(2) ☐ A Resubmission | 12/31/2021 | End of 2021/Q4 |

**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)<br>(a) | Current Year to Date Quarter/Year | Pervious Year to Date Quarter/Year |
|---|---|---|---|
| 1 | Net Cash Flow from Operating Activities | | |
| 2 | Net Income (Line 78(c) on page 116) | 24,514,435 | 24,634,068 |
| 3 | Noncash Charges (Credits) to Income: | | |
| 4 | Depreciation and Depletion | 37,036,853 | 34,787,768 |
| 5 | Amortization of (Specify) (footnote details) | 8,891,889 | 25,682,296 |
| 6 | Deferred Income Taxes (Net) | (565,406) | (4,264,507) |
| 7 | Investment Tax Credit Adjustments (Net) | (42,019) | (42,019) |
| 8 | Net (Increase) Decrease in Receivables | (34,793,722) | 2,600,754 |
| 9 | Net (Increase) Decrease in Inventory | 526,318 | (60,049) |
| 10 | Net (Increase) Decrease in Allowances Inventory | | — |
| 11 | Net Increase (Decrease) in Payables and Accrued Expenses | 7,758,131 | (8,893,919) |
| 12 | Net (Increase) Decrease in Other Regulatory Assets | | — |
| 13 | Net Increase (Decrease) in Other Regulatory Liabilities | | — |
| 14 | (Less) Allowance for Other Funds Used During Construction | | — |
| 15 | (Less) Undistributed Earnings from Subsidiary Companies | | — |
| 16 | Other (footnote details): Noncurrent Asset | (4,113,403) | (7,313,177) |
| 17 | Net Cash Provided by (Used in) Operating Activities | | |
| 18 | (Total of Lines 2 thru 16) | 39,213,076 | 67,131,215 |
| 19 | | | |
| 20 | Cash Flows from Investment Activities: | | |
| 21 | Construction and Acquisition of Plant (including land): | | |
| 22 | Gross Additions to Utility Plant (less nuclear fuel) | (69,628,278) | (102,474,563) |
| 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 | | 29,360 |
| 27 | Other (footnote details): Customer Advances for Constrution | 548,144 | (867,221) |
| 28 | Cash Outflows for Plant (Total of lines 22 thru 27) | (69,080,134) | (103,371,144) |
| 29 | | | |
| 30 | Acquisition of Other Noncurrent Assets (d) | | — |
| 31 | Proceeds from Disposal of Noncurrent Assets (d) | (676,701) | (666,604) |
| 32 | | | — |
| 33 | Investments in and Advances to Assoc. and Subsidiary Companies | | — |
| 34 | Contributions and Advances from Assoc. and Subsidiary Companies | | — |
| 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) | | — |

**Statement of Cash Flows (continued)**

| Line No. | Description (See Instructions for explanation of codes)<br>(a) | Current Year to Date Quarter/Year | Pervious Year to Date Quarter/Year |
|---|---|---|---|
| 40 | Loans Made or Purchased | | — |
| 41 | Collections on Loans | | — |
| 42 | | | — |
| 43 | Net (Increase) Decrease in Receivables | | — |
| 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 (footnote details): SERP Investments | (1,564,929) | (1,805) |
| 48 | Net Cash Provided by (Used in) Investing Activities | | |
| 49 | (Total of lines 28 thru 47) | (71,321,764) | (104,039,553) |
| 50 | | | |
| 51 | Cash Flows from Financing Activities: | | |
| 52 | Proceeds from Issuance of: | | |
| 53 | Long-Term Debt (b) | (1,725) | 74,638,567 |
| 54 | Preferred Stock | | — |
| 55 | Common Stock | 27,000,000 | 20,000,000 |
| 56 | | | — |
| 57 | Net Increase in Short-term Debt (c) | | — |
| 58 | | | — |
| 59 | Cash Provided by Outside Sources (Total of lines 53 thru 58) | 26,998,275 | 94,638,567 |
| 60 | | | |
| 61 | Payments for Retirement of: | | |
| 62 | Long-Term Debt (b) | 16,950,000 | (49,814,000) |
| 63 | Preferred Stock | | — |
| 64 | Common Stock | | — |
| 65 | | | — |
| 66 | Net Decrease in Short-Term Debt (c) | | — |
| 67 | | | — |
| 68 | Dividends on Preferred Stock | | — |
| 69 | Dividends on Common Stock | (14,360,000) | (10,985,000) |
| 70 | Net Cash Provided by (Used in) Financing Activities | | |
| 71 | (Total of lines 59 thru 69) | 29,588,275 | 33,839,567 |
| 72 | | | |
| 73 | Net Increase (Decrease) in Cash and Cash Equivalents | | |
| 74 | (Total of line 18, 49 and 71) | (2,520,413) | (3,068,771) |
| 75 | | | |
| 76 | Cash and Cash Equivalents at Beginning of Period | 3,828,206 | 6,896,977 |
| 77 | | | |
| 78 | Cash and Cash Equivalents at End of Period | 1,307,793 | 3,828,206 |

**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 reversions of assets. Entities that participate in multiemployer postretirement benefit 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 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 item. 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 borrowings 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.

1. Use this space to paste the disclosure required by instruction 1 of Page 122.1

2. Use this space to paste the disclosure required by instruction 2 of Page 122.1

3. Use this space to paste the disclosure required by instruction 3 of Page 122.1

4. Use this space to paste the disclosure required by instruction 4 of Page 122.1

5. Use this space to paste the disclosure required by instruction 5 of Page 122.1

6. Use this space to paste the disclosure required by instruction 6 of Page 122.1

7. Use this space to paste the disclosure required by instruction 7 of Page 122.1

8. Use this space to paste the disclosure required by instruction 8 of Page 122.1

9. Use this space to paste the disclosure required by instruction 9 of Page 122.1

10. Use this space to paste the disclosure required by instruction 10 of Page 122.1

11. Use this space to paste the disclosure required by instruction 11 of Page 122.1

12. Use this space to paste the disclosure required by instruction 12 of Page 122.1

13. Use this space to paste the disclosure required by instruction 13 of Page 122.1

14. Use this space to paste the disclosure required by instruction 14 of Page 122.1

15. Use this space to paste the disclosure required by instruction 15 of Page 122.1

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, 2021 and 2020**

## Definitions

The following abbreviations and acronyms used in these Financial Statements and Notes are defined below:

**Abbreviation or Acronym**

| | |
|---|---|
| **AFUDC** | Allowance for funds used during construction |
| **ASC** | FASB Accounting Standards Codification |
| **ASU** | FASB Accounting Standards Update |
| **Big Stone Station** | 475-MW coal-fired electric generating facility near Big Stone City, South Dakota (22.7 percent ownership) |
| **BSSE** | 345-kilovolt transmission line from Ellendale, North Dakota, to Big Stone City, South Dakota (50 percent ownership) |
| **Btu** | British thermal unit |
| **Cascade** | Cascade Natural Gas Corporation, an indirect wholly owned subsidiary of MDU Energy Capital |
| **Company** | MDU Energy Capital, LLC, a direct wholly owned subsidiary of MDU |
| **COVID-19** | Coronavirus disease 2019 |
| **Coyote Creek** | Coyote Creek Mining Company, LLC, a subsidiary of The North American Coal Corporation |
| **Coyote Station** | 427-MW coal-fired electric generating facility near Beulah, North Dakota (25 percent ownership) |
| **EIN** | Employer Identification Number |
| **EPA** | United States Environmental Protection Agency |
| **FASB** | Financial Accounting Standards Board |
| **FERC** | Federal Energy Regulatory Commission |
| **FIP** | Funding improvement plan |
| **GAAP** | Accounting principles generally accepted in the United States of America |
| **Great Plains** | Great Plains Natural Gas Co., a public utility division of Montana-Dakota |
| **Intermountain** | Intermountain Gas Company, a direct wholly owned subsidiary of PIEH |
| **IPUC** | Idaho Public Utilities Commission |
| **LIBOR** | London Inter-bank Offered Rate |
| **MDU** | MDU Resources Group, Inc. |
| **MEPP** | Multiemployer pension plan |
| **MISO** | Midcontinent Independent System Operator, Inc., the organization that provides open-access transmission services and monitors the high-voltage transmission system in the Midwest United States and Manitoba, Canada and a southern United States region which includes much of Arkansas, Mississippi and Louisiana |
| **MMBtu** | Million Btu |
| **MNPUC** | Minnesota Public Utilities Commission |
| **Montana-Dakota** | Montana-Dakota Utilities Co., a direct wholly owned subsidiary of the Company |
| **MTDEQ** | Montana Department of Environmental Quality |
| **MTPSC** | Montana Public Service Commission |

**MDU ENERGY CAPITAL, LLC**
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**
**Years ended December 31, 2021 and 2020**

| | |
|---|---|
| **MW** | Megawatt |
| **NDPSC** | North Dakota Public Service Commission |
| **OPUC** | Oregon Public Utility Commission |
| **PCEH** | Prairie Cascade Energy Holdings, LLC, a direct wholly owned subsidiary of the Company |
| **PIEH** | Prairie Intermountain Energy Holdings, LLC, a direct wholly owned subsidiary of the |
| **PRP** | Potentially Responsible Party |
| **RP** | Rehabilitation plan |
| **SDPUC** | South Dakota Public Utilities Commission |
| **SOFR** | Secured Overnight Financing Rate |
| **VIE** | Variable interest entity |
| **Washington DOE** | Washington State Department of Ecology |
| **WUTC** | Washington Utilities and Transportation Commission |
| **Wygen III** | 100-MW coal-fired electric generating facility near Gillette, Wyoming (25 percent |
| **WYPSC** | Wyoming Public Service Commission |

# MDU ENERGY CAPITAL, LLC
# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
# Years ended December 31, 2021 and 2020

## Note 1 - Basis of Presentation

The Company is incorporated under the laws of the state of Delaware and is a direct wholly owned subsidiary of MDU. The Company is parent to the following regulated businesses: Montana-Dakota, and its division Great Plains, PCEH, and its wholly owned subsidiary Cascade, and PIEH, and its wholly owned subsidiary Intermountain.

The Company is organized into two operating segments, electric and natural gas distribution. The Company's operating segments are determined based on the separate services and regulation. The electric segment is comprised of Montana-Dakota while the natural gas distribution segment is comprised of Montana-Dakota, Cascade and Intermountain.

The Company's natural gas distribution operations sell natural gas at retail and provide natural gas transportation services. Montana-Dakota's electric operation generates, transmits, and distributes electricity. The Company provides service to approximately 144,000 electric and 1,017,000 gas residential, commercial and industrial customers in 459 communities. The Montana-Dakota service territory consists of towns in Montana, North Dakota, South Dakota, and Wyoming. Great Plains distributes natural gas in western Minnesota and southeastern North Dakota. The Cascade service territory consists of towns in western, 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. Montana-Dakota is subject to regulation by the FERC, NDPSC, MTPSC, SDPUC, and WYPSC. Great Plains is subject to regulation by the MNPUC and the NDPSC. Cascade is subject to regulation by the WUTC and the OPUC. Intermountain is subject to regulation by the 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 for the natural gas operations and during the summer season for the electric operation. Consumption is also influenced by the energy efficiency of customers' appliances, as well as consumer decisions to reduce natural gas and electric usage in response to higher prices.

The Company's subsidiaries 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 refund 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 FERC and the applicable state public service commissions. See Note 5 for more information regarding the nature and amounts of these regulatory deferrals.

Beginning in March 2020, governmental restrictions and guidelines implemented to control the spread of COVID-19 reduced commercial and interpersonal activity throughout the Company's areas of operation. Most of the Company's products and services are considered essential to America and its communities and, as a result, operations have generally continued through the COVID-19 pandemic and reopening of the country's economy. The Company has assessed the impacts of the COVID-19 pandemic on its results of operations for the years ended December 31, 2021 and 2020, and determined there were no material adverse impacts.

In 2021, the Company made changes to the presentation of the Consolidated Statements of Cash Flows to provide further clarity on the sources and uses of net cash provided by operating activities and net cash provided by (used in) financing activities. Certain prior year amounts have been reclassified to conform to the current year presentation. These reclassifications did not impact total net cash provided by operating activities or net cash provided by (used in) financing activities for the year ended December 31, 2020.
Management has also evaluated the impact of events occurring after December 31, 2021, up to the date of issuance of these consolidated financial statements on March 30, 2022, that would require recognition or disclosure in the financial statements.

### Principles of consolidation

The consolidated financial statements were prepared in accordance with GAAP and include the accounts of the Company and its wholly-owned subsidiaries. All intercompany balances and transactions have been eliminated in consolidation, except for certain transactions related to the Company's regulated operations in accordance with GAAP. The statements also include the Company's ownership interests in the assets, liabilities and expenses of jointly owned electric transmission and generating facilities. See Note 15 for additional information.

### Use of estimates

The preparation of financial statements in conformity with GAAP 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 long-lived assets and goodwill; property depreciable lives; tax provisions; expected credit losses; environmental and other loss contingencies; regulatory assets expected to be recovered in rates charged to customers; unbilled revenues; actuarially determined benefit costs; asset retirement obligations; lease classification; present value of right-of-use assets and lease liabilities; and the valuation of stock-based compensation. 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.

# Note 2 - Significant Accounting Policies

## New accounting standards

The following table provides a brief description of the accounting pronouncements applicable to the Company and the potential impact on its financial statements and or disclosures:

| Standard | Description | Effective date | Impact on financial statements/ disclosures |
|---|---|---|---|
| ***Recently adopted accounting standards*** | | | |
| ASU 2018-14 - Changes to the Disclosure Requirements for Defined Benefit Plans | In August 2018, the FASB issued guidance on modifying the disclosure requirements for employers that sponsor defined benefit pension or other postretirement plans as part of the disclosure framework project. The guidance removed disclosures that are no longer considered cost beneficial, clarifies the specific requirements of disclosures and added disclosure requirements identified as relevant. The guidance added, among other things, the requirement to include an explanation for significant gains and losses related to changes in benefit obligations for the period. The guidance removed, among other things, the disclosure requirement to disclose the amount of net periodic benefit costs to be amortized over the next fiscal year from accumulated other comprehensive income (loss) and the effects a one percentage point change in assumed health care cost trend rates will have on certain benefit components. | January 1, 2021 | The Company early adopted the guidance on January 1, 2021 and determined the guidance did not materially impact its consolidated financial statement disclosures. |
| ASU 2019-12 - Simplifying the Accounting for Income Taxes | In December 2019, the FASB issued guidance on simplifying the accounting for income taxes by removing certain exceptions in ASC 740 and providing simplification amendments. The guidance removed exceptions on intraperiod tax allocations and reporting and provided simplification on accounting for franchise taxes, tax basis goodwill and tax law changes. | January 1, 2021 | The Company early adopted the guidance on January 1, 2021 and determined the guidance did not materially impact its results of operations, financial position, cash flows or disclosures. |
| ***Recently issued accounting standards not yet adopted*** | | | |
| ASU 2020-04 - Reference Rate Reform | In March 2020, the FASB issued optional guidance to ease the facilitation of the effects of reference rate reform on financial reporting. The guidance applies to certain contract modifications, hedging relationships and other transactions that reference LIBOR or another reference rate expected to be discontinued because of reference rate reform. Beginning January 1, 2022, LIBOR or other discontinued reference rates cannot be applied to new contracts. New contracts will incorporate a new reference rate, which includes SOFR. LIBOR or other discontinued reference rates cannot be applied to contract modifications or hedging relationships entered into or evaluated after December 31, 2022. Existing contracts referencing LIBOR or other reference rates expected to be discontinued must identify a replacement rate by June 30, 2023. | Effective as of March 12, 2020 and will continue through December 31, 2022 | The Company has updated its credit agreements to include language regarding the successor or alternate rate to LIBOR, and a review of other contracts and agreements is on-going. The Company does not expect the guidance to have a material impact on its results of operations, financial position, cash flows or disclosures. |
| ASU 2021-10 - Government Assistance | In November 2021, the FASB issued guidance on modifying the disclosure requirements to increase the transparency of government assistance including disclosure of the types of assistance, an entity's accounting for the assistance and the effect of the assistance on an entity's financial statements. | January 1, 2022 | The Company is currently evaluating the impact the guidance will have on its disclosures for the year ended December 31, 2022. |

## 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.

## Revenue recognition

Revenue is recognized when a performance obligation is satisfied by transferring control over a product or service to a customer. Revenue is measured based on consideration specified in a contract with a customer and excludes any sales incentives and amounts collected on behalf of third parties. The Company is considered an agent for certain taxes collected from customers. As such, the Company presents revenues net of these taxes at the time of sale to be remitted to governmental authorities, including sales and use taxes.

The Company generates revenue from the sales of electric and natural gas products and services, which includes retail and transportation services. The Company establishes a customer's retail or transportation service account based on the customer's application/contract for service, which indicates approval of a contract for service. The contract identifies an obligation to provide service in exchange for delivering or standing ready to deliver the identified commodity; and the customer is obligated to pay for the service as provided in the applicable tariff. The product sales are based on a fixed rate that includes a base and per-unit rate, which are included in approved tariffs as determined by state or federal regulatory agencies. The quantity of the commodity consumed or transported determines the total per-unit revenue. The service provided, along with the product consumed or transported, are a single performance obligation because both are required in combination to successfully transfer the contracted product or service to the customer. Revenues are recognized over time as customers receive and consume the products and services. The method of measuring progress toward the completion of the single performance obligation is on a per-unit output method basis, with revenue recognized based on the direct measurement of the value to the customer of the goods or services transferred to date. For contracts governed by the Company's utility tariffs, amounts are billed monthly with the amount due between 15 and 22 days of receipt of the invoice depending on the applicable state's tariff. For other contracts not governed by tariff, payment terms are net 30 days. At this time, the Company has no material obligations for returns, refunds or other similar obligations.

The Company recognizes all other revenues when services are rendered or goods are delivered.

## Legal costs

The Company expenses external legal fees as they are incurred.

## Receivables and allowance for expected credit losses

Receivables consist primarily of trade receivables from the sale of goods and services, which are recorded at the invoiced amount net of expected credit losses. The Company's trade receivables are all due in 12 months or less. The total balance of receivables past due 90 days or more was $2.8 million and $5.8 million at December 31, 2021 and 2020, respectively.

The Company's expected credit losses are determined through a review using historical credit loss experience, changes in asset specific characteristics, current conditions and reasonable and supportable future forecasts, among other specific account data, and is performed at least quarterly. The Company develops and documents its methodology to determine its allowance for expected credit losses. Risk characteristics used may include customer mix, knowledge of customers and general economic conditions of the various local economies, among others. Specific account balances are written off when management determines the amounts to be uncollectible.

The Company conducted additional analysis of its receivables and allowance for expected credit losses due to the impacts of COVID-19. As more customer balances entered arrears, further analysis supported increasing the uncollectible factors used in determining the expected credit losses during 2020. During 2021, certain subsidiaries continued to experience balances in arrears higher than historical levels, which supported the continued use of increased uncollectible factors, while other subsidiaries experienced balances in arrears returning to historical levels alleviating the need for certain associated credit loss estimates. Management has reviewed the balance reserved through the allowance for expected credit losses and believes it is reasonable.

Details of the Company's expected credit losses were as follows:

| | Electric | Natural gas distribution | Total |
|---|---|---|---|
| | | (In thousands) | |
| At January 1, 2020 | $ 328 | $ 1,056 | $ 1,384 |
| Current expected credit loss provision | 1,517 | 3,187 | 4,704 |
| Less write-offs charged against the allowance | 1,289 | 2,511 | 3,800 |
| Credit loss recoveries collected | 343 | 839 | 1,182 |
| At December 31, 2020 | $ 899 | $ 2,571 | $ 3,470 |
| Current expected credit loss provision | 1,099 | 2,188 | 3,287 |
| Less write-offs charged against the allowance | 2,139 | 4,072 | 6,211 |
| Credit loss recoveries collected | 410 | 819 | 1,229 |
| **At December 31, 2021** | **$ 269** | **$ 1,506** | **$ 1,775** |

Receivables also consist of accrued unbilled revenue representing revenues recognized in excess of amounts billed. Accrued unbilled revenue was $144.9 million and $94.0 million at December 31, 2021 and 2020, respectively.

## Inventories and natural gas in storage

Natural gas in storage is valued at lower of cost or market using the last-in, first-out method at Montana-Dakota and Great Plains; and, the lower of cost or net realizable value using the first-in, first-out method at Cascade; and the average cost method at Intermountain. The majority of all other inventories are valued at the lower of cost or net realizable value using the average cost method. The portion of the cost of natural gas in storage expected to be used within 12 months was included in inventories. Inventories at December 31 consisted of:

| | **2021** | 2020 |
|---|---|---|
| | (In thousands) | |
| Natural gas in storage (current) | **16,244** | 19,072 |
| Other | **4,170** | 3,468 |
| Total | **$ 20,414** | $ 22,540 |

The remainder of natural gas in storage, which largely represents the cost of gas required to maintain pressure levels for normal operating purposes, was included in noncurrent assets - other and was $1.6 million at December 31, 2021 and 2020.

## 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 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 for the years ended December 31 were as follows:

| | | 2021 | | 2020 |
|---|---|---|---|---|
| | | (In thousands) | | |
| AFUDC - borrowed | **$** | **1,036** | $ | 2,353 |
| AFUDC - equity | **$** | **685** | $ | 457 |

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 certain plant assets in regulated utility rates. These amounts are recorded as regulatory liabilities on the Consolidated Balance Sheets.

## 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 2021 or 2020. Unforeseen events and changes in circumstances could require the recognition of impairment losses at some future date.

## Regulatory assets and liabilities

The Company is subject to various state and federal agency regulations. The accounting policies followed by the Company are generally subject to the Uniform System of Accounts of the FERC as well as the provisions of ASC 980 - *Regulated Operations.*

The Company accounts for certain income and expense items under the provisions of regulatory accounting, which requires the Company to defer as regulatory assets or liabilities certain items that would have otherwise been reflected as expense or income, respectively. The Company records regulatory assets or liabilities at the time the Company determines the amounts to be recoverable in current or future rates. Regulatory assets and liabilities are being amortized consistently with the regulatory treatment established by the FERC and the applicable state public service commission. See Note 5 for more information regarding the nature and amounts of these regulatory deferrals.

## Natural gas costs recoverable or refundable through rate adjustments

Under the terms of certain orders of the applicable state public service 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. Natural gas costs refundable through rate adjustments were $6.7 million and $18.6 million at December 31, 2021 and 2020, respectively, which was included in regulatory liabilities due within one year on the Consolidated Balance Sheets. Natural gas costs recoverable through rate adjustments were $91.6 million and $64.0 million at December 31, 2021 and 2020, respectively, which was included in current regulatory assets and noncurrent assets - regulatory assets on the Consolidated Balance Sheets.

## 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 the Company completes in the fourth quarter, or more frequently if events or changes in circumstances indicate that goodwill may be impaired.

The Company has determined that the reporting units for its goodwill impairment test are its operating segments, or components of an operating segment, that constitute a business for which discrete financial information is available and for which segment management regularly reviews the operating results. Goodwill impairment, if any, is measured by comparing the fair value of each reporting unit to its carrying value. If the fair value of a reporting unit exceeds its carrying value, the goodwill of the reporting unit is not impaired. If the carrying value of a reporting unit exceeds its fair value, the Company must record an impairment loss for the amount that the carrying value of the reporting unit, including goodwill, exceeds the fair value of the reporting unit. For the years ended December 31, 2021 and 2020 there were no impairment losses recorded. The Company performed its annual goodwill impairment test in the fourth quarter of 2021 and determined the fair value exceeded the carrying value at all reporting units at October 31, 2021.

## Investments

The Company's investments include the cash surrender value of life insurance policies, an insurance contract and other miscellaneous investments. The Company measures its investment in the insurance contract at fair value with any unrealized gains and losses recorded on the Consolidated Statements of Income. The Company has not elected the fair value option for its other investments. For more information, see Notes 7 and 14.

## Derivative instruments

The Company enters into commodity price derivative contracts in order to minimize the price volatility associated with customer natural gas costs at Cascade. These derivatives are not designated as hedging instruments and are recorded in the Consolidated Balance Sheets at fair value. Changes in the fair value of these derivatives along with any contract settlements are recorded each period in regulatory assets or liabilities in accordance with regulatory accounting. The Company does not enter into any derivatives for trading or other speculative purposes.

In 2017, the WUTC issued a requirement for gas providers to implement robust, risk-responsive hedging programs in order to minimize volatility in natural gas prices for natural gas utility customers and in 2019, the Company implemented policies and procedures that met these requirements. During 2021 and 2020, the Company entered into commodity price derivative contracts securing the purchase of 450,000 MMBtu and 1.4 million MMBtu of natural gas, respectively.

## Leases

Lease liabilities and their corresponding right-of-use assets are recorded based on the present value of lease payments over the expected lease term. The Company recognizes leases with an original lease term of 12 months or less in income on a straight-line basis over the term of the lease and does not recognize a corresponding right-of-use asset or lease liability. The Company determines the lease term based on the non-cancelable and cancelable periods in each contract. The non-cancelable period consists of the term of the contract that is legally enforceable and cannot be canceled by either party without incurring a significant penalty. The cancelable period is determined by various factors that are based on who has the right to cancel a contract. If only the lessor has the right to cancel the contract, the Company will assume the contract will continue. If the lessee is the only party that has the right to cancel the contract, the Company looks to asset, entity and market-based factors. If both the lessor and the lessee have the right to cancel the contract, the Company assumes the contract will not continue.

The discount rate used to calculate the present value of the lease liabilities is based upon the implied rate within each contract. If the rate is unknown or cannot be determined, the Company uses an incremental borrowing rate, which is determined by the length of the contract, asset class and the Company's borrowing rates, as of the commencement date of the contract.

## 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.

## Income taxes

MDU and its subsidiaries file consolidated federal income tax returns and combined and separate state income tax returns. Pursuant to the tax sharing agreement that exists between MDU and its subsidiaries, 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 by using enacted tax rates in effect for the year in which the differences are expected to reverse. The effect of a change in tax rates on deferred tax assets and liabilities is recognized in income in the period that includes the enactment date. 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.

Consistent with orders and directives of the IPUC, Intermountain does not provide state deferred income tax expense for certain income tax temporary differences and instead recognizes the tax impact currently (commonly referred to as flow-through accounting) for ratemaking and financial reporting. Therefore, the Company’s effective income tax rate is impacted as these differences arise and reverse.
The Company uses the deferral method of accounting for investment tax credits and amortizes the credits on regulated electric and natural gas distribution plant over various periods that conform to the ratemaking treatment prescribed by the applicable state public service commissions.

The Company records uncertain tax positions in accordance with accounting guidance on accounting for income taxes on the basis of a two-step process in which (1) the Company determines whether it is more-likely-than-not that the tax position will be sustained on the basis of the technical merits of the position and (2) for those tax positions that meet the more-likely-than-not recognition threshold, the Company recognizes the largest amount of the tax benefit that is more than 50 percent likely to be realized upon ultimate settlement with the related tax authority. Tax positions that do not meet the more-likely-than-not criteria are reflected as a tax liability. The Company recognizes interest and penalties accrued related to unrecognized tax benefits in income taxes.

### Variable interest entities

The Company evaluates its arrangements and contracts with other entities to determine if they are VIEs and if so, if the Company is the primary beneficiary. GAAP provides a framework for identifying VIEs and determining when a company should include the assets, liabilities, noncontrolling interest and results of activities of a VIE in its consolidated financial statements.

A VIE should be consolidated if a party with an ownership, contractual or other financial interest in the VIE (a variable interest holder) has the power to direct the VIE's most significant activities and the obligation to absorb losses or right to receive benefits of the VIE that could be significant to the VIE. A variable interest holder that consolidates the VIE is called the primary beneficiary. Upon consolidation, the primary beneficiary generally must initially record all of the VIE's assets, liabilities and noncontrolling interests at fair value and subsequently account for the VIE as if it were consolidated.

The Company's evaluation of whether it qualifies as the primary beneficiary of a VIE involves significant judgments, estimates and assumptions and includes a qualitative analysis of the activities that most significantly impact the VIE's economic performance and whether the Company has the power to direct those activities, the design of the entity, the rights of the parties and the purpose of the arrangement.

## Note 3 - Revenue from Contracts with Customers

Revenue is recognized when a performance obligation is satisfied by transferring control over a product or service to a customer. Revenue is measured based on consideration specified in a contract with a customer and excludes any sales incentives and amounts collected on behalf of third parties. The Company is considered an agent for certain taxes collected from customers. As such, the Company presents revenues net of these taxes at the time of sale to be remitted to governmental authorities, including sales and use taxes.

As part of the adoption of ASC 606 - Revenue from Contracts with Customers, the Company elected the practical expedient to recognize the incremental costs of obtaining a contract as an expense when incurred if the amortization period of the asset that the Company otherwise would have recognized is 12 months or less.

### Disaggregation

In the following table, revenue is disaggregated by the type of customer or service provided. The Company believes this level of disaggregation best depicts how the nature, amount, timing and uncertainty of revenue and cash flows are affected by economic factors. The table also includes a reconciliation of the disaggregated revenue by business lines.

| Year ended December 31, 2021 | Electric | Natural gas distribution | Total |
|---|---|---|---|
| | | (In thousands) | |
| Residential utility sales | $ 126,841 | $ 544,721 | $ 671,562 |
| Commercial utility sales | 137,556 | 328,285 | 465,841 |
| Industrial utility sales | 41,757 | 30,964 | 72,721 |
| Other utility sales | 7,051 | — | 7,051 |
| Natural gas transportation | — | 48,408 | 48,408 |
| Other | 42,902 | 10,567 | 53,469 |
| Revenues from contracts with customers | 356,107 | 962,945 | 1,319,052 |
| Revenues out of scope | (6,525) | 8,995 | 2,470 |
| Total external operating revenues | $ 349,582 | $ 971,940 | $ 1,321,522 |

| Year ended December 31, 2020 | Electric | Natural gas distribution | Total |
|---|---|---|---|
| | | (In thousands) | |
| Residential utility sales | $ 122,663 | $ 476,388 | $ 599,051 |
| Commercial utility sales | 131,477 | 277,873 | 409,350 |
| Industrial utility sales | 36,744 | 26,243 | 62,987 |
| Other utility sales | 6,634 | — | 6,634 |
| Natural gas transportation | — | 45,546 | 45,546 |
| Other | 32,452 | 10,753 | 43,205 |
| Revenues from contracts with customers | 329,970 | 836,803 | 1,166,773 |
| Revenues out of scope | 2,059 | 11,382 | 13,441 |
| Total external operating revenues | $ 332,029 | $ 848,185 | $ 1,180,214 |

## Note 4 - Property, Plant and Equipment

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

| | | **2021** | | 2020 | Weighted Average Depreciable Life in Years |
|---|---|---|---|---|---|
| | (Dollars in thousands, where applicable) | | | | |
| Electric: | | | | | |
| Generation | **$** | **1,056,632** | $ | 1,133,390 | 48 |
| Distribution | | **474,037** | | 464,442 | 47 |
| Transmission | | **562,080** | | 524,155 | 65 |
| Construction in progress | | **62,781** | | 61,766 | — |
| Other | | **140,117** | | 139,650 | 14 |
| Natural gas: | | | | | |
| Distribution | **$** | **2,427,779** | $ | 2,302,121 | 50 |
| Transmission | | **107,721** | | 104,695 | 60 |
| Storage | | **34,997** | | 33,014 | 39 |
| General | | **197,653** | | 198,211 | 14 |
| Construction in progress | | **21,741** | | 16,836 | — |
| Other | | **225,272** | | 213,976 | 14 |
| Less accumulated depreciation, depletion and amortization | | **1,686,471** | | 1,685,583 | |
| Net property, plant and equipment | **$** | **3,624,339** | $ | 3,506,673 | |

## Note 5 - Regulatory Assets and Liabilities

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

| | Estimated Recovery or Refund Period | * | 2021 | | 2020 |
|---|---|---|---|---|---|
| | | | (In thousands) | | |
| Regulatory assets: | | | | | |
| Current: | | | | | |
| Natural gas costs recoverable through rate adjustments | Up to 1 year | $ | **86,371** | $ | 42,481 |
| Decoupling | Up to 1 year | | **9,131** | | 703 |
| Conservation programs | Up to 1 year | | **8,225** | | 7,117 |
| Cost recovery mechanisms | Up to 1 year | | **4,536** | | 10,645 |
| Other | Up to 1 year | | **10,046** | | 7,167 |
| | | | **118,309** | | 68,113 |
| Noncurrent: | | | | | |
| Pension and postretirement benefits | ** | | **123,600** | | 135,613 |
| Plant to be retired | - | | **50,070** | | 65,919 |
| Cost recovery mechanisms | Up to 10 years | | **44,870** | | 16,245 |
| Manufactured gas plant sites remediation | - | | **26,053** | | 26,429 |
| Plant costs/asset retirement obligations | Over plant lives | | **20,266** | | 20,890 |
| Taxes recoverable from customers | Over plant lives | | **8,732** | | 9,287 |
| Natural gas costs recoverable through rate adjustments | Up to 2 years | | **5,186** | | 21,539 |
| Long-term debt refinancing costs | Up to 39 years | | **3,794** | | 4,426 |
| Other | Up to 17 years | | **9,742** | | 6,356 |
| | | | **292,313** | | 306,704 |
| Total regulatory assets | | $ | **410,622** | $ | 374,817 |
| Regulatory liabilities | | | | | |
| Current: | | | | | |
| Natural gas costs refundable through rate adjustments | Up to 1 year | $ | **6,700** | $ | 18,565 |
| Taxes refundable to customers | Up to 1 year | | **2,328** | | 2,044 |
| Electric fuel and purchased power deferral | Up to 1 year | | **—** | | 3,667 |
| Other | Up to 1 year | | **4,754** | | 5,569 |
| | | | **13,782** | | 29,845 |
| Noncurrent: | | | | | |
| Taxes refundable to customers | Over plant lives | | **186,677** | | 197,593 |
| Plant removal and decommissioning costs | Over plant lives | | **161,235** | | 160,631 |
| Pension and postretirement benefits | ** | | **16,827** | | 14,323 |
| Other | Up to 20 years | | **24,782** | | 16,065 |
| | | | **389,521** | | 388,612 |
| Total regulatory liabilities | | $ | **403,303** | $ | 418,457 |
| Net regulatory position | | $ | **7,319** | $ | (43,640) |

* Estimated recovery or refund period for amounts currently being recovered or refunded in rates to customers.

** Recovered as expense is incurred.

As of December 31, 2021 and 2020, approximately $230.7 million and $259.4 million, respectively, of regulatory assets were not earning a rate of return but are expected to be recovered from customers in future rates. These assets are largely comprised of the unfunded portion of pension and postretirement benefits, asset retirement obligations, accelerated depreciation on plant retirement and the estimated future cost of manufactured gas plant site remediation.

In February 2021, a prolonged period of unseasonably cold temperatures in the central United States significantly increased the demand for electric and natural gas services and contributed to increased market prices. Overall, Montana-Dakota and Great Plains incurred approximately $44.0 million in increased natural gas costs in order to maintain services for its customers. These extraordinary natural gas costs were recorded as regulatory assets as they are expected to be recovered from customers. Montana-Dakota and Great Plains have received approval for the recovery of purchased gas adjustments related to the cold-weather event in all jurisdictions impacted, including out-of-cycle purchased gas adjustment requests in most jurisdictions. For a discussion of the Company's most recent cases by jurisdiction, see Note 16.

In 2019, the Company experienced increased natural gas costs in Washington from the rupture of the Enbridge pipeline in Canada in late 2018. As a result, the Company requested, and the WUTC approved, recovery of the balance of natural gas costs recoverable related to this period of time over three years rather than its normal one-year recovery period.

In February 2019, the Company announced the retirement of three aging coal-fired electric generating units. The Company accelerated the depreciation related to these facilities in property, plant and equipment and recorded the difference between the accelerated depreciation, in accordance with GAAP, and the depreciation approved for rate-making purposes as regulatory assets. The first unit ceased operations on March 31, 2021, and the Company subsequently began amortizing plant retirement and closure costs related to this facility. During 2021, the Company received approval from the NDPSC and the SDPUC to offset the savings associated with the cessation of operations of this unit with the amortization of the deferred regulatory assets and moved the costs being recovered for this facility from plant retirement to cost recovery mechanisms in the previous table. The two remaining units were retired in February 2022. The Company expects to recover the regulatory assets related to the plant retirements in future rates.

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 or accumulated other comprehensive income (loss) in the period in which the discontinuance of regulatory accounting occurs.

## Note 6 - Goodwill

The carrying amount of goodwill for the years ended December 31, 2021 and 2020, remained unchanged at $345.7 million. No impairments of goodwill have been recorded.

## Note 7 - Fair Value Measurements

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 fair value ASC establishes a hierarchy for grouping assets and liabilities, based on the significance of inputs. The estimated fair values of the Company's assets and liabilities measured on a recurring basis are determined using the market approach.

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, which consist of insurance contracts, to satisfy its obligations under its unfunded, nonqualified defined 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 $33.3 million and $30.7 million at December 31, 2021 and 2020, respectively, are classified as investments on the Consolidated Balance Sheets. The net unrealized gains on these investments for the years ended December 31, 2021 and 2020, were $2.2 million and $4.0 million, respectively. The change in fair value, which is considered part of the cost of the plan, is classified in other income on the Consolidated Statements of Income.

The Company's assets measured at fair value on a recurring basis were as follows:

| | Fair Value Measurements at December 31, 2021, 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, 2021 |
| | (In thousands) | | | |
| Assets: | | | | |
| Money market funds | $ — | $ 2,972 | $ — | $ 2,972 |
| Insurance contracts* | — | 33,251 | — | 33,251 |
| Total assets measured at fair value | $ — | $ 36,223 | $ — | $ 36,223 |

*The insurance contracts invest approximately 61 percent in fixed-income investments, 17 percent in common stock of large-cap companies, 8 percent in common stock of mid-cap companies, 7 percent in common stock of small-cap companies, 5 percent in target date investments and 2 percent in cash equivalents.

| | Fair Value Measurements at December 31, 2020, 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, 2020 |
| | (In thousands) | | | |
| Assets: | | | | |
| Money market funds | $ — | $ 1,642 | $ — | $ 1,642 |
| Insurance contract* | — | 30,715 | — | 30,715 |
| Total assets measured at fair value | $ — | $ 32,357 | $ — | $ 32,357 |

*The insurance contract invests approximately 57 percent in fixed-income investments, 18 percent in common stock of large-cap companies, 9 percent in common stock of mid-cap companies, 9 percent in common stock of small-cap companies, 5 percent in target date investments and 2 percent in cash equivalents.

The Company's money market funds are valued at the net asset value of shares held at the end of the period, based on published market quotations on active markets, or using other known sources including pricing from outside sources. The estimated fair value of the Company's insurance contract is based on contractual cash surrender values that are determined primarily by investments in managed separate accounts of the insurer. These amounts approximate fair value. The managed separate accounts are valued based on other observable inputs or corroborated market data.

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.

The Company applies the provisions of the fair value measurement standard to its nonrecurring, non-financial measurements, including long-lived asset impairments. These assets are not measured at fair value on an ongoing basis but are subject to fair value adjustments only in certain circumstances. The Company reviews the carrying value of its long-lived assets, excluding goodwill, whenever events or changes in circumstances indicate that such carrying amounts may not be recoverable.

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. The fair value was categorized as Level 2 in the fair value hierarchy and was based on discounted future cash flows using current market interest rates. The estimated fair value of the Company's Level 2 long-term debt at December 31 was as follows:

| | 2021 | 2020 |
|---|---|---|
| | *(In thousands)* | |
| Carrying Amount | $ 1,670,814 | $ 1,537,904 |
| Fair Value | $ 1,859,005 | $ 1,786,433 |

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

## Note 8 - Debt

Certain debt instruments of the Company and its subsidiaries, including those discussed later, contain restrictive and financial covenants and cross-default provisions. In order to borrow under the debt 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, 2021. 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 revolving credit facilities of the Company's subsidiaries:

| Company | Facility | Facility Limit | | Amount Outstanding at December 31, 2021 | Amount Outstanding at December 31, 2020 | Letters of Credit at December 31, 2021 | | Expiration Date |
|---|---|---|---|---|---|---|---|---|
| | | | | | (In millions) | | | |
| Montana-Dakota Utilities Co. | Commercial paper/Revolving credit agreement (a) | $ 175.0 | | $ 64.9 | $ 87.7 | $ — | | 12/19/24 |
| Cascade Natural Gas Corporation | Revolving credit agreement | $ 100.0 | (b) | $ 71.0 | $ 54.0 | $ 2.2 | (c) | 6/7/24 |
| Intermountain Gas Company | Revolving credit agreement | $ 85.0 | (d) | $ 56.6 | $ 41.9 | $ — | | 6/7/24 |

(a) The commercial paper program is supported by a revolving credit agreement with various banks (provisions allow for increased borrowings, at the option of Montana-Dakota on stated conditions, up to a maximum of $225.0 million). There were no amounts outstanding under the revolving credit agreement.
(b) Certain provisions allow for increased borrowings, up to a maximum of $125.0 million.
(c) Outstanding letter(s) of credit reduce the amount available under the credit agreement.
(d) Certain provisions allow for increased borrowings, up to a maximum of $110.0 million.

Montana-Dakota's commercial paper program is supported by a revolving credit agreement. While the amount of commercial paper outstanding does not reduce available capacity under the respective revolving credit agreement, Montana-Dakota does not issue commercial paper in an aggregate amount exceeding the available capacity under its credit agreement. The commercial paper borrowings may vary during the period, largely the result of fluctuations in working capital requirements due to seasonality of operations.

## Short-term debt

***Montana-Dakota*** On March 8, 2021, Montana-Dakota entered into a $50.0 million term loan agreement with a LIBOR-based variable interest rate and a maturity date of March 7, 2022. At December 31, 2021, Montana-Dakota had no amount outstanding under the agreement. The agreement contains customary covenants and provisions, including a covenant of Montana-Dakota not to permit, at any time, the ratio of total debt to total capitalization to be greater than 65 percent. The covenants also include certain restrictions on the sale of certain assets, loans and investments.

## Long-term debt

***Long-term Debt Outstanding*** Long-term debt outstanding was as follows:

| | **Weighted Average Interest Rate at December 31, 2021** | **2021** | 2020 |
|---|---|---|---|
| | | (In thousands) | |
| Senior Notes due on dates ranging from October 22, 2022 to September 15, 2061 | **4.23 %** | **$ 1,440,000** | $ 1,315,000 |
| Commercial paper supported by revolving credit agreements | **0.25 %** | **64,900** | 87,700 |
| Credit agreements due on June 7, 2024 | **1.94 %** | **127,500** | 95,900 |
| Medium-Term Notes due on dates ranging from September 15, 2027 to March 16, 2029 | **7.32 %** | **35,000** | 35,000 |
| Term Loan Agreement due on September 3, 2032 | **2.00 %** | **7,700** | 8,400 |
| Other notes due on November 30, 2038 | **6.00 %** | **389** | 402 |
| Less unamortized debt issuance costs | | **4,675** | 4,498 |
| Total long-term debt | | **1,670,814** | 1,537,904 |
| Less current maturities | | **12,200** | 700 |
| Net long-term debt | | **$ 1,658,614** | $ 1,537,204 |

***Montana-Dakota*** Montana-Dakota's revolving credit agreement supports its commercial paper program. Commercial paper borrowings under this agreement are classified as long-term debt as they are intended to be refinanced on a long-term basis through continued commercial paper borrowings. The credit agreement contains customary covenants and provisions, including covenants of Montana-Dakota 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.

On September 15, 2021, Montana-Dakota entered into a $125.0 million note purchase agreement with maturity dates ranging from September 15, 2051 to September 15, 2061, at a weighted average interest rate of 3.23 percent. On September 15, 2021 and December 15, 2021, Montana-Dakota issued $75.0 million and $50.0 million, respectively, in senior notes under the note purchase agreement. The agreement contains customary covenants and provisions, including a covenant of Montana-Dakota not to permit, at any time, the ratio of total debt to total capitalization to be greater than 65 percent.

Montana-Dakota's ratio of total debt to total capitalization at December 31, 2021, was 51 percent.

***Cascade*** Any borrowings under the revolving credit agreement are classified as long-term debt as they are intended to be refinanced on a long-term basis through continued borrowings. The 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. Other covenants include restrictions on the sale of certain assets, limitations on indebtedness and the making of certain investments.

Cascade's ratio of total debt to total capitalization at December 31, 2021, was 51 percent.

***Intermountain*** Any borrowings under the revolving credit agreement are classified as long-term debt as they are intended to be refinanced on a long-term basis through continued borrowings. The credit agreement contains customary covenants and provisions, including a covenant of Intermountain not to permit, at any time, the ratio of total debt to total capitalization to be greater than 65 percent. Other covenants include restrictions on the sale of certain assets, limitations on indebtedness and the making of certain investments.

Intermountain's ratio of total debt to total capitalization at December 31, 2021, was 50 percent.

***Schedule of Debt Maturities*** Long-term debt maturities, which excludes unamortized debt issuance costs and discount, for the five years and thereafter following December 31, 2021, were as follows:

| | 2022 | 2023 | 2024 | 2025 | 2026 | Thereafter |
|---|---|---|---|---|---|---|
| | | | (In thousands) | | | |
| Long-term debt maturities | $ 12,200 | $ 47,200 | $ 253,100 | $ 137,700 | $ 140,700 | $ 1,084,589 |

# Note 9 - Leases

Most of the leases the Company enters into are for equipment, buildings, and easements as part of their ongoing operations.The Company also leases certain equipment to third parties.The Company determines if an arrangement contains a lease at inception of a contract and accounts for all leases in accordance with ASC 842 - *Leases.*

The recognition of leases requires the Company to make estimates and assumptions that affect the lease classification and the assets and liabilities recorded. The accuracy of lease assets and liabilities reported on the Consolidated Financial Statements depends on, among other things, management's estimates of interest rates used to discount the lease assets and liabilities to their present value, as well as the lease terms based on the unique facts and circumstances of each lease.

## Lessee accounting

The leases the Company has entered into as part of its ongoing operations are considered operating leases and are recognized on the Consolidated Balance Sheets as operating lease right-of-use assets, operating lease liabilities due within one year and, if applicable, noncurrent liabilities - operating lease liabilities. The corresponding lease costs are included in operation and maintenance expense on the Consolidated Statements of Income.

Generally, the leases for equipment have a term of five years or less and buildings and easements have a longer term of up to 35 years or more. To date, the Company does not have any residual value guarantee amounts probable of being owed to a lessor, financing leases or material agreements with related parties.

The following tables provide information on the Company's operating leases at and for the years ended December 31:

| | **2021** | 2020 |
|---|---|---|
| | (In thousands) | |
| Lease costs: | | |
| Operating lease cost | **$ 2,031** | $ 1,979 |
| Variable lease cost | **451** | 302 |
| Short-term lease cost | **80** | 24 |
| Total lease costs | **$ 2,562** | $ 2,305 |

| | **2021** | 2020 |
|---|---|---|
| | (Dollars in thousands) | |
| Weighted average remaining lease term | 21.79 years | 23.00 years |
| Weighted average discount rate | **4.54 %** | 4.62 % |
| Cash paid for amounts included in the measurement of lease liabilities | **$ 2,031** | $ 1,979 |

The reconciliation of future undiscounted cash flows to operating lease liabilities presented on the Consolidated Balance Sheet at December 31, 2021, was as follows:

| | (In thousands) |
|---|---|
| 2022 | $ 1,875 |
| 2023 | 1,736 |
| 2024 | 1,623 |
| 2025 | 1,597 |
| 2026 | 1,515 |
| Thereafter | 23,628 |
| Total | 31,974 |
| Less discount | 12,329 |
| Total operating lease liabilities | $ 19,645 |

### Lessor accounting

The Company leases certain equipment to third parties, which are considered short-term operating leases with terms of less than 12 months. The Company recognized revenue from operating leases of $407,000 and $392,000 for the years ended December 31, 2021 and 2020, respectively. At December 31, 2021, the Company had $11,000 of lease receivables with a majority due within 12 months or less.

## Note 10 - Asset Retirement Obligations

The Company records obligations related to retirement costs of natural gas distribution mains and lines, decommissioning of certain electric generating facilities, special handling and disposal of hazardous materials at certain electric generating facilities, natural gas distribution facilities and buildings, and certain other obligations as asset retirement obligations.

A reconciliation of the Company's liability for the years ended December 31 was as follows:

| | **2021** | 2020 |
|---|---|---|
| | (In thousands) | |
| Balance at beginning of year | **$ 354,998** | $ 331,897 |
| Liabilities incurred | **9,982** | 9,972 |
| Liabilities settled | **(11,656)** | (3,714) |
| Accretion expense* | **18,576** | 17,557 |
| Revisions in estimates | **1,702** | (714) |
| Balance at end of year | **$ 373,602** | $ 354,998 |

* Includes $18.6 million and $17.5 million in 2021 and 2020, respectively, recorded to regulatory assets.

The current portion of the Company’s asset retirement obligation is included in other accrued liabilities on the Consolidated Balance Sheets and was $4.4 million and $847,000 at December 31, 2021 and 2020, respectively.

The Company believes that largely all expenses related to asset retirement obligations will be recovered in rates over time and, accordingly, defers such expenses as regulatory assets. For more information on the Company's regulatory assets and liabilities, see Note 5.

## Note 11 - Accumulated Other Comprehensive Loss

The Company's accumulated other comprehensive loss is comprised of postretirement liability adjustments.

The after-tax changes in the components of accumulated other comprehensive loss were as follows:

| | Post-retirement Liability Adjustment | Total Accumulated Other Comprehensive Loss |
|---|---|---|
| | (In thousands) | |
| At December 31, 2019 | $ (6,962) | $ (6,962) |
| Other comprehensive loss before reclassifications | (5,049) | (5,049) |
| Amounts reclassified from accumulated other comprehensive loss | 610 | 610 |
| Net current-period other comprehensive loss | (4,439) | (4,439) |
| At December 31, 2020 | (11,401) | (11,401) |
| Other comprehensive income before reclassifications | 855 | 855 |
| Amounts reclassified from accumulated other comprehensive loss | 477 | 477 |
| Net current-period other comprehensive income | 1,332 | 1,332 |
| **At December 31, 2021** | **$ (10,069)** | **$ (10,069)** |

The following amounts were reclassified out of accumulated other comprehensive loss into net income. The amounts presented in parenthesis indicate a decrease to net income on the Consolidated Statements of Income. The reclassifications for the years ended December 31 were as follows:

| | **2021** | 2020 | Location on Consolidated Statements of Income |
|---|---|---|---|
| | (In thousands) | | |
| Amortization of postretirement liability losses included in net periodic benefit cost | **$ (630)** | $ (809) | Other income |
| | **153** | 199 | Income taxes |
| Total reclassifications | **$ (477)** | $ (610) | |

## Note 12 - Income Taxes

Income before income taxes for the years ended December 31, 2021 and 2020 was $104.2 million and $93.8 million, respectively.

Income tax expense (benefit) for the years ended December 31 was as follows:

| | **2021** | 2020 |
|---|---|---|
| | (In thousands) | |
| Current: | | |
| Federal | **$ (12,878)** | $ (11,652) |
| State | **(2,323)** | (2,161) |
| | **(15,201)** | (13,813) |
| Deferred: | | |
| Income taxes: | | |
| Federal | **10,215** | 3,265 |
| State | **3,972** | 2,099 |
| Investment tax credit - net | **1,755** | 2,559 |
| | **15,942** | 7,923 |
| Total income tax expense (benefit) | **$ 741** | $ (5,890) |

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

| | 2021 | 2020 |
|---|---|---|
| | (In thousands) | |
| Deferred tax assets: | | |
| Postretirement | $ **15,482** | $ 19,096 |
| Compensation-related | **8,524** | 8,649 |
| Customer advances | **7,666** | 7,443 |
| Legal and environmental contingencies | **5,310** | 4,961 |
| Other | **10,004** | 10,293 |
| Total deferred tax assets | **46,986** | 50,442 |
| Deferred tax liabilities: | | |
| Basis differences on property, plant and equipment | **302,146** | 291,522 |
| Postretirement | **36,211** | 37,199 |
| Purchased gas adjustment | **21,136** | 14,360 |
| Other | **41,347** | 36,228 |
| Total deferred tax liabilities | **400,840** | 379,309 |
| Net deferred income tax liability | $ **353,854** | $ 328,867 |

As of December 31, 2021 and 2020, no valuation allowance has been recorded associated with the above deferred tax assets. Changes in tax regulations or assumptions regarding current and future taxable income could require additional valuation allowances in the future.

The following table reconciles the change in the net deferred income tax liability from December 31, 2020, to December 31, 2021, to deferred income tax expense:

| | 2021 |
|---|---|
| | (In thousands) |
| Change in net deferred income tax liability from the preceding table | $ **24,987** |
| Deferred taxes associated with other comprehensive loss | **(440)** |
| Excess deferred income tax amortization | **(9,079)** |
| Other | **474** |
| Deferred income tax expense for the period | $ **15,942** |

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:

| Years ended December 31, | 2021 | | 2020 | |
|---|---|---|---|---|
| | Amount | % | Amount | % |
| | (Dollars in thousands) | | | |
| Computed tax at federal statutory rate | $ **21,891** | **21.0** | $ 19,690 | 21.0 |
| Increases (reductions) resulting from: | | | | |
| State income taxes, net of federal income tax | **1,445** | **1.4** | (606) | (.6) |
| Excess deferred income tax amortization | **(9,079)** | **(8.7)** | (9,827) | (10.5) |
| Production tax credits | **(13,914)** | **(13.3)** | (16,009) | (17.1) |
| Research and development tax credit | **(1,095)** | **(1.1)** | (1,095) | (1.2) |
| Flow-through | **650** | **0.6** | 918 | 1 |
| AFUDC equity | **(144)** | **(.1)** | (23) | — |
| Amortization of deferral of investment tax credit | **1,551** | **1.5** | 2,380 | 2.5 |
| Tax compliance and uncertain tax position | **516** | **0.5** | (428) | (.4) |
| Other | **(1,080)** | **(1.1)** | (890) | (1.0) |
| Total income tax expense (benefit) | $ **741** | **0.7** | $ (5,890) | (6.3) |

The Company and its subsidiaries file income tax returns in the U.S. federal jurisdiction and various state jurisdictions. The Company is no longer subject to U.S. federal income tax examinations by tax authorities for years ending prior to 2018. With few exceptions, as of December 31, 2021, the Company is no longer subject to state and local income tax examinations by tax authorities for years ending prior to 2018.

For the years ended December 31, 2021 and 2020, total reserves for uncertain tax positions were not material. The Company recognizes interest and penalties accrued relative to unrecognized tax benefits in income tax expense.

## Note 13 - Cash Flow Information

Cash expenditures for interest and income taxes for the years ended December 31 were as follows:

| | **2021** | 2020 |
|---|---|---|
| | (In thousands) | |
| Interest, net* | **$ 61,49** | $ 61,58 |
| Income taxes paid (refunded), net | **$ (16,628** | $ (19,297 |

*AFUDC - borrowed was $1.0 million and $2.4 million for the years ended December 31, 2021 and 2020,respectively.

Noncash investing and financing transactions at December 31 were as follows:

| | **2021** | 2020 |
|---|---|---|
| | (In thousands) | |
| Property, plant and equipment additions in accounts payable | **$ 22,46** | $ 13,71 |
| Right-of-use assets obtained in exchange for new operating lease liabilities | **$ 19,64** | $ 19,66 |

## Note 14 - Employee Benefit Plans

### Pension and other postretirement benefit plans

The Company has noncontributory qualified defined benefit pension plans and other postretirement benefit plans for certain eligible employees. The Company uses a measurement date of December 31 for all of its pension and postretirement benefit plans.

Prior to 2013, all of the Company's defined benefit pension plans were frozen. These employees were eligible to receive additional defined contribution plan benefits.

Effective January 1, 2010, eligibility to receive retiree medical benefits was modified. Current employees at Montana-Dakota and Intermountain, and those hired before June 1, 1992 at Cascade who had attained age 55 with 10 years of continuous service by December 31, 2010, were provided the option to choose between a pre-65 comprehensive medical plan coupled with a Medicare supplement or a specified company funded Retiree Reimbursement Account, regardless of when they retire. All other eligible employees must meet the new eligibility criteria of age 60 and 10 years of continuous service at the time they retire to be eligible for a specified company funded Retiree Reimbursement Account. Employees at Montana-Dakota and Intermountain hired after December 31, 2009, and employees at Cascade hired after June 1, 1992, will not be eligible for retiree medical benefits.

In 2012, the Company modified health care coverage for certain retirees. Effective January 1, 2013, post-65 coverage was replaced by a fixed-dollar subsidy for retirees and spouses to be used to purchase individual insurance through an exchange.

Changes in benefit obligation and plan assets and amounts recognized in the Consolidated Balance Sheets at December 31 were as follows:

| | Pension Benefits | | Other Postretirement Benefits | |
|---|---|---|---|---|
| | **2021** | 2020 | **2021** | 2020 |
| Change in benefit obligation: | | (In thousands) | | |
| Benefit obligation at beginning of year | **$ 303,728** | $ 292,958 | **$ 50,357** | $ 50,905 |
| Service cost | **—** | — | **716** | 686 |
| Interest cost | **6,807** | 8,408 | **1,076** | 1,405 |
| Plan participants' contributions | **—** | — | **554** | 629 |
| Actuarial (gain) loss | **(8,922)** | 18,969 | **(8,147)** | (2) |
| Benefits paid | **(16,432)** | (16,607) | **(2,655)** | (3,266) |
| Benefit obligation at end of year | **285,181** | 303,728 | **41,901** | 50,357 |
| Change in net plan assets: | | | | |
| Fair value of plan assets at beginning of year | **268,555** | 256,076 | **76,083** | 71,000 |
| Actual return on plan assets | **9,365** | 29,086 | **895** | 7,669 |
| Employer contribution | **—** | — | **40** | 51 |
| Plan participants' contributions | **—** | — | **554** | 629 |
| Benefits paid | **(16,432)** | (16,607) | **(2,655)** | (3,266) |
| Fair value of net plan assets at end of year | **261,488** | 268,555 | **74,917** | 76,083 |
| Funded status - over (under) | **$ (23,693)** | $ (35,173) | **$ 33,016** | $ 25,726 |
| Amounts recognized in the Consolidated Balance Sheets at December 31: | | | | |
| Noncurrent assets - other | **$ —** | $ — | **$ 33,01** | 25,726 |
| Noncurrent liabilities - other | **23,693** | 35,173 | **—** | — |
| Net amount recognized | **$ (23,693)** | $ (35,173) | **$ 33,016** | $ 25,726 |
| Amounts recognized in regulatory assets or liabilities: | | | | |
| Actuarial (gain) loss | **$ 117,74** | $ 127,83 | **$ (10,933** | $ (5,843 |
| Prior service credit | **—** | — | **(4,388)** | (5,502) |
| Total | **$ 117,744** | $ 127,838 | **$ (15,321)** | $ (11,345) |

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 or liabilities are expected to be reflected in rates charged to customers over time. For more information on regulatory assets and liabilities, see Note 5.

In 2021, the actuarial gain recognized in the benefit obligation was primarily the result of an increase in the discount rate. In 2020, the actuarial loss recognized in the benefit obligation was primarily the result of a decrease in the discount rate. For more information on the discount rates, see the table below. Unrecognized pension actuarial losses in excess of 10 percent of the greater of the projected benefit obligation or the market-related value of assets are amortized over the average life expectancy of plan participants for frozen plans. The market-related value of assets is determined using a five-year average of assets.

The pension plans all have accumulated benefit obligations in excess of plan assets. The projected benefit obligation, accumulated benefit obligation and fair value of plan assets for these plans at December 31 were as follows:

| | **2021** | 2020 |
|---|---|---|
| | (In thousands) | |
| Projected benefit obligation | **$ 285,181** | $ 303,728 |
| Accumulated benefit obligation | **$ 285,181** | $ 303,728 |
| Fair value of plan assets | **$ 261,488** | $ 268,555 |

The components of net periodic benefit cost (credit), other than the service cost component, are included in other income on the Consolidated Statements of Income. Prior service credit is amortized on a straight-line basis over the average remaining service period of active participants. These components related to the Company's pension and other postretirement benefit plans for the years ended December 31 were as follows:

| | Pension Benefits | | Other Postretirement Benefits | |
|---|---|---|---|---|
| | **2021** | 2020 | **2021** | 2020 |
| Components of net periodic benefit cost (credit): | | (In thousands) | | |
| Service cost | **$ —** | $ — | **$ 716** | $ 686 |
| Interest cost | **6,807** | 8,408 | **1,076** | 1,405 |
| Expected return on assets | **(13,781)** | (14,059) | **(3,841)** | (3,802) |
| Amortization of prior service credit | **—** | — | **(1,114)** | (1,114) |
| Recognized net actuarial loss | **5,588** | 5,010 | **(111)** | (19) |
| Net periodic benefit credit, including amount capitalized | **(1,386)** | (641) | **(3,274)** | (2,844) |
| Less amount capitalized | **—** | — | **148** | 151 |
| Net periodic benefit credit | **(1,386)** | (641) | **(3,422)** | (2,995) |
| Other changes in plan assets and benefit obligations recognized in regulatory assets or liabilities: | | | | |
| Net (gain) loss | **(4,506)** | 4,216 | **(5,201)** | (4,094) |
| Amortization of actuarial gain (loss) | **(5,588)** | (5,288) | **111** | 19 |
| Amortization of prior service credit | **—** | — | **1,114** | 1,138 |
| Total recognized in regulatory assets or liabilities | **(10,094)** | (1,072) | **(3,976)** | (2,937) |
| Total recognized in net periodic benefit credit and regulatory assets or liabilities | **$ (11,480)** | $ (1,713) | **$ (7,398)** | $ (5,932) |

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

| | Pension Benefits | | Other Postretirement Benefits | |
|---|---|---|---|---|
| | **2021** | 2020 | **2021** | 2020 |
| Discount rate | **2.64 %** | 2.30 % | **2.65 %** | 2.28 % |
| Expected return on plan assets | **6.00 %** | 6.00 % | **5.50 %** | 5.50 % |

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

| | Pension Benefits | | Other Postretirement Benefits | |
|---|---|---|---|---|
| | **2021** | 2020 | **2021** | 2020 |
| Discount rate | **2.30 %** | 2.96 % | **2.28 %** | 2.97 % |
| Expected return on plan assets | **6.00 %** | 6.25 % | **5.50 %** | 5.75 % |

The expected rate of return on pension plan assets is based on a targeted asset allocation range determined by the funded ratio of the plan. As of December 31, 2021, the expected rate of return on pension plan assets is based on the targeted asset allocation range of 35 percent to 45 percent equity securities and 55 percent to 65 percent fixed-income securities and the expected rate of return from these asset categories. The expected rate of return on other postretirement plan assets is based on the targeted asset allocation range of 10 percent equity securities and 90 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:

| | **2021** | 2020 |
|---|---|---|
| Health care trend rate assumed for next year | **7.00 %** | 7.00 % |
| Health care cost trend rate - ultimate | **4.50 %** | 4.50 % |
| Year in which ultimate trend rate achieved | **2031** | 2031 |

The Company's other postretirement benefit plans include health care and life insurance benefits for certain retirees. The plans underlying these benefits may require contributions by the retiree depending on such retiree's age and years of service at retirement or the date of retirement. The Company contributes a flat dollar amount to the monthly premiums which is updated annually on January 1.

The Company does not expect to contribute to its defined benefit pension plans in 2022 due to an additional $12.4 million contributed to the plans in 2019 creating prefunding credits to be used in future years. The Company expects to contribute approximately $26,000 to its postretirement benefit plans in 2022.

The following benefit payments, which reflect future service, as appropriate, and expected Medicare Part D subsidies at December 31, 2021, are as follows:

| Years | Pension Benefits | Other Postretirement Benefits | Expected Medicare Part D Subsidy |
|---|---|---|---|
| | | (In thousands) | |
| 2022 | $ 17,326 | $ 2,983 | $ 53 |
| 2023 | 17,453 | 2,940 | 50 |
| 2024 | 17,573 | 2,871 | 45 |
| 2025 | 17,443 | 2,817 | 39 |
| 2026 | 17,311 | 2,736 | 35 |
| 2027-2031 | 82,462 | 12,618 | 117 |

Outside investment managers manage the Company's pension and postretirement assets. 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 equivalents, fixed-income securities and equity securities. The guidelines prohibit investment in commodities and futures 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.

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 fair value ASC establishes a hierarchy for grouping assets and liabilities, based on the significance of inputs. The estimated fair values of the Company's pension plans' assets are determined using the market approach.

The carrying value of the pension plans' Level 2 cash equivalents approximates fair value and is determined using observable inputs in active markets or the net asset value of shares held at year end, which is determined using other observable inputs including pricing from outside sources.

The estimated fair value of the pension plans' Level 1 and Level 2 equity securities are based on the closing price reported on the active market on which the individual securities are traded or other known sources including pricing from outside sources. The estimated fair value of the pension plans' Level 1 and Level 2 collective and mutual funds are based on the net asset value of shares held at year end, based on either published market quotations on active markets or other known sources including pricing from outside sources. The estimated fair value of the pension plans' Level 2 corporate and municipal bonds is determined using other observable inputs, including benchmark yields, reported trades, broker/dealer quotes, bids, offers, future cash flows and other reference data. The estimated fair value of the pension plans' Level 1 U.S. Government securities are valued based on quoted prices on an active market. The estimated fair value of the pension plans' Level 2 U.S. Government securities are valued mainly using other observable inputs, including benchmark yields, reported trades, broker/dealer quotes, bids, offers, to be announced prices, future cash flows and other reference data. The estimated fair value of the pension plans' Level 2 pooled separate accounts are determined using observable inputs in active markets or the net asset value of shares held at year end, or other observable inputs. Some of these securities are valued using pricing from outside sources.

All investments measured at net asset value in the tables that follow are invested in commingled funds, separate accounts or common collective trusts which do not have publicly quoted prices. The fair value of the commingled funds, separate accounts and common collective trusts are determined based on the net asset value of the underlying investments. The fair value of the underlying investments held by the commingled funds, separate accounts and common collective trusts is generally based on quoted prices in active markets.

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.

The fair value of the Company's pension plans' assets (excluding cash) by class were as follows:

| | Fair Value Measurements at December 31, 2021, 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, 2021 |
| | (In thousands) | | | |
| Assets: | | | | |
| Cash equivalents | $ — | $ 3,251 | $ — | $ 3,251 |
| Equity securities: | | | | |
| U.S. companies | 5,245 | — | — | 5,245 |
| International companies | — | 896 | — | 896 |
| Collective and mutual funds (a) | 117,129 | 29,008 | — | 146,137 |
| Corporate bonds | — | 87,740 | — | 87,740 |
| Municipal bonds | — | 5,262 | — | 5,262 |
| U.S. Government securities | 4,986 | 1,334 | — | 6,320 |
| Pooled separate accounts (b) | — | 2,111 | — | 2,111 |
| Investments measured at net asset value (c) | — | — | — | 4,526 |
| Total assets measured at fair value | $ 127,360 | $ 129,602 | $ — | $ 261,488 |

(a) Collective and mutual funds invest approximately 37 percent in corporate bonds, 19 percent in common stock of international companies, 16 percent in common stock of large-cap U.S. companies, 9 percent in U.S. Government securities and 19 percent in other investments.
(b) Pooled separate accounts are invested 100 percent in cash and cash equivalents.
(c) In accordance with ASC 820 - *Fair Value,* certain investments that were measured at net asset value per share (or its equivalent) have not been classified in the fair value hierarchy. The fair value amounts presented in this table are intended to permit reconciliation of the fair value hierarchy to the line items presented in the balance sheets.

| | Fair Value Measurements at December 31, 2020, 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, 2020 |
| | (In thousands) | | | |
| Assets: | | | | |
| Cash equivalents | $ — | $ 5,486 | $ — | $ 5,486 |
| Equity securities: | | | | |
| U.S. companies | 8,987 | — | — | 8,987 |
| International companies | — | 1,208 | — | 1,208 |
| Collective and mutual funds (a) | 124,119 | 39,033 | — | 163,152 |
| Corporate bonds | — | 64,935 | — | 64,935 |
| Municipal bonds | — | 7,085 | — | 7,085 |
| U.S. Government securities | 7,819 | 1,886 | — | 9,705 |
| Investments measured at net asset value (b) | — | — | — | 7,997 |
| Total assets measured at fair value | $ 140,925 | $ 119,633 | $ — | $ 268,555 |

(a) Collective and mutual funds invest approximately 36 percent in corporate bonds, 24 percent in common stock of international companies, 18 percent in common stock of large-cap U.S. companies, 8 percent in cash equivalents, 5 percent in U.S. Government securities and 9 percent in other investments.
(b) In accordance with ASC 820 - *Fair Value,* certain investments that were measured at net asset value per share (or its equivalent) have not been classified in the fair value hierarchy. The fair value amounts presented in this table are intended to permit reconciliation of the fair value hierarchy to the line items presented in the balance sheets.

The estimated fair values of the Company's other postretirement benefit plans' assets are determined using the market approach.

The estimated fair value of the other postretirement benefit plans' Level 2 cash equivalents is valued at the net asset value of shares held at year end, based on published market quotations on active markets, or using other known sources including pricing from outside sources. The estimated fair value of the other postretirement benefit plans' Level 1 and Level 2 equity securities is based on the closing price reported on the active market on which the individual securities are traded or other known sources including pricing from outside sources. The estimated fair value of the other postretirement benefit plans' Level 2 insurance contract is based on contractual cash surrender values that are determined primarily by investments in managed separate accounts of the insurer. These amounts approximate fair value. The managed separate accounts are valued based on other observable inputs or corroborated market data.

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.

The fair value of the Company's other postretirement benefit plans' assets (excluding cash) by asset class were as follows:

| | Fair Value Measurements at December 31, 2021, 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, 2021 |
| | | (In thousands) | | |
| Assets: | | | | |
| Cash equivalents | $ | $ 3,20 | $ | $ 3,20 |
| Equity securities: | | | | |
| U.S. companies | 1,745 | — | — | 1,745 |
| International companies | — | 1 | — | 1 |
| Collective and mutual funds (a) | 3 | 67 | — | 70 |
| Insurance contract (b) | — | 69,896 | — | 69,896 |
| Investments measured at net asset value (c) | — | — | — | 2 |
| Total assets measured at fair value | $ 1,74 | $ 73,16 | $ | $ 74,91 |

(a) Collective and mutual funds invest approximately 37 percent in corporate bonds, 19 percent in common stock of international companies, 16 percent in common stock of large-cap U.S. companies,9 percent in U.S. Government securities and 19 percent in other investments.
(b) The insurance contract invests approximately 58 percent in corporate bonds, 13 percent in U.S. Government securities, 13 percent in common stock of large-cap U.S. companies, 5 percent in common stock of small-cap U.S. companies and 11 percent in other investments.
(c) In accordance with ASC 820 - *Fair Value*, certain investments that were measured at net asset value per share (or its equivalent) have not been classified in the fair value hierarchy. The fair value amounts presented in this table are intended to permit reconciliation of the fair value hierarchy to the line items presented in the balance sheets.

| | Fair Value Measurements at December 31, 2020, 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, 2020 |
| | | (In thousands) | | |
| Assets: | | | | |
| Cash equivalents | $ — | $ 2,633 | $ — | $ 2,633 |
| Equity securities: | | | | |
| U.S. companies | 1,385 | — | — | 1,385 |
| International companies | — | 1 | — | 1 |
| Collective and mutual funds (a) | 8 | 109 | — | 117 |
| Insurance contract (b) | — | 71,939 | — | 71,939 |
| Investments measured at net asset value (c) | — | — | — | 8 |
| Total assets measured at fair value | $ 1,393 | $ 74,682 | $ — | $ 76,083 |

(a) Collective and mutual funds invest approximately 36 percent in corporate bonds, 24 percent in common stock of international companies, 18 percent in common stock of large-cap U.S. companies, 8 percent in cash equivalents, 5 percent in U.S. Government securities and 9 percent in other investments.
(b) The insurance contract invests approximately 67 percent in corporate bonds, 10 percent in common stock of large-cap U.S. companies, 12 percent in U.S. Government securities, 4 percent in common stock of small-cap U.S. companies, 1 percent in cash equivalents and 6 percent in other investments.
(c) In accordance with ASC 820 - *Fair Value,* certain investments that were measured at net asset value per share (or its equivalent) have not been classified in the fair value hierarchy. The fair value amounts presented in this table are intended to permit reconciliation of the fair value hierarchy to the line items presented in the balance sheets.

### Nonqualified benefit plans

In addition to the qualified defined benefit pension plans reflected in the table at the beginning of this note, the Company also has unfunded, nonqualified defined benefit plans for executive officers and certain key management employees. Montana-Dakota's plan provides for defined benefit payments following the employee's retirement or, upon death, to their beneficiaries for up to a 15-year period. Cascade's plan provides for defined benefit payments following the employee's retirement, or upon death, to their beneficiaries for up to a 10-year period, plus the surviving spouse is entitled to receive a monthly 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. In February 2016, the Company froze the unfunded, nonqualified defined benefit plans to new participants and eliminated benefit increases. Vesting for participants not fully vested was retained.

The projected benefit obligation and accumulated benefit obligation for these plans at December 31 were as follows:

| | 2021 | 2020 |
|---|---|---|
| | (In thousands) | |
| Projected benefit obligation | $ 28,230 | $ 30,398 |
| Accumulated benefit obligation | $ 28,230 | $ 30,398 |

The components of net periodic benefit cost are included in other income on the Consolidated Statements of Income. These components related to the Company's nonqualified defined benefit plans for the years ended December 31 were as follows:

| | **2021** | 2020 |
|---|---|---|
| | (In thousands) | |
| Components of net periodic benefit cost: | | |
| Service cost | **$ —** | $ 58 |
| Interest cost | **594** | 802 |
| Recognized net actuarial loss | **443** | 672 |
| Net periodic benefit cost | **$ 1,037** | $ 1,532 |

Weighted average assumptions used at December 31 were as follows:

| | **2021** | 2020 |
|---|---|---|
| Benefit obligation discount rate | **2.42 %** | 2.00 % |
| Benefit obligation rate of compensation increase | **N/A** | N/A |
| Net periodic benefit cost discount rate | **2.00 %** | 2.77 % |
| Net periodic benefit cost rate of compensation increase | **N/A** | N/A |

The amount of future benefit payments for the unfunded, nonqualified defined benefit plans at December 31, 2021, are expected to aggregate as follows:

| | 2022 | 2023 | 2024 | 2025 | 2026 | 2027-2031 |
|---|---|---|---|---|---|---|
| | | | (In thousands) | | | |
| Nonqualified benefits | $ 2,433 | $ 2,450 | $ 2,421 | $ 2,269 | $ 2,191 | $ 8,582 |

In 2012, the Company established a nonqualified defined contribution plan for certain key management employees. In 2020, the plan was frozen to new participants and no new Company contributions will be made to the plan after December 31, 2020. Vesting for participants not fully vested was retained. A new nonqualified defined contribution plan was adopted in 2020, effective January 1, 2021, to replace the plan originally established in 2012 with similar provisions. Expenses incurred under these plans for 2021 and 2020 were $359,000 and $259,000, respectively.

The amount of investments that the Company anticipates using to satisfy obligations under these plans at December 31 was as follows:

| | **2021** | 2020 |
|---|---|---|
| | (In thousands) | |
| Investments | | |
| Insurance contract* | **$ 33,251** | $ 30,715 |
| Life insurance** | **17,572** | 19,446 |
| Other | **2,972** | 1,642 |
| Total investments | **$ 53,795** | $ 51,803 |

*For more information on the insurance contract, see Note 7.
**Investments of life insurance are carried on plan participants (payable upon the employee's death).

## Defined contribution plans

The Company sponsors various defined contribution plans for eligible employees and the costs incurred under these plans were $10.7 million in 2021 and $12.6 million in 2020.

## 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 is outlined in the following table. The most recent Pension Protection Act zone status available in 2021 and 2020 is for the plan's year-end at December 31, 2020, and December 31, 2019, 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.

| 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 |
|---|---|---|---|---|---|---|---|---|
| | | **2021** | 2020 | | **2021** | 2020 | | |
| | | | | | (In thousands) | | | |
| Idaho Plumbers and Pipefitters Pension Plan | 826010346-001 | **Green as of 5/31/2021** | Green as of 5/31/2020 | No | **$ 1,528** | $ 1,370 | No | 3/31/2023 |

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 as of December 31, 2020 and 2019.

## Note 15 - Jointly Owned Facilities

The consolidated financial statements include Montana-Dakota's ownership interests in three coal-fired electric generating facilities (Big Stone Station, Coyote Station and Wygen III) and one major transmission line (BSSE). Each owner of the jointly owned facilities is responsible for financing its investment. Montana-Dakota's share of the jointly owned facilities operating expenses was reflected in the appropriate categories of operating expenses (electric fuel and purchased power; operation and maintenance; and taxes, other than income) in the Consolidated Statements of Income.

At December 31, Montana-Dakota's share of the cost of utility plant in service, construction work in progress and related accumulated depreciation for the jointly owned facilities was as follows:

| | Ownership Percentage | **2021** | 2020 |
|---|---|---|---|
| | | (In thousands) | |
| Big Stone Station: | 22.7 % | | |
| Utility plant in service | | **$ 157,259** | $ 155,967 |
| Construction work in progress | | **571** | 104 |
| Less accumulated depreciation | | **47,293** | 45,435 |
| | | **$ 110,537** | $ 110,636 |
| BSSE: | 50.0 % | | |
| Utility plant in service | | **$ 107,424** | $ 107,442 |
| Construction work in progress | | **—** | — |
| Less accumulated depreciation | | **4,506** | 2,682 |
| | | **$ 102,918** | $ 104,760 |
| Coyote Station: | 25.0 % | | |
| Utility plant in service | | **$ 157,764** | $ 159,784 |
| Construction work in progress | | **784** | 323 |
| Less accumulated depreciation | | **109,202** | 108,852 |
| | | **$ 49,346** | $ 51,255 |
| Wygen III: | 25.0 % | | |
| Utility plant in service | | **$ 66,357** | $ 66,101 |
| Construction work in progress | | **108** | 232 |
| Less accumulated depreciation | | **11,383** | 10,038 |
| | | **$ 55,082** | $ 56,295 |

## Note 16 - Regulatory Matters

The Company regularly reviews the need for electric and natural gas rate changes in each of the jurisdictions in which service is provided. The Company files for rate adjustments to seek recovery of operating costs and capital investments, as well as reasonable returns as allowed by regulators. Certain regulatory proceedings and cases may also contain recurring mechanisms that can have an annual true-up. Examples of these recurring mechanisms include: infrastructure riders, transmission trackers, renewable resource cost adjustment riders, as well as weather normalization and decoupling mechanisms. The following paragraphs summarize the Company's significant open regulatory proceedings and cases by jurisdiction. The Company is unable to predict the ultimate outcome of these matters, the timing of final decisions of the various regulators and courts, or the effect on the Company's results of operations, financial position or cash flows.

### Coal-fired plant retirements

In February 2019, the Company announced the retirement of three aging coal-fired electric generating units, resulting from the Company’s analysis showing that the plants were no longer expected to be cost competitive for customers. The Company ceased operations in March 2021 of Unit 1 at Lewis & Clark Station in Sidney, Montana, and in February 2022 for Units 1 and 2 at Heskett Station near Mandan, North Dakota. In addition, the Company announced that it intends to construct Heskett Unit 4, an 88-MW simple-cycle natural gas-fired combustion turbine peaking unit at the existing Heskett Station near Mandan, North Dakota. Heskett Unit 4 was included in the Company’s integrated resource plan submitted to the NDPSC in July 2019. On August 28, 2019, the Company filed for an advanced determination of prudence with the NDPSC for Heskett Unit 4. This request was approved by the NDPSC on August 5, 2020. Heskett Unit 4 is expected to be placed into service in 2023. The Company filed, and the commissions approved, requests with the NDPSC, MTPSC and SDPUC for the usage of deferred accounting for the costs related to the retirement of Unit 1 at Lewis & Clark Station and Units 1 and 2 at Heskett Station. As discussed below, the NDPSC has approved amortization of these costs through the generation resource recovery rider and the SDPUC has approved amortization of these costs through the infrastructure rider.

### MNPUC

Great Plains defers the difference between the actual cost of gas spent to serve customers and that recovered from customers on a monthly basis. Annually, Great Plains prepares a true-up pursuant to the purchased gas adjustment tariff. On August 30, 2021, the MNPUC issued an order to allow Great Plains recovery of an out-of-cycle cost of gas adjustment of $8.8 million over a period of 27 months. The order was effective September 1, 2021, and is subject to a prudence review by the MNPUC. The requested increase was for the February 2021 extreme cold weather, primarily in the central United States, and market conditions surrounding the natural gas commodity market. The MNPUC prudence review is pending with an order to be issued on or before August 29, 2022.

### NDPSC

On March 2, 2021, Montana-Dakota filed an informational update to the generation resource recovery rider with the NDPSC related to the retirement of Unit 1 at Lewis & Clark Station. The filing included the annual revenue requirement offset by the related amortization of the accelerated depreciation on the plant, net of excess deferred income taxes, and the decommissioning costs projected to be incurred in 2021 resulting in no impact to customers.

Montana-Dakota has a renewable resource cost adjustment rate tariff that allows for annual adjustments for recent projected capital costs and related expenses for projects determined to be recoverable under the tariff. On November 1, 2021, Montana-Dakota filed an annual update to its renewable resource cost adjustment requesting to recover a revised revenue requirement of approximately $12.4 million annually, not including the prior period true-up adjustment. The update reflects a decrease of approximately $2.0 million from the revenues currently included in rates. On January 26, 2022, the NDPSC approved the decrease with rates effective February 1, 2022.

### SDPUC

On March 11, 2021, Montana-Dakota filed an informational update to the infrastructure rider rate tariff with the SDPUC related to the retirement of Unit 1 at Lewis & Clark Station. The filing includes the annual revenue requirement offset by the related amortization of the accelerated depreciation on the plant, net of excess deferred income taxes, and the decommissioning costs projected to be incurred in 2021 resulting in no impact to customers. On November 15, 2021, the SDPUC approved the request.

### WUTC

On September 30, 2021, Cascade filed an application with the WUTC for a natural gas rate increase of approximately $13.7 million annually or approximately 5.1 percent above current rates. The requested increase was primarily to recover investments made in infrastructure upgrades, as well as to recover 2021 wage increases. On March 22, 2022, Cascade filed a Multi-Party Settlement and Stipulation on behalf of Cascade and the Staff of the WUTC that would result in a revenue requirement increase of $10.7 million or approximately 4.0% above current rates. The WUTC has 11 months to render a final decision on the rate case. This matter is pending before the WUTC.

### FERC

On September 1, 2021, Montana-Dakota filed an update to its transmission formula rate under the MISO tariff for its multi-value project for $13.4 million, which was effective January 1, 2022.

## Note 17 - Commitments and Contingencies

The Company is party to claims and lawsuits arising out of its business which may include, but are not limited to, matters involving property damage, personal injury, and environmental, contractual, statutory and regulatory obligations. The Company accrues a liability for those 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, in some circumstances, an estimate of the possible loss. Accruals are based on the best information available, but in certain situations management is unable to estimate an amount or range of a reasonably possible loss including, but not limited to when: (1) the damages are unsubstantiated or indeterminate, (2) the proceedings are in the early stages, (3) numerous parties are involved, or (4) the matter involves novel or unsettled legal theories.

At December 31, 2021 and 2020, the Company accrued liabilities which have not been discounted, of $23.8 million and $22.4 million, respectively. At December 31, 2021 and 2020, the Company also recorded corresponding insurance receivables of $984,000 and $83,000, respectively, and regulatory assets of $21.2 million and $21.3 million, respectively, related to the accrued liabilities. The accruals are for contingencies resulting from litigation and environmental matters. This includes amounts that have been accrued for matters discussed in Environmental matters within this note. The Company will continue to monitor each matter and adjust accruals as might be warranted based on new information and further developments. Management believes that the outcomes with respect to probable and reasonably possible losses in excess of the amounts accrued, net of insurance recoveries, while uncertain, either cannot be estimated or will not have a material effect upon the Company's financial position, results of operations or cash flows. Unless otherwise required by GAAP, legal costs are expensed as they are incurred.

## Environmental matters

***Manufactured Gas Plant Sites*** Claims have been made against Cascade for cleanup of environmental contamination at manufactured gas plant sites operated by Cascade's predecessors and a similar claim has been made against Montana-Dakota for a site operated by Montana-Dakota and its predecessors. Any accruals related to these claims are reflected in regulatory assets. For more information, see Note 5.

Demand has been made of Montana-Dakota to participate in investigation and remediation of environmental contamination at a site in Missoula, Montana. The site operated as a former manufactured gas plant from approximately 1907 to 1938 when it was converted to a butane-air plant that operated until 1956. Montana-Dakota or its predecessors owned or controlled the site for a period of the time it operated as a manufactured gas plant and Montana-Dakota operated the butane-air plant from 1940 to 1951, at which time it sold the plant. There are no documented wastes or by-products resulting from the mixing or distribution of butane-air gas. Preliminary assessment of a portion of the site provided a recommended remedial alternative for that portion of approximately $560,000. However, the recommended remediation would not address any potential contamination to adjacent parcels that may be impacted from historic operations of the manufactured gas plant. An environmental assessment was started in 2020, which is estimated to cost approximately $823,000. The environmental assessment report is expected to be submitted to the MTDEQ in 2022. Montana-Dakota and another party agreed to voluntarily investigate and remediate the site and that Montana-Dakota will pay two-thirds of the costs for further investigation and remediation of the site. Montana-Dakota has accrued costs of $419,000 for the remediation and investigation costs, and has incurred costs of $505,000 as of December 31, 2021. Montana-Dakota received notice from a prior insurance carrier that it will participate in payment of defense costs incurred in relation to the claim.  On December 9, 2021, Montana Dakota filed an application with the MTPSC for deferred accounting treatment for costs associated with the investigation and remediation of the site.  This matter is pending before the MTPSC.

A claim was made against Cascade for contamination at the Bremerton Gasworks Superfund Site in Bremerton, Washington, which was received in 1997. A preliminary investigation has found soil and groundwater at the site contain impacts requiring further investigation and cleanup. The EPA conducted a Targeted Brownfields Assessment of the site and released a report summarizing the results of that assessment in August 2009. The assessment confirmed that impacts have affected soil and groundwater at the site, as well as sediments in the adjacent Port Washington Narrows. In April 2010, the Washington DOE issued notice it considered Cascade a PRP for hazardous substances at the site. In May 2012, the EPA added the site to the National Priorities List of Superfund sites. Cascade entered into an administrative settlement agreement and consent order with the EPA regarding the scope and schedule for a remedial investigation and feasibility study for the site. Current estimates for the cost to complete the remedial investigation and feasibility study are approximately $7.6 million of which $5.3 million has been incurred as of December 31, 2021. Based on the site investigation, preliminary remediation alternative costs were provided by consultants in August 2020. The preliminary information received through the completion of the data report allowed for the projection of possible costs for a variety of site configurations, remedial measures and potential natural resource damage claims of between $13.6 million and $71.0 million. At December 31, 2021, Cascade has accrued $2.3 million for the remedial investigation and feasibility study, as well as $17.5 million for remediation of this site. The accrual for remediation costs will be reviewed and adjusted, if necessary, after the completion of the feasibility study. In April 2010, Cascade filed a petition with the WUTC for authority to defer the costs incurred in relation to the environmental remediation of this site. The WUTC approved the petition in September 2010, subject to conditions set forth in the order.

A claim was made against Cascade for impacts 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 impacts from a manufactured gas plant owned by Cascade and its predecessor from about 1946 to 1962. Other PRPs reached an agreed order and work plan with the Washington DOE for completion of a remedial investigation and feasibility study for the site. A feasibility study prepared for one of the PRPs in March 2018 identifies five cleanup action alternatives for the site with estimated costs ranging from $8.0 million to $20.4 million with a selected preferred alternative having an estimated total cost of $9.3 million. The other PRPs developed a cleanup action plan and completed public review in 2020. Development of design documents is anticipated to be completed by the end  of 2022 with the remedy construction expected to occur in 2023. 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, the plant converted 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 recorded an accrual for this site for an amount that is not material.

The Company has received notices from and entered into agreements with certain of its insurance carriers that they will participate in the defense for certain 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, the Company intends to seek recovery of remediation costs through its natural gas rates charged to customers.

## Purchase commitments

The Company has entered into various commitments, largely consisting of contracts for natural gas and coal supply, purchased power, and natural gas transportation and storage. Certain of these contracts are subject to variability in volume and price. The commitment terms vary in length, up to 38 years. The commitments under these contracts as of December 31, 2021, were:

| | 2022 | 2023 | 2024 | 2025 | 2026 | Thereafter |
|---|---|---|---|---|---|---|
| | | | (In thousands) | | | |
| Purchase commitments | $ 481,432 | $ 198,775 | $ 139,751 | $ 98,324 | $ 85,484 | $ 725,226 |

These commitments were not reflected in the Company's consolidated financial statements. Amounts purchased under various commitments for the years ended December 31, 2021 and 2020, were $530.5 million and $480.7 million, respectively.

### Guarantees

Cascade has an outstanding letter of credit to a third party related to a remedial investigation feasibility study. At December 31, 2021, the fixed maximum amount guaranteed under this letter of credit aggregated $2.2 million, which is scheduled to expire in 2022. There were no amounts outstanding under this letter of credit at December 31, 2021. In the event of default under this letter of credit obligation, Cascade would be obligated for reimbursement of payments made under the letter of credit.

### Variable interest entities

The Company evaluates its arrangements and contracts with other entities to determine if they are VIEs and if so, if the Company is the primary beneficiary.

***Fuel Contract*** Coyote Station entered into a coal supply agreement with Coyote Creek that provides for the purchase of coal necessary to supply the coal requirements of the Coyote Station for the period May 2016 through December 2040. Coal purchased under the coal supply agreement is reflected in inventories on the Consolidated Balance Sheets and is recovered from customers as a component of electric fuel and purchased power.

The coal supply agreement creates a variable interest in Coyote Creek due to the transfer of all operating and economic risk to the Coyote Station owners, as the agreement is structured so that the price of the coal will cover all costs of operations, as well as future reclamation costs. The Coyote Station owners are also providing a guarantee of the value of the assets of Coyote Creek as they would be required to buy the assets at book value should they terminate the contract prior to the end of the contract term and are providing a guarantee of the value of the equity of Coyote Creek in that they are required to buy the entity at the end of the contract term at equity value. Although the Company has determined that Coyote Creek is a VIE, the Company has concluded that it is not the primary beneficiary of Coyote Creek because the authority to direct the activities of the entity is shared by the four unrelated owners of the Coyote Station, with no primary beneficiary existing. As a result, Coyote Creek is not required to be consolidated in the Company's financial statements.

At December 31, 2021, the Company's exposure to loss as a result of the Company's involvement with the VIE, based on the Company's ownership percentage, was $31.5 million.

## Note 18 - Related Party Transactions

MDU provides and receives certain support services to/from the Company. The amount charged for services provided to the Company was $75.7 million and $81.1 million for the years ended December 31, 2021 and 2020, respectively, and the amount charged for services received from the Company was $1.5 million and $2.2 million for the years ended December 31, 2021 and 2020, respectively.

The amounts included in the Consolidated Balance Sheets related to MDU at December 31 were as follows:

| | **2021** | 2020 |
|---|---|---|
| | (In thousands) | |
| Accounts receivable | **$ 1,199** | $ 380 |
| Accounts payable | **9,259** | 10,030 |
| Dividend payable | **16,200** | 16,250 |
| Noncurrent assets | **20,484** | 20,406 |
| Noncurrent liabilities | 12,186 | 13,579 |

MDU has several stock-based compensation plans in which the Company participates. Total stock-based compensation expense (after tax) was $5.8 million and $5.1 million in 2021 and 2020, respectively. As of December 31, 2021, total remaining unrecognized compensation expense related to stock-based compensation was approximately $5.2 million (before income taxes) which will be amortized over a weighted average period of 1.7 years.

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| Name of Respondent | This Report Is: | Date of Report (Mo, Da, Yr) | Year/Period of Report |
|---|---|---|---|
| Cascade Natural Gas Corporation | (1) ☒ An Original<br>(2) ☐ A Resubmission | 12/31/2021 | End of 2021/Q4 |

## 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) | 1,289,975,357 |
| 4 | Property Under Capital Leases | — |
| 5 | Plant Purchased or Sold | — |
| 6 | Completed Construction not Classified | 27,571,113 |
| 7 | Experimental Plant Unclassified | — |
| 8 | TOTAL Utility Plant (Total of lines 3 thru 7) | 1,317,546,470 |
| 9 | Leased to Others | — |
| 10 | Held for Future Use | 1,423,907 |
| 11 | Construction Work in Progress | 12,403,284 |
| 12 | Acquisition Adjustments | — |
| 13 | TOTAL Utility Plant (Total of lines 8 thru 12) | 1,331,373,661 |
| 14 | Accumulated Provisions for Depreciation, Amortization, & Depletion | (560,598,727) |
| 15 | Net Utility Plant (Total of lines 13 and 14) | 770,774,934 |
| 16 | DETAIL OF ACCUMULATED PROVISIONS FOR DEPRECIATION, AMORTIZATION AND DEPLETION | |
| 17 | In Service: | |
| 18 | Depreciation | (529,402,267) |
| 19 | Amortization and Depletion of Producing Natural Gas Land and Land Rights | — |
| 20 | Amortization of Underground Storage Land and Land Rights | — |
| 21 | Amortization of Other Utility Plant | (31,004,288) |
| 22 | TOTAL In Service (Total of lines 18 thru 21) | (560,406,555) |
| 23 | Leased to Others | |
| 24 | Depreciation | — |
| 25 | Amortization and Depletion | — |
| 26 | TOTAL Leased to Others (Total of lines 24 and 25) | — |
| 27 | Held for Future Use | |
| 28 | Depreciation | (192,172) |
| 29 | Amortization | — |
| 30 | TOTAL Held for Future Use (Total of lines 28 and 29) | (192,172) |
| 31 | Abandonment of Leases (Natural Gas) | — |
| 32 | Amortization of Plant Acquisition Adjustment | — |
| 33 | TOTAL Accum. Provisions (Should agree with line 14 above)(Total of lines 22, 26, 30, 31, and 32) | (560,598,727) |

**Summary of Utility Plant and Accumulated Provisions for Depreciation, Amortization and Depletion (continued)**

| Line No. | Electric (c) | Gas (d) | Other (specify) (e) | Common (f) |
|---|---|---|---|---|
| 1 | | | | |
| 2 | | | | |
| 3 | | 1,289,975,357 | | |
| 4 | | | | |
| 5 | | | | |
| 6 | | 27,571,113 | | |
| 7 | | | | |
| 8 | — | 1,317,546,470 | — | — |
| 9 | | | | |
| 10 | | 1,423,907 | | |
| 11 | | 12,403,284 | | |
| 12 | | | | |
| 13 | — | 1,331,373,661 | — | — |
| 14 | | (560,598,727) | | |
| 15 | — | 770,774,934 | — | — |
| 16 | | | | |
| 17 | | | | |
| 18 | | (529,402,267) | | |
| 19 | | | | |
| 20 | | | | |
| 21 | | (31,004,288) | | |
| 22 | — | (560,406,555) | — | — |
| 23 | | | | |
| 24 | | | | |
| 25 | | | | |
| 26 | — | — | — | — |
| 27 | | | | |
| 28 | | (192,172) | | |
| 29 | | | | |
| 30 | — | (192,172) | — | — |
| 31 | | | | |
| 32 | | | | |
| 33 | — | (560,598,727) | — | — |

**Gas Plant in Service (Accounts 101, 102, 103, and 106)**

1. Report below the original cost of gas plant in service according to the prescribed accounts.
2. In addition to Account 101, Gas Plant in Service (Classified), this page and the next include Account 102, Gas Plant Purchased or Sold, Account 103, Experimental Gas Plant Unclassified, and Account 106, Completed Construction Not Classified-Gas.
3. Include in column (c) and (d), as appropriate corrections of additions and retirements for the current or preceding year.
4. Enclose in parenthesis credit adjustments of plant accounts to indicate the negative effect of such accounts.
5. Classify Account 106 according to prescribed accounts, on an estimated basis if necessary, and include the 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 a 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 accumulated depreciation provision. Include also in column (d) reversals of tentative distributions of prior year's unclassified retirements. Attach supplemental statement showing the account distributions of these tentative classifications in columns (c) and (d),

| Line No. | Account<br>(a) | Balance at Beginning of Year<br>(b) | Additions<br>(c) |
|---|---|---|---|
| 1 | INTANGIBLE PLANT | | |
| 2 | 301 Organization | 152,066 | — |
| 3 | 302 Franchises and Consents | 211,825 | |
| 4 | 303 Miscellaneous Intangible Plant | 61,425,422 | 4,591,984 |
| 5 | TOTAL Intangible Plant (Enter Total of lines 2 thru 4) | 61,789,313 | 4,591,984 |
| 6 | PRODUCTION PLANT | | |
| 7 | Natural Gas Production and 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 Equipment | — | |
| 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 and Development Costs | — | |
| 26 | 339 Asset Retirement Costs for Natural Gas Production and | — | |
| 27 | TOTAL Production and Gathering Plant (Enter Total of lines 8 | — | — |
| 28 | PRODUCTS EXTRACTION PLANT | | |
| 29 | 340 Land and Land Rights | — | |
| 30 | 341 Structures and Improvements | — | |
| 31 | 342 Extraction and Refining Equipment | — | |
| 32 | 343 Pipe Lines | — | |
| 33 | 344 Extracted Products Storage Equipment | — | |

**Gas Plant in Service (Accounts 101, 102, 103, and 106) (continued)**

including the reversals of the prior years tentative account distributions of these amounts. Careful observance of the above instructions and the texts of Account 101 and 106 will avoid serious omissions of respondent's reported amount for plant actually in service at end of year.

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 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 subaccount 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 date of such filing.

| Line No. | Retirements<br>(d) | Adjustments<br>(e) | Transfers<br>(f) | Balance at End of Year<br>(g) |
|---|---|---|---|---|
| 1 | | | | |
| 2 | | | | 152,066 |
| 3 | | | | 211,825 |
| 4 | (485,057) | | 2,994,410 | 68,526,759 |
| 5 | (485,057) | — | 2,994,410 | 68,890,650 |
| 6 | | | | |
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| 27 | — | — | — | — |
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| 31 | | | | |
| 32 | | | | |
| 33 | | | | |

**Gas Plant in Service (Accounts 101, 102, 103, and 106) (continued)**

| Line No. | Account<br>(a) | Balance at Beginning of Year<br>(b) | Additions<br>(c) |
|---|---|---|---|
| 34 | 345 Compressor Equipment | — | |
| 35 | 346 Gas Measuring and Regulating Equipment | — | |
| 36 | 347 Other Equipment | — | |
| 37 | 348 Asset Retirement Costs for Products Extraction Plant | — | |
| 38 | TOTAL Products Extraction Plant (Enter Total of lines 29 thru 37) | — | — |
| 39 | TOTAL Natural Gas Production Plant (Enter Total of lines 27 and | — | — |
| 40 | Manufactured Gas Production Plant (Submit Supplementary | — | |
| 41 | TOTAL Production Plant (Enter Total of lines 39 and 40) | — | — |
| 42 | NATURAL GAS STORAGE AND PROCESSING PLANT | | |
| 43 | Underground Storage Plant | | |
| 44 | 350.1 Land | — | |
| 45 | 350.2 Rights-of-Way | — | |
| 46 | 351 Structures and Improvements | — | |
| 47 | 352 Wells | — | |
| 48 | 352.1 Storage Leaseholds and Rights | — | |
| 49 | 352.2 Reservoirs | — | |
| 50 | 352.3 Non-recoverable Natural Gas | — | |
| 51 | 353 Lines | — | |
| 52 | 354 Compressor Station Equipment | — | |
| 53 | 355 Other Equipment | — | |
| 54 | 356 Purification Equipment | — | |
| 55 | 357 Other Equipment | — | |
| 56 | 358 Asset Retirement Costs for Underground Storage Plant | — | |
| 57 | TOTAL Underground Storage Plant (Enter Total of lines 44 thru | — | — |
| 58 | Other Storage Plant | | |
| 59 | 360 Land and Land Rights | — | |
| 60 | 361 Structures and Improvements | — | |
| 61 | 362 Gas Holders | — | |
| 62 | 363 Purification Equipment | — | |
| 63 | 363.1 Liquefaction Equipment | — | |
| 64 | 363.2 Vaporizing Equipment | — | |
| 65 | 363.3 Compressor Equipment | — | |
| 66 | 363.4 Measuring and Regulating Equipment | — | |
| 67 | 363.5 Other Equipment | — | |
| 68 | 363.6 Asset Retirement Costs for Other Storage Plant | — | |
| 69 | TOTAL Other Storage Plant (Enter Total of lines 58 thru 68) | — | — |
| 70 | Base Load Liquefied Natural Gas Terminaling and Processing Plant | | |
| 71 | 364.1 Land and Land Rights | — | |
| 72 | 364.2 Structures and Improvements | — | |
| 73 | 364.3 LNG Processing Terminal Equipment | — | |
| 74 | 364.4 LNG Transportation Equipment | — | |
| 75 | 364.5 Measuring and Regulating Equipment | — | |
| 76 | 364. 6 Compressor Station Equipment | — | |
| 77 | 364.7 Communications Equipment | — | |
| 78 | 364.8 Other Equipment | — | |
| 79 | 364.9 Asset Retirement Costs for Base Load Liquefied Natural Gas | — | |
| 80 | TOTAL Base Load Liquefied Nat'l Gas, Terminaling and | — | — |

**Gas Plant in Service (Accounts 101, 102, 103, and 106) (continued)**

| Line No. | Retirements<br>(d) | Adjustments<br>(e) | Transfers<br>(f) | Balance at End of Year<br>(g) |
|---|---|---|---|---|
| 34 | | | | |
| 35 | | | | |
| 36 | | | | |
| 37 | | | | |
| 38 | — | — | — | — |
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| 80 | — | — | — | — |

**Gas Plant in Service (Accounts 101, 102, 103, and 106) (continued)**

| Line No. | Account (a) | Balance at Beginning of Year (b) | Additions (c) |
|---|---|---|---|
| 81 | TOTAL Nat'l Gas Storage and Processing Plant (Total of lines 57, | — | — |
| 82 | TRANSMISSION PLANT | | |
| 83 | 365.1 Land and Land Rights | 224,536 | |
| 84 | 365.2 Rights-of-Way | 1,152,900 | |
| 85 | 366 Structures and Improvements | — | |
| 86 | 367 Mains | 22,147,129 | 2,613,437 |
| 87 | 368 Compressor Station Equipment | — | |
| 88 | 369 Measuring and Regulating Station Equipment | 171,500 | |
| 89 | 370 Communication Equipment | — | |
| 90 | 371 Other Equipment | — | |
| 91 | 372 Asset Retirement Costs for Transmission Plant | 86,471 | 50 |
| 92 | TOTAL Transmission Plant (Enter Totals of lines 83 thru 91) | 23,782,536 | 2,613,487 |
| 93 | DISTRIBUTION PLANT | | |
| 94 | 374 Land and Land Rights | 2,928,068 | |
| 95 | 375 Structures and Improvements | 1,508,791 | 16,080 |
| 96 | 376 Mains | 602,389,440 | 34,497,594 |
| 97 | 377 Compressor Station Equipment | 2,097,767 | 521,229 |
| 98 | 378 Measuring and Regulating Station Equipment-General | 43,756,019 | 2,051,478 |
| 99 | 379 Measuring and Regulating Station Equipment-City Gate | 504,956 | 914,260 |
| 100 | 380 Services | 286,520,752 | 13,030,473 |
| 101 | 381 Meters | 66,783,796 | 2,917,828 |
| 102 | 382 Meter Installations | 37,228,720 | (55,018) |
| 103 | 383 House Regulators | 11,893,201 | 623,360 |
| 104 | 384 House Regulator Installations | — | |
| 105 | 385 Industrial Measuring and Regulating Station Equipment | 12,746,030 | 56,219 |
| 106 | 386 Other Property on Customers' Premises | — | |
| 107 | 387 Other Equipment | — | |
| 108 | 388 Asset Retirement Costs for Distribution Plant | 29,112,029 | 1,863,884 |
| 109 | TOTAL Distribution Plant (Enter Total of lines 94 thru 108) | 1,097,469,569 | 56,437,387 |
| 110 | GENERAL PLANT | | |
| 111 | 389 Land and Land Rights | 3,956,071 | |
| 112 | 390 Structures and Improvements | 23,999,477 | 3,850,169 |
| 113 | 391 Office Furniture and Equipment | 8,870,552 | 347,152 |
| 114 | 392 Transportation Equipment | 19,226,229 | 1,025,585 |
| 115 | 393 Stores Equipment | 77,275 | 8,704 |
| 116 | 394 Tools, Shop, and Garage Equipment | 9,758,316 | 786,944 |
| 117 | 395 Laboratory Equipment | 88,490 | |
| 118 | 396 Power Operated Equipment | 4,355,922 | 1,624,832 |
| 119 | 397 Communication Equipment | 7,677,905 | 458,842 |
| 120 | 398 Miscellaneous Equipment | 80,968 | 2,879 |
| 121 | Subtotal (Enter Total of lines 111 thru 120) | 78,091,205 | 8,105,107 |
| 122 | 399 Other Tangible Property | — | |
| 123 | 399.1 Asset Retirement Costs for General Plant | — | |
| 124 | TOTAL General Plant (Enter Total of lines 121, 122 and 123) | 78,091,205 | 8,105,107 |
| 125 | TOTAL (Accounts 101 and 106) | 1,261,132,623 | 71,747,965 |
| 126 | Gas Plant Purchased (See Instruction 8) | — | |
| 127 | (Less) Gas Plant Sold (See Instruction 8) | — | |
| 128 | Experimental Gas Plant Unclassified | — | — |
| 129 | TOTAL Gas Plant In Service (Enter Total of lines 125 thru 128) | 1,261,132,623 | 71,747,965 |

## Gas Plant in Service (Accounts 101, 102, 103, and 106) (continued)

| Line No. | Retirements (d) | Adjustments (e) | Transfers (f) | Balance at End of Year (g) |
|---|---|---|---|---|
| 81 | — | — | — | — |
| 82 | | | | |
| 83 | | | 126,811 | 351,347 |
| 84 | | | (126,811) | 1,026,089 |
| 85 | | | | — |
| 86 | (154,939) | | | 24,605,627 |
| 87 | | | | — |
| 88 | | | | 171,500 |
| 89 | | | | — |
| 90 | | | | — |
| 91 | (553) | — | | 85,968 |
| 92 | (155,492) | — | — | 26,240,531 |
| 93 | | | | |
| 94 | | | | 2,928,068 |
| 95 | (11,803) | | | 1,513,068 |
| 96 | (841,866) | | (1,373,587) | 634,671,581 |
| 97 | (10,667) | | | 2,608,329 |
| 98 | (598,954) | | | 45,208,543 |
| 99 | | | | 1,419,216 |
| 100 | (250,257) | | (50,320) | 299,250,648 |
| 101 | (882,233) | | 37,171,242 | 105,990,633 |
| 102 | (2,460) | | (37,171,242) | — |
| 103 | (24,344) | | | 12,492,217 |
| 104 | | | | — |
| 105 | | | | 12,802,249 |
| 106 | | | | — |
| 107 | | | | — |
| 108 | (430,500) | — | | 30,545,413 |
| 109 | (3,053,084) | — | (1,423,907) | 1,149,429,965 |
| 110 | | | | |
| 111 | | | | 3,956,071 |
| 112 | (14,271) | | | 27,835,375 |
| 113 | (2,505,222) | | (2,994,410) | 3,718,072 |
| 114 | (704,676) | | | 19,547,138 |
| 115 | (5,647) | | | 80,332 |
| 116 | (1,147,301) | | | 9,397,959 |
| 117 | (9,491) | | | 78,999 |
| 118 | (2,016,441) | | | 3,964,313 |
| 119 | (3,813,529) | | | 4,323,218 |
| 120 | | | | 83,847 |
| 121 | (10,216,578) | — | (2,994,410) | 72,985,324 |
| 122 | | | | |
| 123 | | | | |
| 124 | (10,216,578) | — | (2,994,410) | 72,985,324 |
| 125 | (13,910,211) | — | (1,423,907) | 1,317,546,470 |
| 126 | | | | |
| 127 | | — | — | |
| 128 | — | — | — | |
| 129 | (13,910,211) | — | (1,423,907) | 1,317,546,470 |

| Name of Respondent | This Report Is: | Date of Report | Year/Period of Report |
|---|---|---|---|
| Cascade Natural Gas Corporation | (1) ☒ An Original<br>(2) ☐ A Resubmission | (Mo, Da, Yr)<br>12/31/2021 | End of 2021/Q4 |

## 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 | 6" Steel High Pressure Main - Bend, OR | 2/28/2021 | 11/30/2022 | 628,622 |
| 2 | 2" Steel Distribution Main - Bend, OR | 2/28/2021 | 11/30/2022 | 308,300 |
| 3 | 2" Plastic Main - Bend, OR | 2/28/2021 | 11/30/2022 | 436,665 |
| 4 | 1" Plastic Service - Bend, OR | 2/28/2021 | 11/30/2022 | 2,981 |
| 5 | 1/2" Plastic Service - Bend, OR | 2/28/2021 | 11/30/2022 | 47,339 |
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| 44 | | | | |
| **45** | **Total** | | | 1,423,907 |

| Name of Respondent | This Report Is: | Date of Report | Year/Period of Report |
|---|---|---|---|
| Cascade Natural Gas Corporation | (1) ☒ An Original<br>(2) ☐ A Resubmission | (Mo, Da, Yr)<br>12/31/2021 | End of 2021/Q4 |

**Construction Work in Progress-Gas (Account 107)**

1. Report below descriptions and balances at end of year of projects in process of construction (Account 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 (less than $1,000,000) may be grouped.

| Line No. | Description of Project<br>(a) | Construction Work in Progress-Gas (Account 107)<br>(b) | Estimated Additional Cost of Project<br>(c) |
|---|---|---|---|
| 1 | Reinforce 12" & 6" High Pressure Main Richland, WA | 1,622,520 | 5,040,040 |
| 2 | Replace 6" High Pressure Main, Arlington, WA | 2,521,015 | 1,682,938 |
| 3 | Reinforce 8" High Pressure Main, Aberdeen, WA (Basich Blvd) | 1,220,331 | 4,096,139 |
| 4 | Utility Group SW Implementation - Maximo | 867,245 | 4,926,429 |
| 5 | Utility Group SW Implementation - GIS ESRI System Upgrade | 3,402 | 1,947,650 |
| 6 | Reinforce 6" High Pressure Main, Shevlin Pk Rd., Bend, OR | 558,320 | 2,426,410 |
| 7 | Replace 8" High Pressure Main, Yakima River, Yakima, WA | 562,768 | 1,744,649 |
| 8 | New Gate in Elma, WA | 107,846 | 1,524,506 |
| 9 | Replace 12" High Pressure Main in Longview, WA (Westrock) | 53,207 | 1,110,915 |
| 10 | Reinforce 8" High Pressure Main, Aberdeen, WA (Wishkah RD)* | (1,711,727) | 3,290,486 |
| 11 | *Negative due to upfront contribution collected in 12/2021 | | |
| 12 | | | |
| 13 | Minor distribution system/general plant projects each under $1 million | 6,598,357 | 4,235,568 |
| 14 | | | |
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| 44 | | | |
| **45** | **TOTAL** | **12,403,284** | **32,025,730** |
| | | | |

**General Description of Construction Overhead Procedure**

1. For each construction overhead explain: (a) the nature and extent of work, etc., 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. Use this space to paste the disclosure required by instructions on page 218.1

1. Engineering & Supervision and General & Administrative overhead:

Engineering & 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 Fixed Asset Accounting Analyst and approved by the Controller 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 (PowerPlan) batch operation. An applicable work order is one that is capital installation/purchase, and not a preliminary survey or investigative in nature. 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 | This Report Is: | Date of Report (Mo, Da, Yr) | Year/Period of Report |
|---|---|---|---|
| Cascade Natural Gas Corporation | (1) ☒ An Original<br>(2) ☐ A Resubmission | 12/31/2021 | End of 2021/Q4 |

**General Description of Construction Overhead Procedure (continued)**

COMPUTATION OF ALLOWANCE FOR FUNDS USED DURING CONSTRUCTION RATES

1. For line (5), column (d) below, enter the rate granted in the last rate proceeding. If not available, use the average rate earned during the preceding 3 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<br>(a) | Amount<br>(b) | Capitalization Ration (percent)<br>(c) | Cost Rate Percentage<br>(d) |
|---|---|---|---|---|
| | (1) Average Short-Term Debt | S 41,304,573 | | |
| | (2) Short-Term Interest | | | s 2.23% |
| | (3) Long-Term Debt | D 325,000,000 | 49 % | d 4.57% |
| | (4) Preferred Stock | P — | — % | p —% |
| | (5) Common Equity | C 336,481,087 | 51 % | c 9.40% |
| | (6) Total Capitalization | 661,481,087 | 100 % | |
| | (7) Average Construction Work In Progress Balance | W 15,203,601 | | |

2. Gross Rate for Borrowed Funds s(S/W) + d[(D/(D+P+C)) (1-(S/W))] 2.23%

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

4. Weighted Average Rate Actually Used for the Year:

a. Rate for Borrowed Funds - 2.23%

b. Rate for Other Funds - —%

| Name of Respondent | This Report Is: | Date of Report | Year/Period of Report |
|---|---|---|---|
| Cascade Natural Gas Corporation | (1) ☒ An Original<br>(2) ☐ A Resubmission | (Mo, Da, Yr)<br>12/31/2021 | End of 2021/Q4 |

## 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, page 204-209, column (d), excluding retirements of nondepreciable 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 classifications, 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 sequence, e.g., 7.01, 7.02, etc.

| Line No. | Item<br>(a) | Total (c+d+e)<br>(b) | Gas Plant in Service<br>(b) | Gas Plant Held for Future Use<br>(c) | Gas Plant Leased to Others<br>(d) |
|---|---|---|---|---|---|
| | Section A. BALANCES AND CHANGES DURING YEAR | | | | |
| 1 | Balance Beginning of Year | (511,783,541) | (511,783,541) | — | |
| 2 | Depreciation Provisions for Year, Charged to | | | | |
| 3 | (403) Depreciation Expense | (32,730,757) | (32,730,757) | — | |
| 4 | (403.1) Depreciation Expense for Asset Retirement Costs | — | | | |
| 5 | (413) Expense of Gas Plant Leased to Others | — | | | |
| 6 | Transportation Expenses - Clearing | (1,403,943) | (1,403,943) | | |
| 7 | Other Clearing Accounts | — | | | |
| 8 | Other Clearing (Specify) (footnote details): | (983,363) | (983,363) | | |
| 9 | | | | | |
| 10 | TOTAL Deprec. Prov. for Year (Total of lines 3 thru 8) | (35,118,063) | (35,118,063) | — | — |
| 11 | Net Charges for Plant Retired: | | | | |
| 12 | Book Cost of Plant Retired | 13,425,154 | 13,425,154 | | |
| 13 | Cost of Removal | 2,783,011 | 2,783,011 | | |
| 14 | Salvage (Credit) | (2,552,156) | (2,552,156) | | |
| 15 | TOTAL Net Chrgs for Plant Ret. (Total of lines 12 thru 14) | 13,656,009 | 13,656,009 | — | — |
| 16 | Other Debit or Credit Items (Describe) (footnote details): | 3,651,156 | 3,843,328 | (192,172) | |
| 17 | | — | — | — | |
| 18 | Book Cost of Asset Retirement Costs | — | | | |
| 19 | Balance End of Year (Total of lines 1,10,15,16 and 18) | (529,594,439) | (529,402,267) | (192,172) | — |
| | Section B. BALANCES AT END OF YEAR ACCORDING TO FUNCTIONAL CLASSIFICATIONS | | | | |
| 21 | Productions-Manufactured Gas | — | | | |
| 22 | Production and Gathering-Natural Gas | — | | | |
| 23 | Products Extraction-Natural Gas | — | | | |
| 24 | Underground Gas Storage | — | | | |
| 25 | Other Storage Plant | — | | | |
| 26 | Base Load LNG Terminaling and Processing Plant | — | | | |
| 27 | Transmission | (16,632,197) | (16,632,197) | | |
| 28 | Distribution | (487,174,960) | (486,982,788) | (192,172) | |
| 29 | General | (25,787,282) | (25,787,282) | | |
| 30 | TOTAL (Total of lines 21 thru 29) | (529,594,439) | (529,402,267) | (192,172) | — |

| Name of Respondent | This Report Is: | Date of Report | Year/Period of Report |
|---|---|---|---|
| Cascade Natural Gas Corporation | (1) ☒ An Original<br>(2) ☐ A Resubmission | (Mo, Da, Yr)<br>12/31/2021 | End of 2021/Q4 |

| Schedule Page: 219 Line No.: 8 Column: c | |
|---|---|
| SFAS 143 ARO depreciation expense reclassed to a regulatory asset | (983,363) |

| Schedule Page: 219 Line No.: 16 Column: c | |
|---|---|
| Net change in RWIP | 445,846 |
| Reserve adjustments and net gains and losses on depreciable plant | 3,397,482 |
| | 3,843,328 |

| Schedule Page: 219 Line No.: 16 Column: d | |
|---|---|
| Transfer of reserve for assets held for future use | (192,172) |

| Schedule Page: 219 Line No.: 29 Column: c | |
|---|---|
| General | (25,575,457) |
| Intangible | (211,825) |
| | (25,787,282) |

| Name of Respondent | This Report Is: | Date of Report | Year/Period of Report |
|---|---|---|---|
| Cascade Natural Gas Corporation | (1) ☒ An Original<br>(2) ☐ A Resubmission | (Mo, Da, Yr)<br>12/31/2021 | End of 2021/Q4 |

## Gas Stored (Accounts 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 to 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<br>(a) | (Account 117.1)<br>(b) | (Account 117.2)<br>(c) | Noncurrent (Account 117.3)<br>(d) | (Account 117.4)<br>(e) | Current (Account 164.1)<br>(f) | LNG (Account 164.2)<br>(g) | LNG (Account 164.3)<br>(h) | Total<br>(i) |
|---|---|---|---|---|---|---|---|---|---|
| 1 | Balance at Beginning of | — | — | — | — | 789,505 | 2,008,340 | — | 2,797,845 |
| 2 | Gas Delivered to Storage | — | — | — | — | — | 1,080,776 | — | 1,080,776 |
| 3 | Gas Withdrawn from | — | — | — | — | — | (899,620) | — | (899,620) |
| 4 | Other Debits and Credits | — | — | — | — | (707,474) | — | — | (707,474) |
| 5 | Balance at End of Year | — | — | — | — | 82,031 | 2,189,496 | — | 2,271,527 |
| 6 | Dth | — | — | — | — | 27,503 | 642,021 | — | 669,524 |
| 7 | Amount Per Dth | — | — | — | — | 2.9826 | 3.4103 | — | 3.3927 |

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[Next page is 222]

**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 reacquired 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) Investment 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<br>(a) | *<br>(b) | Book Cost at Beginning of Year (If book cost is different from cost to respondent, give cost to respondent in a footnote and explain difference)<br>(c) | Purchases or Additions During the Year<br>(d) |
|---|---|---|---|---|
| 1 | | | | |
| 2 | Account 124 | | | |
| 3 | Oregon weatherization | | | |
| 4 | Customer Note Receivable | | | |
| 5 | SERP Plan Assets | | 12,858,484 | (1,124,551) |
| 6 | SISP Plan Assets | | | |
| 7 | Deferred Compensation Assets | | | 27,419 |
| 8 | Unrealized Gains Deferred Comp | | | 5,111 |
| 9 | | | | |
| 10 | | | | |
| 11 | Account 136 | | | |
| 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 | This Report Is: | Date of Report | Year/Period of Report |
|---|---|---|---|
| Cascade Natural Gas Corporation | (1) ☒ An Original<br>(2) ☐ A Resubmission | (Mo, Da, Yr)<br>12/31/2021 | End of 2021/Q4 |

**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 difference) (g) | Revenues for Year (h) | Gain or Loss from Investment Disposed of (i) |
|---|---|---|---|---|---|
| 1 | | | | | |
| 2 | | | | | |
| 3 | | | | | |
| 4 | | | | | |
| 5 | | | 11,733,933 | (1,124,551) | |
| 6 | | | | | |
| 7 | | | 27,419 | | |
| 8 | | | 5,111 | | |
| 9 | | | | | |
| 10 | | | | | |
| 11 | | | | | |
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**Prepayments (Acct 165), Extraordinary Property Losses (Acct 182.1), Unrecovered Plant and Regulatory Study Costs (Acct 182.2)**

**PREPAYMENTS (ACCOUNT 165)**

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

| Line No. | Nature of Payment (a) | Balance at End of Year (in dollars) (b) |
|---|---|---|
| 1 | Prepaid Insurance | 228,672 |
| 2 | Prepaid Rents | 6,635,871 |
| 3 | Prepaid Taxes | 1,099,590 |
| 4 | Prepaid Interest | |
| 5 | Miscellaneous Prepayments | 1,107,581 |
| 6 | TOTAL | 9,071,714 |

| Name of Respondent | This Report Is: | Date of Report | Year/Period of Report |
|---|---|---|---|
| Cascade Natural Gas Corporation | (1) ☒ An Original<br>(2) ☐ A Resubmission | (Mo, Da, Yr)<br>12/31/2021 | End of 2021/Q4 |

## 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 $250,000, 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.

| Line No. | Description and Purpose of Other Regulatory Assets (a) | Balance at Beginning Current Quarter/Year (b) | Debits (c) | Written off During Quarter/Year Account Charged (d) | Written off During Period Amount Recovered (e) | Written off During Period Amount Deemed Unrecoverable (f) | Balance at End of Current Quarter/Year (g) |
|---|---|---|---|---|---|---|---|
| 1 | | — | | | | | |
| 2 | FAS158 Regulatory Asset | 42,118,705 | (4,603,060) | | | | 37,515,645 |
| 3 | (Total system asset) | — | | | | | |
| 4 | | — | | | | | |
| 5 | OR CAT Regulatory Asset | 308,383 | (74,282) | | | | 234,101 |
| 6 | (OR regulatory asset) | — | | | | | |
| 7 | | — | | | | | |
| 8 | OR Covid-19 Deferred Costs | 160,988 | 81,052 | | | | 242,040 |
| 9 | (OR regulatory asset) | — | | | | | |
| 10 | | — | | | | | |
| 11 | WA Conservation | 6,979,047 | 1,085,678 | | | | 8,064,725 |
| 12 | (WA regulatory asset) | — | | | | | |
| 13 | | — | | | | | |
| 14 | Big Heart Grant | — | 590,345 | | | | 590,345 |
| 15 | (OR regulatory asset) | — | | | | | |
| 16 | | — | | | | | |
| 17 | | — | | | | | |
| 18 | | — | | | | | |
| 19 | | — | | | | | |
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| 36 | | — | | | | | |
| 37 | | — | | | | | |
| 38 | | — | | | | | |
| 39 | | — | | | | | |
| **40** | **TOTAL** | 49,567,123 | (2,920,267) | | 0 | 0 | 46,646,856 |
| | | | | | | | |

| Name of Respondent | This Report Is: | Date of Report (Mo, Da, Yr) | Year/Period of Report |
|---|---|---|---|
| Cascade Natural Gas Corporation | (1) ☒ An Original<br>(2) ☐ A Resubmission | 12/31/2021 | End of 2021/Q4 |

## 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 Bremerton Manufactured Gas Plant | 23,161,573 | 689,313 | 9230 | 1,324,967 | 22,525,919 |
| 2 | | — | — | — | — | — |
| 3 | | — | — | — | — | — |
| 4 | WA Bellingham Manufactured Gas Plant | 466,500 | — | 9230 | — | 466,500 |
| 5 | | — | — | — | — | — |
| 6 | WA Decoupling Adjustment | 316,569 | 13,984,068 | 4800-4813 | 7,434,673 | 6,865,964 |
| 7 | | — | — | — | — | — |
| 8 | WA MAOP Deferred Costs | 16,399,989 | 5,913,409 | 9230 | 3,976,590 | 18,336,808 |
| 9 | | — | — | — | — | — |
| 10 | WA Over Refunded Temp FIT | — | — | — | — | — |
| 11 | | — | — | — | — | — |
| 12 | OR Conservation Programs | (409,188) | 5,077,069 | 4800-4813, | 4,368,036 | 299,845 |
| 13 | | — | — | — | — | — |
| 14 | OR Eugene Manufactured Gas Plant | 1,280,442 | 187,375 | 9230 | 34,998 | 1,432,819 |
| 15 | Remediation | — | — | — | — | — |
| 16 | | — | — | — | — | — |
| 17 | OR Intervenor Funding | 104,255 | 152,848 | 4800-4813, | 176,027 | 81,076 |
| 18 | | — | — | — | — | — |
| 19 | OR MAOP | 243,031 | — | 9230 | 194,425 | 48,606 |
| 20 | | — | — | — | — | — |
| 21 | I/C Asset - Net Benefit Funds | 5,343,728 | — | — | — | 5,343,728 |
| 22 | | — | — | — | — | — |
| 23 | Post Retirement FAS 158 | 4,381,078 | 1,990,787 | 9260 | 108,497 | 6,263,368 |
| 24 | | — | — | — | — | — |
| 25 | ARO | 56,601,267 | 5,358,943 | — | 888,279 | 61,071,931 |
| 26 | | — | — | — | — | — |
| 27 | WA Gas Supply Hedging | 418,063 | 436,541 | 2530 | 854,604 | — |
| 28 | | — | — | — | — | — |
| 29 | WA Covid-19 Deferred Costs | 377,289 | 5,104,193 | 9210 | 2,291,472 | 3,190,010 |
| 30 | | — | — | — | — | — |
| 31 | OR Gas Supply Hedging | 140,935 | 147,164 | 2530 | 288,099 | — |
| 32 | | — | | | | |
| 33 | | — | | | | |
| 34 | | — | | | | |
| 35 | | — | | | | |
| 36 | | — | | | | |
| 37 | | — | | | | |
| 38 | | — | | | | |
| 39 | Miscellaneous Work in Progress | — | | | | |
| **40** | **Total** | **108,825,531** | **39,041,710** | | **21,940,667** | **125,926,574** |

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**[Next page is 234]**

| Name of Respondent<br>Cascade Natural Gas Corporation | This Report Is:<br>(1) ☒ An Original<br>(2) ☐ A Resubmission | Date of Report<br>(Mo, Da, Yr)<br>12/31/2021 | Year/Period of Report<br>End of 2021/Q4 |
|---|---|---|---|

**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 be included in the development of jurisdictional recourse rates.

| Line No. | Account Subdivisions<br>(a) | Balance at Beginning of Year<br>(b) | Changes During Year Amounts Debited to Account 410.1<br>(c) | Changes During Year Amounts Credited to Account 411.1<br>(d) |
|---|---|---|---|---|
| 1 | Account 190 | | | |
| 2 | Electric | — | | |
| 3 | Gas | 10,338,490 | 2,648,616 | 1,698,204 |
| 4 | Other (Define) (footnote details) | — | | |
| 5 | Total (Total of lines 2 thru 4) | 10,338,490 | 2,648,616 | 1,698,204 |
| 6 | Other (Specify) (footnote details) | — | | |
| 7 | TOTAL Account 190 (Total of lines 5 thru 6) | 10,338,490 | 2,648,616 | 1,698,204 |
| 8 | Classification of TOTAL | | | |
| 9 | Federal Income Tax | 9,506,431 | 2,442,412 | 1,564,424 |
| 10 | State Income Tax | 832,059 | 206,204 | 133,780 |
| 11 | Local Income Tax | | | |
| | | | | |
| | Amounts assigned to jurisdictions as follows: | | | |
| | Federal Income Tax - Washington | 8,258,503 | 1,864,571 | 1,239,593 |
| | Federal Income Tax - Oregon | 1,247,928 | 577,841 | 324,831 |
| | State Income Tax - Oregon | 832,059 | 206,204 | 133,780 |

| Name of Respondent | This Report Is: | Date of Report (Mo, Da, Yr) | Year/Period of Report |
|---|---|---|---|
| Cascade Natural Gas Corporation | (1) ☒ An Original<br>(2) ☐ A Resubmission | 12/31/2021 | End of 2021/Q4 |

## Accumulated Deferred Income Taxes (Account 190) (continued)

| 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 | 51,345 | 7,772 | footnote | (71,133) | footnote | (72,966) | 9,342,672 |
| 4 | | | | | | | |
| 5 | 51,345 | 7,772 | | (71,133) | | (72,966) | 9,342,672 |
| 6 | | | | | | | |
| 7 | 51,345 | 7,772 | | (71,133) | | (72,966) | 9,342,672 |
| 8 | | | | | | | |
| 9 | 47,290 | 7,224 | | (69,079) | | (66,698) | 8,590,758 |
| 10 | 4,055 | 548 | | (2,054) | | (6,268) | 751,914 |
| 11 | | | | | | | |
| | | | | | | | |
| | | | | | | | |
| | 35,418 | 5,556 | | (36,064) | | (52,654) | 7,587,073 |
| | 11,872 | 1,668 | | (33,015) | | (14,044) | 1,003,685 |
| | 4,055 | 548 | | (2,054) | | (6,268) | 751,914 |

Schedule Page: 235 Line No.: 3 Column: g

Regulatory accounts related to Pension and Customer Advances

Schedule Page: 235 Line No.: 3 Column: i

Regulatory accounts related to Pension and Customer Advances

| Name of Respondent | This Report Is: | Date of Report (Mo, Da, Yr) | Year/Period of Report |
|---|---|---|---|
| Cascade Natural Gas Corporation | (1) ☒ An Original<br>(2) ☐ A Resubmission | 12/31/2021 | End of 2021/Q4 |

**Capital Stock (Accounts 201 and 204)**

1. 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.
2. Entries in column (b) should represent the number of shares authorized by the articles of incorporation as amended to end of year.
3. 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 by Charter (b) | Par or Stated Value per Share (c) | Call Price at End of Year (d) |
|---|---|---|---|---|
| 1 | Account 201 | | | |
| 2 | Common stock - not publicly traded | 1,000 | 1.00 | — |
| 3 | | | | |
| 4 | | | | |
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| Name of Respondent<br>Cascade Natural Gas Corporation | This Report Is:<br>(1) ☒ An Original<br>(2) ☐ A Resubmission | Date of Report<br>(Mo, Da, Yr)<br>12/31/2021 | Year/Period of Report<br>End of 2021/Q4 |
|---|---|---|---|

**Capital Stock (Accounts 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) Shares (e) | Outstanding per Bal. Sheet Amount (f) | Held by Respondent As Reacquired Stock (Acct 217) Shares (g) | Held by Respondent As Reacquired Stock (Acct 217) Cost (h) | Held by Respondent In Sinking and Other Funds Shares (i) | Held by Respondent In Sinking and Other Funds Amount (j) |
|---|---|---|---|---|---|---|
| 1 | | | | | | |
| 2 | 1,000 | 1,000 | | | | |
| 3 | | | | | | |
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| 40 | | | | | | |

| Name of Respondent | This Report Is: | Date of Report (Mo, Da, Yr) | Year/Period of Report |
|---|---|---|---|
| Cascade Natural Gas Corporation | (1) ☒ An Original<br>(2) ☐ A Resubmission | 12/31/2021 | End of 2021/Q4 |

**Capital Stock: Subscribed, Liability for Conversion, Premium on, and Installments Recieved on (Accts 202, 203, 205, 206, 207, and 212)**

1. Show for each of the above accounts the amounts applying to each class and series of capital stock.
2. 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.
3. 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.
4. 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 | Account 207 | | | |
| 2 | Premium on Capital Stock - Common | | 1,000 | 313,117,553 |
| 3 | | | | |
| 4 | Represents excess received over $1.00 par value | | | |
| 5 | of common stock | | | |
| 6 | | | | |
| 7 | | | | |
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| 39 | | | | |
| **40** | **Total** | | **1,000** | **313,117,553** |
| | | | | |

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| Name of Respondent | This Report Is: | Date of Report (Mo, Da, Yr) | Year/Period of Report |
|---|---|---|---|
| Cascade Natural Gas Corporation | (1) ☒ An Original<br>(2) ☐ A Resubmission | 12/31/2021 | End of 2021/Q4 |

**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 amts held by respondent) (d) |
|---|---|---|---|---|
| 1 | Account 224 | | | |
| 2 | | | | |
| 3 | Other Long Term Debt: | | | |
| 4 | | | | |
| 5 | Medium Term Notes | 09/15/1997 | 09/15/2027 | 20,000,000 |
| 6 | Medium Term Notes | 03/16/1999 | 03/16/2029 | 15,000,000 |
| 7 | Senior Notes | 03/08/2007 | 03/08/2037 | 40,000,000 |
| 8 | Senior Notes (Series A) | 08/23/2013 | 08/23/2025 | 25,000,000 |
| 9 | Senior Notes (Series B) | 08/23/2013 | 08/23/2028 | 25,000,000 |
| 10 | Revolving Credit Agreement | 06/07/2019 | 06/07/2024 | 70,950,000 |
| 11 | Senior Notes (Series A) | 11/24/2014 | 11/24/2044 | 12,500,000 |
| 12 | Senior Notes (Series B) | 11/24/2014 | 11/24/2054 | 12,500,000 |
| 13 | Senior Notes (Series C) | 01/15/2015 | 01/15/2045 | 12,500,000 |
| 14 | Senior Notes (Series D) | 01/15/2015 | 01/15/2055 | 12,500,000 |
| 15 | Senior Notes | 06/13/2019 | 06/13/2028 | 25,000,000 |
| 16 | Senior Notes | 06/13/2019 | 06/13/2034 | 20,000,000 |
| 17 | Senior Notes | 06/13/2019 | 06/13/2049 | 30,000,000 |
| 18 | Senior Notes | 06/15/2020 | 06/15/2050 | 30,000,000 |
| 19 | Senior Notes | 06/15/2020 | 06/15/2060 | 20,000,000 |
| 20 | Senior Notes | 10/30/2020 | 10/30/2060 | 25,000,000 |
| 21 | | | | |
| 22 | | | | |
| 23 | Revolving Credit Agreement-Commitment Fee | | | |
| 24 | | | | |
| 25 | | | | |
| 26 | | | | |
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| 38 | | | | |
| 39 | | | | |
| **40** | **TOTAL** | | | **395,950,000** |

## Long-Term Debt (Accounts 221, 222, 223, and 224)

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 Bonds (Acct 222) (g) | Held by Respondent Sinking and Other Funds (h) | Redemption Price per $100 at End of Year (i) |
|---|---|---|---|---|---|
| 1 | | | | | |
| 2 | | | | | |
| 3 | | | | | |
| 4 | | | | | |
| 5 | 7.480 | 1,496,000 | | | |
| 6 | 7.100 | 1,064,700 | | | |
| 7 | 5.790 | 2,316,000 | | | |
| 8 | 4.110 | 1,027,500 | | | |
| 9 | 4.360 | 1,090,000 | | | |
| 10 | 3.250 | 949,141 | | | |
| 11 | 4.090 | 511,250 | | | |
| 12 | 4.240 | 530,000 | | | |
| 13 | 4.090 | 511,250 | | | |
| 14 | 4.240 | 530,000 | | | |
| 15 | 3.620 | 905,000 | | | |
| 16 | 3.820 | 764,000 | | | |
| 17 | 4.260 | 1,278,000 | | | |
| 18 | 3.580 | 1,074,000 | | | |
| 19 | 3.780 | 756,000 | | | |
| 20 | 3.340 | 835,000 | | | |
| 21 | | | | | |
| 22 | | | | | |
| 23 | | 126,736 | | | |
| 24 | | | | | |
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| **40** | | 15,764,577 | — | — | |

| Name of Respondent | This Report Is: | Date of Report (Mo, Da, Yr) | Year/Period of Report |
|---|---|---|---|
| Cascade Natural Gas Corporation | (1) ☒ An Original<br>(2) ☐ A Resubmission | 12/31/2021 | End of 2021/Q4 |

## Unamortized Debt Expense, Premium and Discount on Long-Term Debt (Accounts 181, 225, 226)

1. 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.
2. Show premium amounts by enclosing the figures in parentheses.
3. In column (b) show the principal amount of bonds or other long-term debt originally issued.
4. 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 | Unamortized Debt Expense (Account 181) | | | | |
| 2 | | | | | |
| 3 | Medium Term Notes 7.48% | 20,000,000 | 201,406 | 09-97 | 09-27 |
| 4 | Medium Term Notes 7.10% | 15,000,000 | 151,056 | 03-99 | 03-29 |
| 5 | Senior Notes 5.79% | 40,000,000 | 232,781 | 03-07 | 03-37 |
| 6 | Senior Notes (Series A) 4.11% | 25,000,000 | 151,810 | 08-13 | 07-25 |
| 7 | Senior Notes (Series B) 4.36% | 25,000,000 | 151,810 | 08-13 | 07-28 |
| 8 | Revolving Credit Agreement | — | 236,967 | 04-17 | 03-20 |
| 9 | Senior Notes (Series A) 4.09% | 12,500,000 | 62,455 | 11-14 | 10-44 |
| 10 | Senior Notes (Series B) 4.24% | 12,500,000 | 61,105 | 11-14 | 10-54 |
| 11 | Senior Notes (Series C) 4.09% | 12,500,000 | 62,455 | 01-15 | 12-45 |
| 12 | Senior Notes (Series D) 4.24% | 12,500,000 | 61,105 | 01-15 | 12-54 |
| 13 | Senior Notes 3.62% | 25,000,000 | 128,459 | 06-19 | 05-29 |
| 14 | Senior Notes 3.82% | 20,000,000 | 102,768 | 06-19 | 05-34 |
| 15 | Senior Notes 4.26% | 30,000,000 | 154,151 | 06-19 | 05-49 |
| 16 | Senior Notes 3.58% | 30,000,000 | 129,564 | 06-20 | 05-50 |
| 17 | Senior Notes 3.78% | 20,000,000 | 86,376 | 06-20 | 06-60 |
| 18 | Senior Notes 3.34% | 25,000,000 | 147,218 | 10-20 | 09-60 |
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| Name of Respondent | This Report Is: | Date of Report | Year/Period of Report |
|---|---|---|---|
| Cascade Natural Gas Corporation | (1) ☒ An Original<br>(2) ☐ A Resubmission | (Mo, Da, Yr)<br>12/31/2021 | End of 2021/Q4 |

## Unamortized Debt Expense, Premium and Discount on Long-Term Debt (Accounts 181, 225, 226)

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 | | | | |
| 2 | — | | | |
| 3 | 45,037 | — | 6,714 | 38,323 |
| 4 | 41,119 | — | 5,035 | 36,084 |
| 5 | 125,665 | — | 7,770 | 117,895 |
| 6 | 57,677 | — | 12,585 | 45,092 |
| 7 | 76,343 | — | 10,067 | 66,276 |
| 8 | 270,422 | — | 79,148 | 191,274 |
| 9 | 49,617 | — | 2,082 | 47,535 |
| 10 | 51,685 | — | 1,527 | 50,158 |
| 11 | 49,964 | — | 2,082 | 47,882 |
| 12 | 51,940 | — | 1,528 | 50,412 |
| 13 | 108,120 | — | 12,846 | 95,274 |
| 14 | 91,920 | — | 6,851 | 85,069 |
| 15 | 146,015 | — | 5,138 | 140,877 |
| 16 | 127,044 | — | 4,318 | 122,726 |
| 17 | 85,116 | — | 2,159 | 82,957 |
| 18 | 144,584 | 1,725 | 3,691 | 142,618 |
| 19 | — | | | |
| 20 | — | | | |
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| Name of Respondent | This Report Is: | Date of Report | Year/Period of Report |
|---|---|---|---|
| Cascade Natural Gas Corporation | (1) ☒ An Original<br>(2) ☐ A Resubmission | (Mo, Da, Yr)<br>12/31/2021 | End of 2021/Q4 |

## Unamortized Loss and Gain on Reacquired Debt (Accounts 189, 257)

1. 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 transaction, include also the maturity date of the new issue.
2. In column (c) show the principal amount of bonds or other long-term debt reacquired.
3. 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.
4. Show loss amounts by enclosing the figures in parentheses.
5. 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 (Account 189) | | | | | |
| 2 | Reacquired Debt (Acct 189) | | | | — | |
| 3 | | | | | — | |
| 4 | | | | | — | |
| 5 | Unamortized Gain (Account 257) | | | | | |
| 6 | 7.50% Notes - Originally Due 11/15/2031 | 11/15/2001 | 39,729,000 | (1,229,120) | 662,359 | 621,389 |
| 7 | | | | | — | |
| 8 | 5.25% IQN - Originally Due 2/1/2035 | 11/2/2020 | 24,201,000 | (755,547) | 752,399 | 733,510 |
| 9 | | | | | | |
| 10 | | | | | — | |
| 11 | | | | | — | |
| 12 | | | | | — | |
| 13 | | | | | — | |
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| 40 | | | | | — | |
| | | | | | — | |

| Name of Respondent | This Report Is: | Date of Report | Year/Period of Report |
|---|---|---|---|
| Cascade Natural Gas Corporation | (1) ☒ An Original<br>(2) ☐ A Resubmission | (Mo, Da, Yr)<br>12/31/2021 | End of 2021/Q4 |

Schedule Page: 260 Line No.: 6 Column: a

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.

Schedule Page: 260 Line No.: 8 Column: a

5.25% Insured Quarterly Notes were reacquired in November 2020 and refunded by 3.34% Senior Notes for $25,000,000 due 10/30/60. The remaining unamortized dept expense of $750,510 was reclassified to unamortized loss on reacquired debt.

| Name of Respondent | This Report Is: | Date of Report (Mo, Da, Yr) | Year/Period of Report |
|---|---|---|---|
| Cascade Natural Gas Corporation | (1) ☒ An Original<br>(2) ☐ A Resubmission | 12/31/2021 | End of 2021/Q4 |

## Reconciliation of Reported Net Income with Taxable Income for Feder 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 accruals. Include in the reconciliation, as far as practicable, the same detail as furnished on Schedule M-1 of the tax return for the year. Submit a reconciliation even though there is no taxable income for the year. Indicate clearly the nature of each reconciling amount.
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) | 24,514,435 |
| 2 | Reconciling Items for the Year | |
| 3 | | |
| 4 | Taxable Income Not Reported on Books | |
| 5 | Interest capitalized adj (IRS>books) | 1,158,131 |
| 6 | | |
| 7 | | |
| 8 | TOTAL | 1,158,131 |
| 9 | Deductions Recorded on Books Not Deducted for Return | |
| 10 | see footnote | 53,492,804 |
| 11 | | |
| 12 | | |
| 13 | TOTAL | 53,492,804 |
| 14 | Income Recorded on Books Not Included in Return | |
| 15 | Bellingham, Bremerton, & Eugene MGP expenses | 144,190 |
| 16 | CIAC | 2,284,905 |
| 17 | | |
| 18 | TOTAL | 2,429,095 |
| 19 | Deductions on Return Not Charged Against Book Income | |
| 20 | see footnote | 68,481,588 |
| 21 | | |
| 22 | | |
| 23 | | |
| 24 | | |
| 25 | | |
| 26 | TOTAL | 68,481,588 |
| 27 | Federal Tax Net Income | 13,112,877 |
| 28 | Show Computation of Tax: | |
| 29 | Rate - 21.00% | |
| 30 | Estimated Tax Return Federal Income Tax | 2,753,704 |
| 31 | Adjustments: (see footnote) | 269,833 |
| 32 | Provision for Current Federal Income Tax (see footnote) | 3,023,537 |
| 33 | Oregon State Tax Calculation (see footnote) | 529,792 |
| 34 | | |
| 35 | | |

**FOOTNOTE DATA**

***Schedule Page: 261 Line No.: 10 Column: a***

| | |
|---|---|
| Depreciation provision | 38,431,823 |
| Deferred gas costs | 8,891,889 |
| Tax expense | 2,861,602 |
| 162(m) Executive compensation | 1,052,971 |
| Basis differences | 784,127 |
| Customer advances - 2520.000 to 2520.2991 | 576,722 |
| Reserved revenue | 351,019 |
| Lobbying (5912.4264) | 324,389 |
| OR CAT Regulatory asset | 74,282 |
| Amortization of loss on reacquired debt (4281) | 59,859 |
| Vacation accrual | 31,791 |
| Deferred compensation | 30,345 |
| Legal reserve | 13,750 |
| 100% Business entertainment | 5,100 |
| Qualified transportation fringe | 2,670 |
| Penalties (5984) | 465 |
| **Total** | **53,492,804** |

***Schedule Page: 261 Line No.: 20 Column: a***

| | |
|---|---|
| Depreciation & amortization of plant | 41,739,096 |
| Decoupling | 7,165,809 |
| Repairs deduction | 5,457,000 |
| COVID 19 expenses/savings | 2,733,487 |
| Tax gain (loss) on disposals of assets | 2,078,294 |
| MAOP Deferred Costs WA/OR | 1,742,395 |
| SERP/SISP-perm difference piece | 1,634,575 |
| Conservation Program | 1,085,678 |
| Payroll Tax Deferral | 952,434 |
| SFAS No.87 accrual-SERP/SISP | 882,034 |
| Incentive accrual | 612,539 |
| Oregon State Income Tax | 529,792 |
| Retiree Medical Accrual | 524,922 |
| Prepaid Expenses | 497,930 |
| Bad Debts | 306,963 |
| AFUDC | 207,532 |
| 401K Dividends (MDUR) | 168,472 |
| Intervenors | 81,076 |
| Performance Share Perm | 71,335 |
| Unrealized Gain/Losses | 5,638 |
| Interest Expense | 2,622 |
| Royalty Income (15% of royalty income receipts) | 1,965 |
| **Total** | **68,481,588** |

***Schedule Page: 261 Line No.: 31 Column: a***

| | |
|---|---|
| Difference between 12/31/20 accrual and tax return | 289,883 |
| R&D tax credits | 5,000 |
| FIN48 - R&D tax credits | (25,000) |
| **Total** | **269,883** |

| Name of Respondent | This Report Is: | Date of Report | Year/Period of Report |
|---|---|---|---|
| Cascade Natural Gas Corporation | (1) ☒ An Original<br>(2) ☐ A Resubmission | (Mo, Da, Yr)<br>12/31/2021 | End of 2021/Q4 |

***Schedule Page: 261 Line No.: 32 Column: a***

| Allocated to: | 409.1 | 409.2 | Total |
|---|---|---|---|
| Washington | 2,750,318 | 514,205 | 3,264,523 |
| Oregon | (278,955) | 37,969 | (240,986) |
| **Total** | **2,471,363** | **552,174** | **3,023,537** |

***Schedule Page: 261 Line No.: 33 Column: a***

| | |
|---|---|
| Taxable Income for Federal Tax | 13,112,877 |
| Oregon adjustments to Federal Taxable Income: | |
| Oregon State Income Tax expense deducted from | 529,792 |
| Bonus Depreciation adjustment | (627,265) |
| Taxable Income for Oregon Tax | 13,015,404 |
| Oregon Apportionment Factor | 23.7483 % |
| Oregon Taxable Income | 3,090,937 |
| Oregon Tax Rate | 7.60 % |
| Estimated Tax Return Oregon Income Tax | 234,911 |
| Oregon CAT | 294,881 |
| Total Oregon State Income Tax | 529,792 |
| Adjustments: | |
| Difference between 12/31/20 accrual and tax return | (84,302) |
| Provision for Current Oregon Income Tax | **445,490** |

| Allocated to: | 409.1 | 409.2 | Total |
|---|---|---|---|
| **Total** | **497,214** | **(51,724)** | **445,490** |

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[Next page is 262a]

| Name of Respondent | This Report Is: | Date of Report | Year/Period of Report |
|---|---|---|---|
| Cascade Natural Gas Corporation | (1) ☒ An Original<br>(2) ☐ A Resubmission | (Mo, Da, Yr)<br>12/31/2021 | End of 2021/Q4 |

**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 direct to final accounts, (not charged to prepaid or accrued taxes). Enter the amounts 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 direct to operations or accounts other than accrued and prepaid tax accounts.

| Line No. | Kind of Tax (See Instruction 5) (a) | Balance at Beg. of Year Taxes Accrued (b) | Balance at Beg. of Year Prepaid Taxes (c) |
|---|---|---|---|
| 1 | Income Tax | — | — |
| 2 | Oregon Accrued | 185,596 | — |
| 3 | Federal Accrued | (30,647) | — |
| 4 | Fin 48 - current | 88,263 | — |
| 5 | Gross Revenue | — | — |
| 6 | Washington | 514,851 | — |
| 7 | Oregon | — | — |
| 8 | Dept of Energy - Oregon | — | 32,806 |
| 9 | City Franchise & Occupation | — | — |
| 10 | Washington | 1,935,893 | — |
| 11 | Oregon | 924,640 | — |
| 12 | Property | — | — |
| 13 | Washington | 2,928,567 | — |
| 14 | Oregon | — | 1,101,066 |
| 15 | Payroll Taxes | 1,649,618 | — |
| 16 | State Excise - Washington | 2,212,695 | — |
| 17 | Corporate Activity Tax - Oregon | 150,000 | — |
| 18 | Miscellaneous | — | — |
| 19 | | — | — |
| 20 | | — | — |
| 21 | | — | — |
| 22 | | — | — |
| 23 | | — | — |
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| 25 | | — | — |
| 26 | | — | — |
| 27 | | — | — |
| 28 | | — | — |
| 29 | | — | — |
| 30 | | — | — |
| 31 | | — | — |
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| 35 | | — | — |
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| 37 | | — | — |
| 38 | | — | — |
| 39 | | — | — |
| | **TOTAL** | 10,559,476 | 1,133,872 |

| Name of Respondent | This Report Is: | Date of Report | Year/Period of Report |
|---|---|---|---|
| Cascade Natural Gas Corporation | (1) ☒ An Original<br>(2) ☐ A Resubmission | (Mo, Da, Yr)<br>12/31/2021 | End of 2021/Q4 |

**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 direct to final accounts, (not charged to prepaid or accrued taxes). Enter the amounts 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 direct 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. | Electric (Account 408.1, 409.1) (i) | Gas (Account 408.1, 409.1) (j) | Other Utility Dept. (Account 408.1, 409.1) (k) | Other Income and Deductions (Account 408.2, 409.2) (l) |
|---|---|---|---|---|
| 1 | | | | |
| 2 | | 497,214 | | (51,724) |
| 3 | | 2,494,068 | | 552,173 |
| 4 | | (25,327) | | |
| 5 | | | | |
| 6 | | 16,123 | | |
| 7 | | 269,327 | | |
| 8 | | 125,769 | | |
| 9 | | | | |
| 10 | | 12,041,350 | | |
| 11 | | 3,772,982 | | |
| 12 | | | | |
| 13 | | 3,318,044 | | |
| 14 | | 2,173,113 | | 918 |
| 15 | | 2,523,343 | | |
| 16 | | 10,801,672 | | |
| 17 | | — | | |
| 18 | | 70,967 | | |
| 19 | | | | |
| 20 | | | | |
| 21 | | | | |
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| 34 | | | | |
| 35 | | | | |
| 36 | | | | |
| 37 | | | | |
| 38 | | | | |
| 39 | | | | |
| TOTAL | | 38,078,645 | — | 501,367 |

**Taxes Accrued, Prepaid and Charged During Year, Distribution of Taxes Charged (Show utility dept where applicable and acct charged) (continued)**

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 (i) thru (p) how the taxes 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.

| 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 | | | | | |
| 2 | 445,490 | 928,796 | | | 297,710 |
| 3 | 3,046,241 | 8,187,889 | | | 5,172,295 |
| 4 | (25,327) | | | | (62,936) |
| 5 | | | | | |
| 6 | 16,123 | 530,974 | | | |
| 7 | 269,327 | 269,327 | | | |
| 8 | 125,769 | 92,963 | | | |
| 9 | | | | | |
| 10 | 12,041,350 | 11,949,138 | | 2,028,105 | |
| 11 | 3,772,982 | 3,684,630 | | 1,012,992 | |
| 12 | | | | | |
| 13 | 3,318,044 | 2,873,482 | | 3,373,129 | |
| 14 | 2,174,031 | 2,172,555 | | | 1,099,590 |
| 15 | 2,523,343 | 3,358,511 | | 814,450 | |
| 16 | 10,801,672 | 10,137,348 | | 2,877,019 | |
| 17 | | 150,000 | | | |
| 18 | 70,967 | 70,967 | | | |
| 19 | | | | | |
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| 38 | | | | | |
| 39 | | | | | |
| TOTAL | 38,580,012 | 44,406,580 | — | 10,105,695 | 6,506,659 |

| Name of Respondent | This Report Is: | Date of Report | Year/Period of Report |
| --- | --- | --- | --- |
| Cascade Natural Gas Corporation | (1) ☒ An Original<br>(2) ☐ A Resubmission | (Mo, Da, Yr)<br>12/31/2021 | End of 2021/Q4 |

**Taxes Accrued, Prepaid and Charged During Year, Distribution of Taxes Charged (Show utility dept where applicable and acct charged) (continued)**

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 (i) thru (p) how the taxes 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 | | | | | |
| 2 | | | | | 1.52 % |
| 3 | | | | | |
| 4 | | | | (2,622) | |
| 5 | | | | | |
| 6 | | | | | |
| 7 | | | | | |
| 8 | | | | | |
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| 10 | | | | | |
| 11 | | | | | |
| 12 | | | | | |
| 13 | | | | | |
| 14 | | | | | |
| 15 | | | | (300,920) | |
| 16 | | | | (60,940) | |
| 17 | | | | | |
| 18 | | | | | |
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| 39 | | | | | |
| **TOTAL** | — | — | — | (364,482) | |

| Name of Respondent | This Report Is: | Date of Report | Year/Period of Report |
|---|---|---|---|
| Cascade Natural Gas Corporation | (1) ☒ An Original<br>(2) ☐ A Resubmission | (Mo, Da, Yr)<br>12/31/2021 | End of 2021/Q4 |

**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<br>(a) | Balance at End of Year<br>(b) |
|---|---|---|
| 1 | Vacation Payable | 2,486,292 |
| 2 | Accrued 401K Defined Contributions | 1,267,073 |
| 3 | Wages Payable | 1,199,385 |
| 4 | Variable Pay Incentive | 955,404 |
| 5 | Oregon Weatherization Liability | 905,317 |
| 6 | Core Pipeline Imbalances | 776,998 |
| 7 | Energy Trust of Oregon Liability | 652,566 |
| 8 | SERP Defined Contributions | 420,848 |
| 9 | Washington Low Income Bill Assistance | 392,789 |
| 10 | Misc. Accruals | 294,060 |
| 11 | Oregon Conservation Achievement Tariff | (495,466) |
| 12 | Other Misc Current Liabilities (aggregate) | 134,146 |
| 13 | | |
| 14 | | |
| 15 | | |
| 16 | | |
| 17 | | |
| 18 | | |
| 19 | | |
| 20 | | |
| 21 | | |
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| 42 | | |
| 43 | | |
| 44 | | |
| **45** | **Total** | **8,989,412** |

| Name of Respondent | This Report Is: | Date of Report | Year/Period of Report |
|---|---|---|---|
| Cascade Natural Gas Corporation | (1) ☒ An Original<br>(2) ☐ A Resubmission | (Mo, Da, Yr)<br>12/31/2021 | End of 2021/Q4 |

## 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 | (60,424,159) | 805.1 | 48,450,474 | 109,368,069 | 493,436 |
| 2 | (ammortization period 11/11-present) | — | | | | |
| 3 | | — | | | | |
| 4 | OR Deferred Gas Costs | (3,097,776) | 805.1 | 10,200,231 | 13,478,231 | 180,224 |
| 5 | (ammortization period 11/11-present) | — | | | | |
| 6 | | — | | | | |
| 7 | Resers Deposit | — | 134 | — | 456,492 | 456,492 |
| 8 | Customer Unclaimed Credits | (455) | 131 | 50,517 | 68,005 | 17,033 |
| 9 | MDUR Interco Pension | 1,044,516 | 283/182 | 140,455 | — | 904,061 |
| 10 | Pension Contribution | 6,481,556 | 926 | 3,772,191 | — | 2,709,365 |
| 11 | MDUR Inerco Post-Retirment | (253,608) | 283/182 | — | 9,563 | (244,045) |
| 12 | WA Covid-19 Savings | 618,733 | various | 866,464 | 1,346,044 | 1,098,313 |
| 13 | (ammortization period-none) | — | | | | |
| 14 | OR Covid-19 Savings | 188,001 | various | 292,224 | 563,276 | 459,053 |
| 15 | (ammortization period-none) | — | | | | |
| 16 | | — | | | | |
| 17 | | — | | | | |
| 18 | | — | | | | |
| 19 | | — | | | | |
| 20 | | — | | | | |
| 21 | | — | | | | |
| 22 | | — | | | | |
| 23 | | — | | | | |
| 24 | | — | | | | |
| 25 | | — | | | | |
| 26 | | — | | | | |
| 27 | | — | | | | |
| 28 | | — | | | | |
| 29 | | — | | | | |
| 30 | | — | | | | |
| 31 | | — | | | | |
| 32 | | — | | | | |
| 33 | | — | | | | |
| 34 | | — | | | | |
| 35 | | — | | | | |
| 36 | | — | | | | |
| 37 | | — | | | | |
| 38 | | — | | | | |
| 39 | | — | | | | |
| 40 | | — | | | | |
| 41 | | — | | | | |
| 42 | | — | | | | |
| 43 | | — | | | | |
| 44 | | — | | | | |
| **45** | **TOTAL** | **(55,443,192)** | | **63,772,556** | **125,289,680** | **6,073,932** |
| | | | | | | |

| Name of Respondent | This Report Is: | Date of Report | Year/Period of Report |
|---|---|---|---|
| Cascade Natural Gas Corporation | (1) ☒ An Original<br>(2) ☐ A Resubmission | (Mo, Da, Yr)<br>12/31/2021 | End of 2021/Q4 |

**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) | Amounts Debited to Account 410.1 (c) | Amounts Credited to Account 411.1 (d) |
|---|---|---|---|---|
| 1 | Account 282 | | | |
| 2 | Electric | — | | |
| 3 | Gas | (60,631,436) | 2,559,792 | 3,261,849 |
| 4 | Other (Define) (footnote details) | — | | |
| 5 | Total (Enter Total of lines 2 thru 4) | (60,631,436) | 2,559,792 | 3,261,849 |
| 6 | Other (Specify) (footnote details) | — | | |
| 7 | TOTAL Account 282 (Enter Total of lines 5 thr | (60,631,436) | 2,559,792 | 3,261,849 |
| 8 | Classification of TOTAL | | | |
| 9 | Federal Income Tax | (56,230,581) | 1,733,809 | 3,079,703 |
| 10 | State Income Tax | (4,400,855) | 825,983 | 182,146 |
| 11 | Local Income Tax | — | — | — |
| | | | | |
| | Amounts assigned to jurisdictions as follows: | | | |
| | Federal Income Tax - Washington | (43,371,364) | 1,344,516 | 2,277,940 |
| | Federal Income Tax - Oregon | (12,859,217) | 389,293 | 801,763 |
| | State Income Tax - Oregon | (4,400,855) | 825,983 | 182,146 |

## 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 Acct. No. (g) | Adjustments Debits Amount (h) | Adjustments Credits Account No. (i) | Adjustments Credits Amount (j) | Balance at End of Year (k) |
|---|---|---|---|---|---|---|---|
| 1 | | | | | | | |
| 2 | | | | | | | |
| 3 | | | 182.3 & 254 | (322,116) | 182.3 & 254 | (3,463,441) | (63,070,704) |
| 4 | | | | | | | |
| 5 | — | — | — | (322,116) | — | (3,463,441) | (63,070,704) |
| 6 | | | | | | | |
| 7 | — | — | — | (322,116) | — | (3,463,441) | (63,070,704) |
| 8 | | | | | | | |
| 9 | — | — | | (246,995) | | (3,144,821) | (57,782,513) |
| 10 | — | — | | (75,121) | | (318,620) | (5,288,191) |
| 11 | — | — | | — | | — | — |
| | | | | | | | |
| | | | | | | | |
| | — | — | | (163,272) | | (2,373,578) | (44,648,246) |
| | — | — | | (83,723) | | (771,243) | (13,134,267) |
| | — | — | | (75,121) | | (318,620) | (5,288,191) |

| Name of Respondent | This Report Is: | Date of Report (Mo, Da, Yr) | Year/Period of Report |
|---|---|---|---|
| Cascade Natural Gas Corporation | (1) ☒ An Original<br>(2) ☐ A Resubmission | 12/31/2021 | End of 2021/Q4 |

## 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<br>(a) | Balance at Beginning of Year<br>(b) | Changes During Year Amounts Debited to Account 410.1<br>(c) | Changes During Year Amounts Credited to Account 411.1<br>(d) |
|---|---|---|---|---|
| 1 | Account 283 | | | |
| 2 | Electric | — | | |
| 3 | Gas | (34,535,114) | 8,753,665 | 9,366,453 |
| 4 | Other (Define) (footnote details) | — | | |
| 5 | Total (Total of lines 2 thru 4) | (34,535,114) | 8,753,665 | 9,366,453 |
| 6 | Other (Specify) (footnote details) | — | | |
| 7 | TOTAL Account 283 (Total of lines 5 thru | (34,535,114) | 8,753,665 | 9,366,453 |
| 8 | Classification of TOTAL | | | |
| 9 | Federal Income Tax | (31,502,504) | 7,969,351 | 8,452,049 |
| 10 | State Income Tax | (3,035,610) | 784,314 | 914,404 |
| 11 | Local Income Tax | — | | |
| | | | | |
| | Amounts assigned to jurisdictions as follows: | | | |
| | Federal Income Tax - Washington | (28,248,565) | 6,249,729 | 7,495,702 |
| | Federal Income Tax - Oregon | (3,253,939) | 1,719,622 | 956,347 |
| | State Income Tax - Oregon | (3,032,610) | 784,314 | 914,404 |

| Name of Respondent | This Report Is: | Date of Report | Year/Period of Report |
|---|---|---|---|
| Cascade Natural Gas Corporation | (1) ☒ An Original<br>(2) ☐ A Resubmission | (Mo, Da, Yr)<br>12/31/2021 | End of 2021/Q4 |

**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 Amounts Debited to Account 410.2 | Changes during Year Amounts Credited to Account 411.2 | Adjustments Debits Acct. No. | Adjustments Debits Amount | Adjustments Credits Account No. | Adjustments Credits Amount | Balance at End of Year |
|---|---|---|---|---|---|---|---|
| | (e) | (f) | (g) | (h) | (i) | (j) | (k) |
| 1 | | | | | | | |
| 2 | | | | | | | |
| 3 | — | — | Regulatory Accounts | (201,093) | Regulatory Accounts | (1,404,164) | (35,125,397) |
| 4 | | | related to FAS 158 | | related to FAS 158 | | |
| 5 | — | — | and deferred tax | (201,093) | and deferred tax | (1,404,164) | (35,125,397) |
| 6 | | | effect of OR State | | effect of OR State | | |
| 7 | — | — | Tax Rate Increase | (201,093) | Tax Rate Increase | (1,404,164) | (35,125,397) |
| 8 | | | | | | | |
| 9 | — | — | | (77,814) | | (1,356,452) | (32,298,444) |
| 10 | — | — | | (123,279) | | (47,712) | (2,829,953) |
| 11 | | | | | | | |
| | | | | | | | |
| | | | | | | | |
| | — | — | | (21,105) | | (947,132) | (27,928,619) |
| | — | — | | (56,709) | | (409,320) | (4,369,825) |
| | — | — | | (123,279) | | (47,712) | (2,826,953) |

| Name of Respondent | This Report Is: | Date of Report | Year/Period of Report |
|---|---|---|---|
| Cascade Natural Gas Corporation | (1) ☒ An Original<br>(2) ☐ A Resubmission | (Mo, Da, Yr)<br>12/31/2021 | End of 2021/Q4 |

## 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 Quarter/Year (b) | Written off during Quarter/Period Account Credited (c) | Written off During Period Amount Refunded (d) | Written off During Period Amount Deemed Non-Refundable (e) | Credits (f) | Balance at End of Current Quarter/Year (g) |
|---|---|---|---|---|---|---|---|
| 1 | Oregon Unbilled Ammortization | (50,222) | 4009 | | | (14,698) | (64,920) |
| 2 | Washington Unbilled Ammortization | (169,744) | 4009 | | | (52,069) | (221,813) |
| 3 | SFAS109 Regulatory Liability | 45,047,243 | 282 | | | (3,141,326) | 41,905,917 |
| 4 | Oregon Tax Rate Change | 6,802,212 | 282 | | | (1,284,093) | 5,518,119 |
| 5 | Regulatory Liability - Post Ret | — | 186 | | | | — |
| 6 | WA Protected - Plus EDIT | 756,887 | 4962 | 1,433,162 | | 1,744,741 | 1,068,466 |
| 7 | WA Protected - Plus EDIT grossup | 102,562 | 4962 | 462,109 | | 583,525 | 223,978 |
| 8 | WA Unprotected EDIT | 492,970 | 4962 | 708,141 | | 657,046 | 441,875 |
| 9 | WA Unprotected EDIT grossup | 91,850 | 4962 | 231,156 | | 222,448 | 83,142 |
| 10 | WA Temp Fed Income Tax Credit | — | 4962 | | | | — |
| 11 | WA Temp Fed Income Tax Credit grossup | — | 4962 | | | | — |
| 12 | WA Diff Temp Fed Income Tax Credit | — | 4962 | | | | — |
| 13 | OR Unprotected EDIT | 819,704 | 4962 | 524,462 | | 502,290 | 797,532 |
| 14 | OR Temp Fed Income Tax Credit | — | 4962 | | | | — |
| 15 | | — | | | | | — |
| 16 | | — | | | | | — |
| 17 | | — | | | | | — |
| 18 | | — | | | | | — |
| 19 | | — | | | | | — |
| 20 | | — | | | | | — |
| 21 | | — | | | | | — |
| 22 | | — | | | | | — |
| 23 | | — | | | | | — |
| 24 | | — | | | | | — |
| 25 | | — | | | | | — |
| 26 | | — | | | | | — |
| 27 | | — | | | | | — |
| 28 | | — | | | | | — |
| 29 | | — | | | | | — |
| 30 | | — | | | | | — |
| 31 | | — | | | | | — |
| 32 | | — | | | | | — |
| 33 | | — | | | | | — |
| 34 | | — | | | | | — |
| 35 | | — | | | | | — |
| 36 | | — | | | | | — |
| 37 | | — | | | | | — |
| 38 | | — | | | | | — |
| 39 | | — | | | | | — |
| 40 | | — | | | | | — |
| 41 | | — | | | | | — |
| 42 | | — | | | | | — |
| 43 | | — | | | | | — |
| 44 | | — | | | | | — |
| **45** | **TOTAL** | **53,893,462** | | **3,359,030** | **0** | **(782,136)** | **49,752,296** |

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[Next page is 300]

| Name of Respondent | This Report Is: | Date of Report | Year/Period of Report |
|---|---|---|---|
| Cascade Natural Gas Corporation | (1) ☒ An Original<br>(2) ☐ A Resubmission | (Mo, Da, Yr)<br>12/31/2021 | End of 2021/Q4 |

## 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 transition 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 Amount for Current Year (b) | Revenues for Transition Costs and Take-or-Pay Amount for Previous Year (c) | Revenues for GRI and ACA Amount for Current Year (d) | Revenues for GRI and ACA Amount for Previous Year (e) |
|---|---|---|---|---|---|
| 1 | 480 Residential Sales | | — | | — |
| 2 | 481 Commercial and Industrial Sales | | — | | — |
| 3 | 482 Other Sales to Public Authorities | | — | | — |
| 4 | 483 Sales for Resale | | — | | — |
| 5 | 484 Interdepartmental Sales | | — | | — |
| 6 | 485 Intracompany Transfers | | — | | — |
| 7 | 487 Forfeited Discounts | | — | | — |
| 8 | 488 Miscellaneous Service Revenues | | — | | — |
| 9 | 489.1 Revenues from Transportation of Gas of Others Through Gathering Facilities | | — | | — |
| 10 | 489.2 Revenues from Transportation of Gas of Others Through Transmission Facilities | | — | | — |
| 11 | 489.3 Revenues from Transportation of Gas of Others Through Distribution Facilities | | — | | — |
| 12 | 489.4 Revenues from Storing Gas of Others | | — | | — |
| 13 | 490 Sales of Prod. Ext. from Natural Gas | | — | | — |
| 14 | 491 Revenues from Natural Gas Proc. by Others | | — | | — |
| 15 | 492 Incidental Gasoline and Oil Sales | | — | | — |
| 16 | 493 Rent from Gas Property | | — | | — |
| 17 | 494 Interdepartmental Rents | | — | | — |
| 18 | 495 Other Gas Revenues | | — | | — |
| 19 | Subtotal: | — | — | — | — |
| 20 | 496 (Less) Provision for Rate Refunds | | — | | — |
| 21 | TOTAL: | — | — | — | — |

| Name of Respondent | This Report Is: | Date of Report | Year/Period of Report |
|---|---|---|---|
| Cascade Natural Gas Corporation | (1) ☒ An Original<br>(2) ☐ A Resubmission | (Mo, Da, Yr)<br>12/31/2021 | End of 2021/Q4 |

## Gas Operating Revenues

4. If increases or decreases from previous year are not derived from previously reported figures, explain any inconsistencies in a footnote.
5. On Page 108, include information on major changes during the year, new service, and important rate increases or decreases.
6. Report the revenue from transportation services that are bundled with storage services as transportation service revenue.

| Line No. | Other Revenues<br>Amount for Current Year<br>(f) | Other Revenues<br>Amount for Previous Year<br>(g) | Total Operating Revenues<br>Amount for Current Year<br>(h) | Total Operating Revenues<br>Amount for Previous Year<br>(i) | Dekatherm of Natural Gas<br>Amount for Current Year<br>(j) | Dekatherm of Natural Gas<br>Amount for Previous Year<br>(k) |
|---|---|---|---|---|---|---|
| 1 | 189,884,602 | 171,885,856 | 189,884,602 | 171,885,856 | 17,760,630 | 17,210,117 |
| 2 | 142,837,562 | 134,219,483 | 142,837,562 | 134,219,483 | 15,703,336 | 15,768,680 |
| 3 | — | — | — | — | | — |
| 4 | — | — | — | — | | — |
| 5 | — | — | — | — | | — |
| 6 | — | — | — | — | | |
| 7 | — | — | — | — | | |
| 8 | 308,315 | 388,111 | 308,315 | 388,111 | | |
| 9 | — | — | — | — | | — |
| 10 | — | — | — | — | | — |
| 11 | 31,576,378 | 29,321,785 | 31,576,378 | 29,321,785 | 118,780,415 | 105,743,761 |
| 12 | — | — | — | — | | — |
| 13 | — | — | — | — | | |
| 14 | — | — | — | — | | |
| 15 | — | — | — | — | | |
| 16 | 12,000 | 13,000 | 12,000 | 13,000 | | |
| 17 | 107,688 | 119,964 | 107,688 | 119,964 | | |
| 18 | 26,556 | 69,917 | 26,556 | 69,917 | | |
| 19 | 364,753,101 | 336,018,116 | 364,753,101 | 336,018,116 | | |
| 20 | 284,252 | (1,314,562) | 284,252 | (1,314,562) | | |
| 21 | 364,468,849 | 337,332,678 | 364,468,849 | 337,332,678 | | |

| Name of Respondent | This Report Is: | Date of Report | Year/Period of Report |
|---|---|---|---|
| Cascade Natural Gas Corporation | (1) ☒ An Original<br>(2) ☐ A Resubmission | (Mo, Da, Yr)<br>12/31/2021 | End of 2021/Q4 |

**Other Gas Revenues (Account 495)**

Report below transactions of $250,000 or more included in Account 495, Other Gas Revenues. Group all transactions below $250,000 in one amount and provide the number of items.

| Line No. | Description of Transaction<br>(a) | Amount (in dollars)<br>(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 Tariff Provisions, including Penalties Associated with Cash-out Settlements | — |
| 10 | Revenues from Shipper Supplied Gas | — |
| 11 | Other revenues (Specify): | |
| 12 | Miscellaneous Sales | 26,556 |
| 13 | | |
| 14 | | |
| 15 | | |
| 16 | | |
| 17 | | |
| 18 | | |
| 19 | | |
| 20 | | |
| 21 | | |
| 22 | | |
| 23 | | |
| 24 | | |
| 25 | | |
| 26 | | |
| 27 | | |
| 28 | | |
| 29 | | |
| 30 | | |
| 31 | | |
| 32 | | |
| 33 | | |
| 34 | | |
| 35 | | |
| 36 | | |
| 37 | | |
| 38 | | |
| 39 | | |
| 40 | **Total** | **26,556** |

**Gas Operation and Maintenance Expenses**

| Line No. | Account<br>(a) | Amount for Current Year<br>(b) | Amount for Previous Year<br>(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 | 0 | 0 |
| 8 | 751 Production Maps and Records | 0 | 0 |
| 9 | 752 Gas Well Expenses | 0 | 0 |
| 10 | 753 Field Lines Expenses | 0 | 0 |
| 11 | 754 Field Compressor Station Expenses | 0 | 0 |
| 12 | 755 Field Compressor Station Fuel and Power | 0 | 0 |
| 13 | 756 Field Measuring and Regulating Station Expenses | 0 | 0 |
| 14 | 757 Purification Expenses | 0 | 0 |
| 15 | 758 Gas Well Royalties | 0 | 0 |
| 16 | 759 Other Expenses | 0 | 0 |
| 17 | 760 Rents | 0 | 0 |
| 18 | TOTAL Operation (Total of lines 7 thru 17) | 0 | 0 |
| 19 | Maintenance | | |
| 20 | 761 Maintenance Supervision and Engineering | 0 | 0 |
| 21 | 762 Maintenance of Structures and Improvements | 0 | 0 |
| 22 | 763 Maintenance of Producing Gas Wells | 0 | 0 |
| 23 | 764 Maintenance of Field Lines | 0 | 0 |
| 24 | 765 Maintenance of Field Compressor Station Equipment | 0 | 0 |
| 25 | 766 Maintenance of Field Measuring and Regulating Station Equipment | 0 | 0 |
| 26 | 767 Maintenance of Purification Equipment | 0 | 0 |
| 27 | 768 Maintenance of Drilling and Cleaning Equipment | 0 | 0 |
| 28 | 769 Maintenance of Other Equipment | 0 | 0 |
| 29 | TOTAL Maintenance (Total of lines 20 thru 28) | 0 | 0 |
| 30 | TOTAL Natural Gas Production and Gathering (Total of lines 18 and 29) | 0 | 0 |

| Name of Respondent | This Report Is: | Date of Report | Year/Period of Report |
| --- | --- | --- | --- |
| Cascade Natural Gas Corporation | (1) ☒ An Original<br>(2) ☐ A Resubmission | (Mo, Da, Yr)<br>12/31/2021 | End of 2021/Q4 |

**Gas Operation and Maintenance Expenses(continued)**

| Line No. | Account<br>(a) | Amount for Current Year<br>(b) | Amount for Previous Year<br>(c) |
| --- | --- | --- | --- |
| 31 | B2. Products Extraction | | |
| 32 | Operation | | |
| 33 | 770 Operation Supervision and Engineering | 0 | 0 |
| 34 | 771 Operation Labor | 0 | 0 |
| 35 | 772 Gas Shrinkage | 0 | 0 |
| 36 | 773 Fuel | 0 | 0 |
| 37 | 774 Power | 0 | 0 |
| 38 | 775 Materials | 0 | 0 |
| 39 | 776 Operation Supplies and Expenses | 0 | 0 |
| 40 | 777 Gas Processed by Others | 0 | 0 |
| 41 | 778 Royalties on Products Extracted | 0 | 0 |
| 42 | 779 Marketing Expenses | 0 | 0 |
| 43 | 780 Products Purchased for Resale | 0 | 0 |
| 44 | 781 Variation in Products Inventory | 0 | 0 |
| 45 | (Less) 782 Extracted Products Used by the Utility-Credit | 0 | 0 |
| 46 | 783 Rents | 0 | 0 |
| 47 | TOTAL Operation (Total of lines 33 thru 46) | 0 | 0 |
| 48 | Maintenance | | |
| 49 | 784 Maintenance Supervision and Engineering | 0 | 0 |
| 50 | 785 Maintenance of Structures and Improvements | 0 | 0 |
| 51 | 786 Maintenance of Extraction and Refining Equipment | 0 | 0 |
| 52 | 787 Maintenance of Pipe Lines | 0 | 0 |
| 53 | 788 Maintenance of Extracted Products Storage Equipment | 0 | 0 |
| 54 | 789 Maintenance of Compressor Equipment | 0 | 0 |
| 55 | 790 Maintenance of Gas Measuring and Regulating Equipment | 0 | 0 |
| 56 | 791 Maintenance of Other Equipment | 0 | 0 |
| 57 | TOTAL Maintenance (Total of lines 49 thru 56) | 0 | 0 |
| 58 | TOTAL Products Extraction (Total of lines 47 and 57) | 0 | 0 |

| Name of Respondent | This Report Is: | Date of Report | Year/Period of Report |
|---|---|---|---|
| Cascade Natural Gas Corporation | (1) ☒ An Original<br>(2) ☐ A Resubmission | (Mo, Da, Yr)<br>12/31/2021 | End of 2021/Q4 |

**Gas Operation and Maintenance Expenses(continued)**

| Line No. | Account<br>(a) | Amount for Current Year<br>(b) | Amount for Previous Year<br>(c) |
|---|---|---|---|
| 59 | C. Exploration and Development | | |
| 60 | Operation | | |
| 61 | 795 Delay Rentals | 0 | 0 |
| 62 | 796 Nonproductive Well Drilling | 0 | 0 |
| 63 | 797 Abandoned Leases | 0 | 0 |
| 64 | 798 Other Exploration | 0 | 0 |
| 65 | TOTAL Exploration and Development (Total of lines 61 thru 64) | 0 | 0 |
| 66 | D. Other Gas Supply Expenses | | |
| 67 | Operation | | |
| 68 | 800 Natural Gas Well Head Purchases | 0 | 0 |
| 69 | 800.1 Natural Gas Well Head Purchases, Intracompany Transfers | 0 | 0 |
| 70 | 801 Natural Gas Field Line Purchases | 0 | 0 |
| 71 | 802 Natural Gas Gasoline Plant Outlet Purchases | 0 | 0 |
| 72 | 803 Natural Gas Transmission Line Purchases | 0 | 0 |
| 73 | 804 Natural Gas City Gate Purchases | 182,288,531 | 143,700,270 |
| 74 | 804.1 Liquefied Natural Gas Purchases | 0 | 0 |
| 75 | 805 Other Gas Purchases | 0 | 0 |
| 76 | (Less) 805.1 Purchases Gas Cost Adjustments | 4,345,002 | 23,407,751 |
| 77 | TOTAL Purchased Gas (Total of lines 68 thru 76) | 186,633,533 | 167,108,021 |
| 78 | 806 Exchange Gas | 0 | 0 |
| 79 | Purchased Gas Expenses | | |
| 80 | 807.1 Well Expense-Purchased Gas | 0 | 0 |
| 81 | 807.2 Operation of Purchased Gas Measuring Stations | 0 | 0 |
| 82 | 807.3 Maintenance of Purchased Gas Measuring Stations | 0 | 0 |
| 83 | 807.4 Purchased Gas Calculations Expenses | 0 | 0 |
| 84 | 807.5 Other Purchased Gas Expenses | 0 | 0 |
| 85 | TOTAL Purchased Gas Expenses (Total of lines 80 thru 84) | 0 | 0 |

| Name of Respondent | This Report Is: | Date of Report | Year/Period of Report |
|---|---|---|---|
| Cascade Natural Gas Corporation | (1) ☒ An Original<br>(2) ☐ A Resubmission | (Mo, Da, Yr)<br>12/31/2021 | End of 2021/Q4 |

**Gas Operation and Maintenance Expenses(continued)**

| Line No. | Account<br>(a) | Amount for Current Year<br>(b) | Amount for Previous Year<br>(c) |
|---|---|---|---|
| 86 | 808.1 Gas Withdrawn from Storage-Debit | 6,924,257 | 5,443,530 |
| 87 | (Less) 808.2 Gas Delivered to Storage-Credit | 10,747,860 | 4,728,432 |
| 88 | 809.1 Withdrawals of Liquefied Natural Gas for Processing-Debit | 0 | 0 |
| 89 | (Less) 809.2 Deliveries of Natural Gas for Processing-Credit | 0 | 0 |
| 90 | Gas used in Utility Operation-Credit | | |
| 91 | 810 Gas Used for Compressor Station Fuel-Credit | 0 | 0 |
| 92 | 811 Gas Used for Products Extraction-Credit | 0 | 0 |
| 93 | 812 Gas Used for Other Utility Operations-Credit | (137,377) | (107,353) |
| 94 | TOTAL Gas Used in Utility Operations-Credit (Total of lines 91 thru 93) | (137,377) | (107,353) |
| 95 | 813 Other Gas Supply Expenses | 602,968 | 433,245 |
| 96 | TOTAL Other Gas Supply Exp. (Total of lines 77,78,85,86 thru 89,94,95) | 183,275,521 | 168,149,011 |
| 97 | TOTAL Production Expenses (Total of lines 3, 30, 58, 65, and 96) | 183,275,521 | 168,149,011 |
| 98 | 2. NATURAL GAS STORAGE, TERMINALING AND PROCESSING EXPENSES | | |
| 99 | A. Underground Storage Expenses | | |
| 100 | Operation | | |
| 101 | 814 Operation Supervision and Engineering | 0 | 0 |
| 102 | 815 Maps and Records | 0 | 0 |
| 103 | 816 Wells Expenses | 0 | 0 |
| 104 | 817 Lines Expense | 0 | 0 |
| 105 | 818 Compressor Station Expenses | 0 | 0 |
| 106 | 819 Compressor Station Fuel and Power | 0 | 0 |
| 107 | 820 Measuring and Regulating Station Expenses | 0 | 0 |
| 108 | 821 Purification Expenses | 0 | 0 |
| 109 | 822 Exploration and Development | 0 | 0 |
| 110 | 823 Gas Losses | 0 | 0 |
| 111 | 824 Other Expenses | 0 | 0 |
| 112 | 825 Storage Well Royalties | 0 | 0 |
| 113 | 826 Rents | 0 | 0 |
| 114 | TOTAL Operation (Total of lines of 101 thru 113) | 0 | 0 |

| Name of Respondent | This Report Is: | Date of Report (Mo, Da, Yr) | Year/Period of Report |
|---|---|---|---|
| Cascade Natural Gas Corporation | (1) ☒ An Original<br>(2) ☐ A Resubmission | 12/31/2021 | End of 2021/Q4 |

**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 | 0 | 0 |
| 117 | 831 Maintenance of Structures and Improvements | 0 | 0 |
| 118 | 832 Maintenance of Reservoirs and Wells | 0 | 0 |
| 119 | 833 Maintenance of Lines | 0 | 0 |
| 120 | 834 Maintenance of Compressor Station Equipment | 0 | 0 |
| 121 | 835 Maintenance of Measuring and Regulating Station Equipment | 0 | 0 |
| 122 | 836 Maintenance of Purification Equipment | 0 | 0 |
| 123 | 837 Maintenance of Other Equipment | 0 | 0 |
| 124 | TOTAL Maintenance (Total of lines 116 thru 123) | 0 | 0 |
| 125 | TOTAL Underground Storage Expenses (Total of lines 114 and 124) | 0 | 0 |
| 126 | B. Other Storage Expenses | | |
| 127 | Operation | | |
| 128 | 840 Operation Supervision and Engineering | 0 | 0 |
| 129 | 841 Operation Labor and Expenses | 0 | 0 |
| 130 | 842 Rents | 0 | 0 |
| 131 | 842.1 Fuel | 0 | 0 |
| 132 | 842.2 Power | 0 | 0 |
| 133 | 842.3 Gas Losses | 0 | 0 |
| 134 | TOTAL Operation (Total of lines 128 thru 133) | 0 | 0 |
| 135 | Maintenance | | |
| 136 | 843.1 Maintenance Supervision and Engineering | 0 | 0 |
| 137 | 843.2 Maintenance of Structures | 0 | 0 |
| 138 | 843.3 Maintenance of Gas Holders | 0 | 0 |
| 139 | 843.4 Maintenance of Purification Equipment | 0 | 0 |
| 140 | 843.5 Maintenance of Liquefaction Equipment | 0 | 0 |
| 141 | 843.6 Maintenance of Vaporizing Equipment | 0 | 0 |
| 142 | 843.7 Maintenance of Compressor Equipment | 0 | 0 |
| 143 | 843.8 Maintenance of Measuring and Regulating Equipment | 0 | 0 |
| 144 | 843.9 Maintenance of Other Equipment | 0 | 0 |
| 145 | TOTAL Maintenance (Total of lines 136 thru 144) | 0 | 0 |
| 146 | TOTAL Other Storage Expenses (Total of lines 134 and 145) | 0 | 0 |

| Name of Respondent | This Report Is: | Date of Report | Year/Period of Report |
|---|---|---|---|
| Cascade Natural Gas Corporation | (1) ☒ An Original<br>(2) ☐ A Resubmission | (Mo, Da, Yr)<br>12/31/2021 | End of 2021/Q4 |

**Gas Operation and Maintenance Expenses(continued)**

| Line No. | Account<br>(a) | Amount for Current Year<br>(b) | Amount for Previous Year<br>(c) |
|---|---|---|---|
| 147 | C. Liquefied Natural Gas Terminaling and Processing Expenses | | |
| 148 | Operation | | |
| 149 | 844.1 Operation Supervision and Engineering | 0 | 0 |
| 150 | 844.2 LNG Processing Terminal Labor and Expenses | 0 | 0 |
| 151 | 844.3 Liquefaction Processing Labor and Expenses | 0 | 0 |
| 152 | 844.4 Liquefaction Transportation Labor and Expenses | 0 | 0 |
| 153 | 844.5 Measuring and Regulating Labor and Expenses | 0 | 0 |
| 154 | 844.6 Compressor Station Labor and Expenses | 0 | 0 |
| 155 | 844.7 Communication System Expenses | 0 | 0 |
| 156 | 844.8 System Control and Load Dispatching | 0 | 0 |
| 157 | 845.1 Fuel | 0 | 0 |
| 158 | 845.2 Power | 0 | 0 |
| 159 | 845.3 Rents | 0 | 0 |
| 160 | 845.4 Demurrage Charges | 0 | 0 |
| 161 | (less) 845.5 Wharfage Receipts-Credit | 0 | 0 |
| 162 | 845.6 Processing Liquefied or Vaporized Gas by Others | 0 | 0 |
| 163 | 846.1 Gas Losses | 0 | 0 |
| 164 | 846.2 Other Expenses | 0 | 0 |
| 165 | TOTAL Operation (Total of lines 149 thru 164) | 0 | 0 |
| 166 | Maintenance | | |
| 167 | 847.1 Maintenance Supervision and Engineering | 0 | 0 |
| 168 | 847.2 Maintenance of Structures and Improvements | 0 | 0 |
| 169 | 847.3 Maintenance of LNG Processing Terminal Equipment | 0 | 0 |
| 170 | 847.4 Maintenance of LNG Transportation Equipment | 0 | 0 |
| 171 | 847.5 Maintenance of Measuring and Regulating Equipment | 0 | 0 |
| 172 | 847.6 Maintenance of Compressor Station Equipment | 0 | 0 |
| 173 | 847.7 Maintenance of Communication Equipment | 0 | 0 |
| 174 | 847.8 Maintenance of Other Equipment | 0 | 0 |
| 175 | TOTAL Maintenance (Total of lines 167 thru 174) | 0 | 0 |
| 176 | TOTAL Liquefied Nat Gas Terminaling and Proc Exp (Total of lines 165 and 175) | 0 | 0 |
| 177 | TOTAL Natural Gas Storage (Total of lines 125, 146, and 176) | 0 | 0 |

| Name of Respondent | This Report Is: | Date of Report (Mo, Da, Yr) | Year/Period of Report |
|---|---|---|---|
| Cascade Natural Gas Corporation | (1) ☒ An Original<br>(2) ☐ A Resubmission | 12/31/2021 | End of 2021/Q4 |

**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 | 0 | 0 |
| 181 | 851 System Control and Load Dispatching | 0 | 0 |
| 182 | 852 Communication System Expenses | 0 | 0 |
| 183 | 853 Compressor Station Labor and Expenses | 0 | 0 |
| 184 | 854 Gas for Compressor Station Fuel | 0 | 0 |
| 185 | 855 Other Fuel and Power for Compressor Stations | 0 | 0 |
| 186 | 856 Mains Expenses | 0 | 0 |
| 187 | 857 Measuring and Regulating Station Expenses | 0 | 0 |
| 188 | 858 Transmission and Compression of Gas by Others | 0 | 0 |
| 189 | 859 Other Expenses | 0 | 0 |
| 190 | 860 Rents | 0 | 0 |
| 191 | TOTAL Operation (Total of lines 180 thru 190) | 0 | 0 |
| 192 | Maintenance | | |
| 193 | 861 Maintenance Supervision and Engineering | 0 | 0 |
| 194 | 862 Maintenance of Structures and Improvements | 0 | 0 |
| 195 | 863 Maintenance of Mains | 0 | 0 |
| 196 | 864 Maintenance of Compressor Station Equipment | 0 | 0 |
| 197 | 865 Maintenance of Measuring and Regulating Station Equipment | 0 | 0 |
| 198 | 866 Maintenance of Communication Equipment | 0 | 0 |
| 199 | 867 Maintenance of Other Equipment | 0 | 0 |
| 200 | TOTAL Maintenance (Total of lines 193 thru 199) | 0 | 0 |
| 201 | TOTAL Transmission Expenses (Total of lines 191 and 200) | 0 | 0 |
| 202 | 4. DISTRIBUTION EXPENSES | | |
| 203 | Operation | | |
| 204 | 870 Operation Supervision and Engineering | 3,072,060 | 4,146,761 |
| 205 | 871 Distribution Load Dispatching | 274,679 | 279,492 |
| 206 | 872 Compressor Station Labor and Expenses | 96,748 | 87,462 |
| 207 | 873 Compressor Station Fuel and Power | 0 | 0 |

**Gas Operation and Maintenance Expenses(continued)**

| Line No. | Account<br>(a) | Amount for Current Year<br>(b) | Amount for Previous Year<br>(c) |
|---|---|---|---|
| 208 | 874 Mains and Services Expenses | 4,369,538 | 4,861,893 |
| 209 | 875 Measuring and Regulating Station Expenses-General | 944,117 | 956,042 |
| 210 | 876 Measuring and Regulating Station Expenses-Industrial | 675,633 | 551,398 |
| 211 | 877 Measuring and Regulating Station Expenses-City Gas Check Station | 0 | 0 |
| 212 | 878 Meter and House Regulator Expenses | (43,611) | (761,325) |
| 213 | 879 Customer Installations Expenses | 540,141 | 693,761 |
| 214 | 880 Other Expenses | 7,941,793 | 7,331,165 |
| 215 | 881 Rents | 192,800 | 183,789 |
| 216 | TOTAL Operation (Total of lines 204 thru 215) | 18,063,898 | 18,330,438 |
| 217 | Maintenance | | |
| 218 | 885 Maintenance Supervision and Engineering | 1,414,497 | 1,403,216 |
| 219 | 886 Maintenance of Structures and Improvements | 222 | 12,412 |
| 220 | 887 Maintenance of Mains | 2,542,736 | 2,531,724 |
| 221 | 888 Maintenance of Compressor Station Equipment | 213,410 | 98,006 |
| 222 | 889 Maintenance of Measuring and Regulating Station Equipment-General | 573,424 | 374,536 |
| 223 | 890 Maintenance of Meas. and Reg. Station Equipment-Industrial | 436,236 | 172,134 |
| 224 | 891 Maintenance of Meas. and Reg. Station Equip-City Gate Check Station | 0 | 0 |
| 225 | 892 Maintenance of Services | 1,564,821 | 1,508,568 |
| 226 | 893 Maintenance of Meters and House Regulators | 1,117,971 | 824,505 |
| 227 | 894 Maintenance of Other Equipment | 1,807,771 | 1,761,037 |
| 228 | TOTAL Maintenance (Total of lines 218 thru 227) | 9,671,088 | 8,686,138 |
| 229 | TOTAL Distribution Expenses (Total of lines 216 and 228) | 27,734,986 | 27,016,576 |
| 230 | 5. CUSTOMER ACCOUNTS EXPENSES | | |
| 231 | Operation | | |
| 232 | 901 Supervision | 147,542 | 149,116 |
| 233 | 902 Meter Reading Expenses | 717,017 | 830,994 |
| 234 | 903 Customer Records and Collection Expenses | 5,391,732 | 5,342,812 |

| Name of Respondent | This Report Is: | Date of Report (Mo, Da, Yr) | Year/Period of Report |
|---|---|---|---|
| Cascade Natural Gas Corporation | (1) ☒ An Original<br>(2) ☐ A Resubmission | 12/31/2021 | End of 2021/Q4 |

**Gas Operation and Maintenance Expenses(continued)**

| Line No. | Account (a) | Amount for Current Year (b) | Amount for Previous Year (c) |
|---|---|---|---|
| 235 | 904 Uncollectible Accounts | 704,670 | 1,296,799 |
| 236 | 905 Miscellaneous Customer Accounts Expenses | 46 | 1,877 |
| 237 | TOTAL Customer Accounts Expenses (Total of lines 232 thru 236) | 6,961,007 | 7,621,598 |
| 238 | 6. CUSTOMER SERVICE AND INFORMATIONAL EXPENSES | | |
| 239 | Operation | | |
| 240 | 907 Supervision | 0 | 0 |
| 241 | 908 Customer Assistance Expenses | 6,576,714 | 6,308,930 |
| 242 | 909 Informational and Instructional Expenses | 141,329 | 68,979 |
| 243 | 910 Miscellaneous Customer Service and Informational Expenses | 192,492 | 201,471 |
| 244 | TOTAL Customer Service and Information Expenses (Total of lines 240 thru 243) | 6,910,535 | 6,579,380 |
| 245 | 7. SALES EXPENSES | | |
| 246 | Operation | | |
| 247 | 911 Supervision | 0 | 0 |
| 248 | 912 Demonstrating and Selling Expenses | 30,359 | 25,977 |
| 249 | 913 Advertising Expenses | 2,279 | 607 |
| 250 | 916 Miscellaneous Sales Expenses | 0 | 0 |
| 251 | TOTAL Sales Expenses (Total of lines 247 thru 250) | 32,638 | 26,584 |
| 252 | 8. ADMINISTRATIVE AND GENERAL EXPENSES | | |
| 253 | Operation | | |
| 254 | 920 Administrative and General Salaries | 10,127,305 | 9,613,327 |
| 255 | 921 Office Supplies and Expenses | 5,419,248 | 5,153,343 |
| 256 | (Less) 922 Administrative Expenses Transferred-Credit | 0 | 0 |
| 257 | 923 Outside Services Employed | 1,113,530 | 963,436 |
| 258 | 924 Property Insurance | 98,340 | 92,938 |
| 259 | 925 Injuries and Damages | 2,090,133 | 1,765,223 |
| 260 | 926 Employee Pensions and Benefits | 6,276,677 | 6,016,390 |
| 261 | 927 Franchise Requirements | 0 | 0 |
| 262 | 928 Regulatory Commission Expenses | 450,002 | 274,403 |
| 263 | (Less) 929 Duplicate Charges-Credit | 0 | 0 |
| 264 | 930.1General Advertising Expenses | 43,691 | 181,175 |
| 265 | 930.2Miscellaneous General Expenses | 478,868 | 535,455 |
| 266 | 931 Rents | 1,509,522 | 1,399,456 |
| 267 | TOTAL Operation (Total of lines 254 thru 266) | 27,607,316 | 25,995,146 |
| 268 | Maintenance | | |
| 269 | 932 Maintenance of General Plant | 107,655 | 89,740 |
| 270 | TOTAL Administrative and General Expenses (Total of lines 267 and 269) | 27,714,971 | 26,084,886 |
| 271 | TOTAL Gas O&M Expenses (Total of lines 97,177,201,229,237,244,251, and 270) | 252,629,658 | 235,478,035 |

| Name of Respondent | This Report Is: | Date of Report | Year/Period of Report |
|---|---|---|---|
| Cascade Natural Gas Corporation | (1) ☒ An Original<br>(2) ☐ A Resubmission | (Mo, Da, Yr)<br>12/31/2021 | End of 2021/Q4 |

## Gas Used in Utility Operations

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 charge was not made to the appropriate operating expense or other account, list separately in column (c) the Dth of gas used, omitting entries in column (d).

| Line No. | Purpose for Which Gas Was Used<br>(a) | Account Charged<br>(b) | Natural Gas<br>Gas Used Dth<br>(c) | Natural Gas<br>Amount of Credit (in dollars)<br>(d) |
|---|---|---|---|---|
| 1 | 810 Gas Used for Compressor Station Fuel - Credit | | | |
| 2 | 811 Gas Used for Products Extraction - Credit | | | |
| 3 | Gas Shrinkage and Other Usage in Respondent's Own Processing - Credit | | | |
| 4 | Gas Shrinkage, etc. for Respondent's Gas Processed by Others - Credit | | | |
| 5 | 812 Gas Used for Other Utility Operations - Credit (Report separately for each principal use. Group minor uses.) | 812 | 55,058 | 137,377 |
| 6 | | | | |
| 7 | | | | |
| 8 | | | | |
| 9 | | | | |
| 10 | | | | |
| 11 | | | | |
| 12 | | | | |
| 13 | | | | |
| 14 | | | | |
| 15 | | | | |
| 16 | | | | |
| 17 | | | | |
| 18 | | | | |
| 19 | | | | |
| 20 | | | | |
| 21 | | | | |
| 22 | | | | |
| 23 | | | | |
| 24 | | | | |
| **25** | **Total** | | 55,058 | 137,377 |

| Name of Respondent | This Report Is: | Date of Report (Mo, Da, Yr) | Year/Period of Report |
|---|---|---|---|
| Cascade Natural Gas Corporation | (1) ☒ An Original<br>(2) ☐ A Resubmission | 12/31/2021 | End of 2021/Q4 |

## 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 | Labor Expenses and applicable overhead charges | 339,126 |
| 2 | Software Maintenance | 221,807 |
| 3 | Organizational Dues | 15,875 |
| 4 | Puget Sound Energy - Fredonia | 12,077 |
| 5 | Vehicle Mileage | 8,000 |
| 6 | Training materials | 1,859 |
| 7 | Meals & Entertainment | 1,839 |
| 8 | Lodging | 1,335 |
| 9 | Commercial Air service | 1,050 |
| 10 | Office Supplies | — |
| 11 | | |
| 12 | | |
| 13 | | |
| 14 | | |
| 15 | | |
| 16 | | |
| 17 | | |
| 18 | | |
| 19 | | |
| 20 | | |
| 21 | | |
| 22 | | |
| 23 | | |
| 24 | | |
| **25** | **TOTAL** | 602,968 |

| Name of Respondent | This Report Is: | Date of Report (Mo, Da, Yr) | Year/Period of Report |
|---|---|---|---|
| Cascade Natural Gas Corporation | (1) ☒ An Original<br>(2) ☐ A Resubmission | 12/31/2021 | End of 2021/Q4 |

**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 (c) 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. | 246,689 |
| 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 | Other expenses | |
| 5 | Director's fees (paid to MDU for CNGC's share of director's expenses) | 205,996 |
| 6 | Miscellaneous under $250,000 | 26,183 |
| 7 | 199 items | |
| 8 | | |
| 9 | | |
| 10 | | |
| 11 | | |
| 12 | | |
| 13 | | |
| 14 | | |
| 15 | | |
| 16 | | |
| 17 | | |
| 18 | | |
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| 20 | | |
| 21 | | |
| 22 | | |
| 23 | | |
| 24 | | |
| **25** | **TOTAL** | 478,868 |

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| Name of Respondent | This Report Is: | Date of Report | Year/Period of Report |
|---|---|---|---|
| Cascade Natural Gas Corporation | (1) ☒ An Original<br>(2) ☐ A Resubmission | (Mo, Da, Yr)<br>12/31/2021 | End of 2021/Q4 |

## Depreciation, Depletion and Amortization of Gas Plant (Accts 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 shown.
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

### 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 (Account 404.1) (d) | Amortization of Underground Storage Land and Land Rights (Account 404.2) (e) |
|---|---|---|---|---|---|
| 1 | Intangible plant | | | | |
| 2 | Production plant, manufactured gas | | | | |
| 3 | Production and Gathering Plant | | | | |
| 4 | Products extraction plant | | | | |
| 5 | Underground Gas Storage Plant (footnote details) | | | | |
| 6 | Other storage plant | | | | |
| 7 | Base load LNG terminaling and processing plant | | | | |
| 8 | Transmission Plant | 355,161 | | | |
| 9 | Distribution plant | 29,647,278 | | | |
| 10 | General Plant (footnote details) | 2,728,318 | | | |
| 11 | Common plant-gas | | | | |
| 12 | Total | 32,730,757 | — | — | — |

**Depreciation, Depletion and Amortization of Gas Plant (Accts 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 the 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 | 4,306,096 | | 4,306,096 | Intangible plant |
| 2 | | | 0 | Production plant, manufactured gas |
| 3 | | | 0 | Production and Gathering Plant |
| 4 | | | 0 | Products extraction plant |
| 5 | | | 0 | Underground Gas Storage Plant (footnote details) |
| 6 | | | 0 | Other storage plant |
| 7 | | | 0 | Base load LNG terminaling and processing plant |
| 8 | | | 355,161 | Transmission Plant |
| 9 | | | 29,647,278 | Distribution plant |
| 10 | | | 2,728,318 | General Plant (footnote details) |
| 11 | | | 0 | Common plant-gas |
| 12 | 4,306,096 | 0 | 37,036,853 | Total |

**Depreciation, Depletion and Amortization of Gas Plant (Accts 403, 404.1, 404.2, 404.3, 405) (Except Amortization of Acquisition Adjustments) (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) | Plant Bases (in thousands) (b) | Applied Depreciation or Amortization Rates (percent) (c) |
|---|---|---|---|
| 1 | Production and Gathering Plant | | |
| 2 | Offshore (footnote details) | | |
| 3 | Onshore (footnote details) | | |
| 4 | Underground Gas Storage Plant (footnote details) | | |
| 5 | Transmission Plant | | |
| 6 | Offshore (footnote details) | | |
| 7 | Onshore (footnote details) | | |
| 8 | General Plant (footnote details) | | |
| 9 | see footnote | | |
| 10 | | | |
| 11 | | | |
| 12 | | | |
| 13 | | | |
| 14 | | | |
| 15 | | | |

**Notes to Depreciation, Depletion and Amortization of Gas Plant**

Depreciation is accrued monthly on the prior months ending balance in each plant account using a rate specific to the account. 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.

| | Washington | | Oregon | |
|---|---|---|---|---|
| Description (a) | Depreciable Plant Base (Thousands) (b) | Composite Rate (Percent) (c) | Depreciable Plant Base (Thousands) (d) | Composite Rate (Percent) (e) |
| Intangible plant | 51,236 | | 14,739 | |
| Manufactured gas production | — | | — | |
| Transmission plant | 19,573 | 1.33 % | 6,247 | 1.52 % |
| Distribution plant | 863,025 | 2.65 % | 240,887 | 2.81 % |
| General plant | 47,552 | 6.45 % | 16,601 | 6.41 % |
| Total - | 981,386 | 3.00 % | 278,474 | 3.22 % |

| Name of Respondent | This Report Is: | Date of Report | Year/Period of Report |
|---|---|---|---|
| Cascade Natural Gas Corporation | (1) ☒ An Original<br>(2) ☐ A Resubmission | (Mo, Da, Yr)<br>12/31/2021 | End of 2021/Q4 |

## 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 account, (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<br>(a) | Amount<br>(b) |
|---|---|---|
| 1 | (a) Miscellaneous Amortization (Account 425) | |
| 2 | | |
| 3 | (b) Miscellaneous Income Deductions (Account 426) | |
| 4 | Donations (Account 426.1) | 164,531 |
| 5 | Life Insurance (Account 426.2) | (1,196,648) |
| 6 | Penalties (Account 426.3) | 465 |
| 7 | Expenditures for Certain Civic, Political and Related Activities | |
| 8 | (Account 426.4) | 324,389 |
| 9 | Other Deductions (Account 426.5) | |
| 10 | Total Miscellaneous Income Deductions (Account 426) | **(707,263)** |
| 11 | | |
| 12 | (c) Interest on Debt to Associated Companies (Account 430) | |
| 13 | | |
| 14 | (d) Other Interest Expense (Account 431) | |
| 15 | | |
| 16 | Customer Deposits-OR Various | 69 |
| 17 | Customer Deposits-WA Various | 272 |
| 18 | Deferral Accounts-OR | — |
| 19 | Deferral Accounts-WA FERC Interest Rate | — |
| 20 | Interest on Short-Term Debt Various | — |
| 21 | Other Various | 31,013 |
| 22 | Total Other Interest Expense (Account 431) | **31,354** |
| 23 | | |
| 24 | | |
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| 27 | | |
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| Name of Respondent | This Report Is: | Date of Report | Year/Period of Report |
|---|---|---|---|
| Cascade Natural Gas Corporation | (1) ☒ An Original<br>(2) ☐ A Resubmission | (Mo, Da, Yr)<br>12/31/2021 | End of 2021/Q4 |

## Employee Pensions and Benefits (Account 926)

1. Report below the items contained in Account 926, Employee Pensions and Benefits.

| Line No. | Expense (a) | Amount (b) |
|---|---|---|
| 1 | Pensions - defined benenfit plans | (720,235) |
| 2 | Pensions - other | 2,780,456 |
| 3 | Post-retirement benefits other than pensions (PBOP) | (763,332) |
| 4 | Post-employment benefit plants | — |
| 5 | Other (Specify) | — |
| 6 | Medical/Dental | 4,770,617 |
| 7 | Various | 209,171 |
| 8 | | |
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| 39 | | |
| | **Total** | **6,276,677** |

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| Name of Respondent | This Report Is: | Date of Report | Year/Period of Report |
|---|---|---|---|
| Cascade Natural Gas Corporation | (1) ☒ An Original<br>(2) ☐ A Resubmission | (Mo, Da, Yr)<br>12/31/2021 | End of 2021/Q4 |

## 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 operating 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<br>(a) | Direct Payroll Distribution<br>(b) | Payroll Billed by Affiliated Companies<br>(c) | Allocation of Payroll Charged for Clearing Accounts<br>(d) | Total<br>(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 Operation and Maintenance (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 Terminaling and Processing | | | | |
| 32 | Transmission | | | | |
| 33 | Distribution | 13,691,254 | | | 13,691,254 |
| 34 | Customer Accounts | 4,091,366 | | | 4,091,366 |
| 35 | Customer Service and Informational | 846,642 | | | 846,642 |
| 36 | Sales | 27,341 | | | 27,341 |
| 37 | Administrative and General | 7,249,997 | | | 7,249,997 |
| 38 | TOTAL Operation (Total of lines 28 thru 37) | 25,906,600 | — | — | 25,906,600 |
| 39 | Maintenance | | | | |
| 40 | Production - Manufactured Gas | | | | |
| 41 | Production - Natural Gas(Including Exploration and Development) | | | | |
| 42 | Other Gas Supply | | | | |
| 43 | Storage, LNG Terminaling and Processing | | | | |
| 44 | Transmission | | | | |
| 45 | Distribution | 5,356,356 | | | 5,356,356 |

| Name of Respondent | This Report Is: | Date of Report | Year/Period of Report |
|---|---|---|---|
| Cascade Natural Gas Corporation | (1) ☒ An Original<br>(2) ☐ A Resubmission | (Mo, Da, Yr)<br>12/31/2021 | End of 2021/Q4 |

**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) | 5,356,356 | — | — | 5,356,356 |
| 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 of lines 30 and 42) | — | — | — | — |
| 53 | Storage, LNG Terminaling and Processing (Total of ll. 31 and 43) | — | — | — | — |
| 54 | Transmission (Total of lines 32 and 44) | — | — | — | — |
| 55 | Distribution (Total of lines 33 and 45) | 19,047,610 | — | — | 19,047,610 |
| 56 | Customer Accounts (Total of line 34) | 4,091,366 | — | — | 4,091,366 |
| 57 | Customer Service and Informational (Total of line 35) | 846,642 | — | — | 846,642 |
| 58 | Sales (Total of line 36) | 27,341 | — | — | 27,341 |
| 59 | Administrative and General (Total of lines 37 and 46) | 7,249,997 | — | — | 7,249,997 |
| 60 | Total Operation and Maintenance (Total of lines 50 thru 59) | 31,262,956 | — | — | 31,262,956 |
| 61 | Other Utility Departments | | | | |
| 62 | Operation and Maintenance | | | | |
| 63 | TOTAL ALL Utility Dept. (Total of lines 25, 60, and 62) | 31,262,956 | — | — | 31,262,956 |
| 64 | Utility Plant | | | | |
| 65 | Construction (By Utility Departments) | | | | |
| 66 | Electric Plant | | | | |
| 67 | Gas Plant | 7,311,566 | | | 7,311,566 |
| 68 | Other | | | | |
| 69 | TOTAL Construction (Total of lines 66 thru 68) | 7,311,566 | — | — | 7,311,566 |
| 70 | Plant Removal (By Utility Departments) | | | | |
| 71 | Electric Plant | | | | |
| 72 | Gas Plant | 402,080 | | | 402,080 |
| 73 | Other | | | | |
| 74 | TOTAL Plant Removal (Total of lines 71 thru 73) | 402,080 | — | — | 402,080 |
| 75 | Other Accounts (Specify) (PTO/Incentive/Severance Pay Liabilities) | 955,403 | | | 955,403 |
| 76 | TOTAL Other Accounts | 955,403 | | | 955,403 |
| 77 | TOTAL SALARIES AND WAGES | 39,932,005 | — | — | 39,932,005 |

| Name of Respondent | This Report Is: | Date of Report | Year/Period of Report |
|---|---|---|---|
| Cascade Natural Gas Corporation | (1) ☒ An Original<br>(2) ☐ A Resubmission | (Mo, Da, Yr)<br>12/31/2021 | End of 2021/Q4 |

## Charges for Outside Professional and Other Consultative Services

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 partnership, 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.
   (a) Name of person or organization rendering services.
   (b) Total charges for the year.
2. Sum under a description “Other”, all of the aforementioned services amounting to $250,000 or less.
3. Total under a description “Total”, the total of all of the aforementioned services.
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.

| Line No. | Description (a) | Amount (in dollars) (b) |
|---|---|---|
| 1 | MICHELS CORPORATION | 8,411,956 |
| 2 | MICHELS UTILITY SERVICES INC | 6,926,536 |
| 3 | BROTHERS PIPELINE CORP | 6,122,135 |
| 4 | INFRASOURCE SERVICES LLC | 4,497,491 |
| 5 | HANGING H COMPANIES, LLC | 4,494,327 |
| 6 | NORTHWEST PIPELINE LLC | 4,255,208 |
| 7 | JH KELLY LLC | 3,214,447 |
| 8 | INFRASOURCE SERVICES LLC | 2,515,518 |
| 9 | PARAMETRIX INC | 1,063,917 |
| 10 | MISTRAS GROUP INC | 929,082 |
| 11 | SNYDER GAS CONSULTING LLC | 832,819 |
| 12 | TRC ENVIRONMENTAL CORPORATION | 810,723 |
| 13 | BLUE SKY CONSTRUCTION LLC | 750,771 |
| 14 | ANCHOR QEA | 646,953 |
| 15 | NORTHWEST METAL FAB & PIPE INC | 568,786 |
| 16 | MATHESON PAINTING INC | 543,596 |
| 17 | MACKAY & SPOSITO, INC | 527,556 |
| 18 | NORTHWEST INSPECTION, INC | 476,790 |
| 19 | MCDOWELL RACKNER & GIBSON, PC | 375,689 |
| 20 | DELOITTE & TOUCHE | 344,552 |
| 21 | AUTOMOTIVE RENTALS INC. | 283,469 |
| 22 | MESA PRODUCTS INC | 275,490 |
| 23 | | |
| 24 | Other | 11,162,810 |
| 25 | | |
| 26 | | |
| 27 | | |
| 28 | | |
| 29 | | |
| 30 | | |
| 31 | | |
| 32 | | |
| 33 | | |
| 34 | | |
| 35 | Total | 60,030,621 |

## 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 or Services Provided by Affiliated Company | | | |
| 2 | | IGC/MDU/MDU RESOURCES | 107 | 2,461,674 |
| 3 | | | 426.1 | 141,479 |
| 4 | | | 426.2 | (282,185) |
| 5 | | | 426.4 | 324,160 |
| 6 | | | 426.5 | — |
| 7 | | | 813 | 185,850 |
| 8 | | | 870 | 1,308,531 |
| 9 | | | 872 | 33,101 |
| 10 | | | 874 | 44,865 |
| 11 | | | 875 | 118,618 |
| 12 | | | 876 | 19,601 |
| 13 | | | 878 | 5,340 |
| 14 | | | 880 | 1,137,668 |
| 15 | | | 881 | 98,044 |
| 16 | | | 885.0 | 38,017 |
| 17 | | | 887 | 3,824 |
| 18 | | | 887 | — |
| 19 | | | 888 | 86,957 |
| 20 | Goods or Services Provided for Affiliated Company | | | |
| 21 | | | 892 | 98 |
| 22 | | | 894 | 10,987 |
| 23 | | | 901 | 42,973 |
| 24 | | | 902 | 141,358 |
| 25 | | | 903 | 5,320,894 |
| 26 | | | 904 | 704,670 |
| 27 | | | 908 | 43,977 |
| 28 | | | 909 | 114,588 |
| 29 | | | 913 | 2,175 |
| 30 | | | 920 | 8,413,013 |
| 31 | | | 921 | 4,317,995 |
| 32 | | | 922.0 | — |
| 33 | | | 923.0 | 512,570 |
| 34 | | | 925 | 22,953 |
| 35 | | | 926 | 56,964 |
| 36 | | | 930 | 41,524 |
| 37 | | | 930 | 463,688 |
| 38 | | | 931 | 1,444,924 |
| 39 | | | 932 | 1,157 |
| 40 | | | | |

| Name of Respondent | This Report Is: | Date of Report | Year/Period of Report |
|---|---|---|---|
| Cascade Natural Gas Corporation | (1) ☒ An Original<br>(2) ☐ A Resubmission | (Mo, Da, Yr)<br>12/31/2021 | End of 2021/Q4 |

## 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 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-owner, 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 | 1 | 1,350 | 2,000,731 |
| 2 | Placed in Service: August 2001 | | | |
| 3 | | | | |
| 4 | | | | |
| 5 | | | | |
| 6 | | | | |
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| 25 | | | | |

| Name of Respondent | This Report Is: | Date of Report | Year/Period of Report |
|---|---|---|---|
| Cascade Natural Gas Corporation | (1) ☒ An Original<br>(2) ☐ A Resubmission | (Mo, Da, Yr)<br>12/31/2021 | End of 2021/Q4 |

## Compressor Stations

Designate any station that was not operated during the past year. State in a 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.

| Line No. | Expenses (except depreciation and taxes) Fuel (e) | Expenses (except depreciation and taxes) Power (f) | Expenses (except depreciation and taxes) Other (g) | Gas for Compressor Fuel in Dth (h) | Electricity for Compressor Station in kWh (i) | Operational Data Total Compressor Hours of Operation During Year (j) | Operational Data Number of Compressors Operated at Time Station Peak (k) | Date of Station Peak (l) |
|---|---|---|---|---|---|---|---|---|
| 1 | 38,488 | | 320,692 | | | | 1 | |
| 2 | | | | | | | | |
| 3 | | | | | | | | |
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## Gas Account - Natural Gas

1. The purpose of this schedule is to account for the quantity of natural gas received and delivered by the respondent.
2. Natural gas means either natural gas unmixed or any mixture of natural and manufactured gas.
3. Enter in column (c) the year to date Dth as reported in the schedules indicated for the items of receipts and deliveries.
4. Enter in column (d) the respective quarter's Dth as reported in the schedules indicated for the items of receipts and deliveries.
5. Indicate in a footnote the quantities of bundled sales and transportation gas and specify the line on which such quantities are listed.
6. If the respondent operates two or more systems which are not interconnected, submit separate pages for this purpose.
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.
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.
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 pipeline during the reporting year which the reporting pipeline intends to sell or transport in a future reporting year, and (3) contract storage quantities.
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.

| Line No. | Item<br>(a) | Ref. Page No. of (FERC Form Nos. 2/2-A)<br>(b) | Total Amount of Dth Year to Date<br>(c) | Current Three Months Ended Amount of Dth Quarterly Only<br>(d) |
|---|---|---|---|---|
| 01 | Name of System: | | | |
| 2 | GAS RECEIVED | | | |
| 3 | Gas Purchases (Accounts 800-805) | | 33,955,001 | |
| 4 | Gas of Others Received for Gathering (Account 489.1) | 303 | — | |
| 5 | Gas of Others Received for Transmission (Account 489.2) | 305 | — | |
| 6 | Gas of Others Received for Distribution (Account 489.3) | 301 | — | |
| 7 | Gas of Others Received for Contract Storage (Account 489.4) | 307 | — | |
| 8 | Gas of Others Received for Production/Extraction/Processing (Account 490 and 491) | | — | |
| 9 | Exchanged Gas Received from Others (Account 806) | 328 | — | |
| 10 | Gas Received as Imbalances (Account 806) | 328 | — | |
| 11 | Receipts of Respondent's Gas Transported by Others (Account 858) | 332 | — | |
| 12 | Other Gas Withdrawn from Storage (Explain) | | 2,752,069 | |
| 13 | Gas Received from Shippers as Compressor Station Fuel | | — | |
| 14 | Gas Received from Shippers as Lost and Unaccounted for | | — | |
| 15 | Other Receipts (Specify) (footnote details) | | 118,780,415 | |
| 16 | Total Receipts (Total of lines 3 thru 15) | | 155,487,485 | — |
| 17 | GAS DELIVERED | | | |
| 18 | Gas Sales (Accounts 480-484) | | 33,463,966 | |
| 19 | Deliveries of Gas Gathered for Others (Account 489.1) | 303 | — | |
| 20 | Deliveries of Gas Transported for Others (Account 489.2) | 305 | — | |
| 21 | Deliveries of Gas Distributed for Others (Account 489.3) | 301 | 118,780,415 | |
| 22 | Deliveries of Contract Storage Gas (Account 489.4) | 307 | — | |
| 23 | Gas of Others Delivered for Production/Extraction/Processing (Account 490 and 491) | | — | |
| 24 | Exchange Gas Delivered to Others (Account 806) | 328 | — | |
| 25 | Gas Delivered as Imbalances (Account 806) | 328 | — | |
| 26 | Deliveries of Gas to Others for Transportation (Account 858) | 332 | — | |
| 27 | Other Gas Delivered to Storage (Explain) | | 3,192,482 | |
| 28 | Gas Used for Compressor Station Fuel | 509 | — | |
| 29 | Other Deliveries and Gas Used for Other Operations | | 48,703 | |
| 30 | Total Deliveries (Total of lines 18 thru 29) | | 155,485,566 | — |
| 31 | GAS LOSSES AND GAS UNACCOUNTED FOR | | | |
| 32 | Gas Losses and Gas Unaccounted For | | 1,919 | |
| 33 | TOTALS | | | |
| 34 | Total Deliveries, Gas Losses & Unaccounted For (Total of lines 30 and 32) | | 155,487,485 | — |

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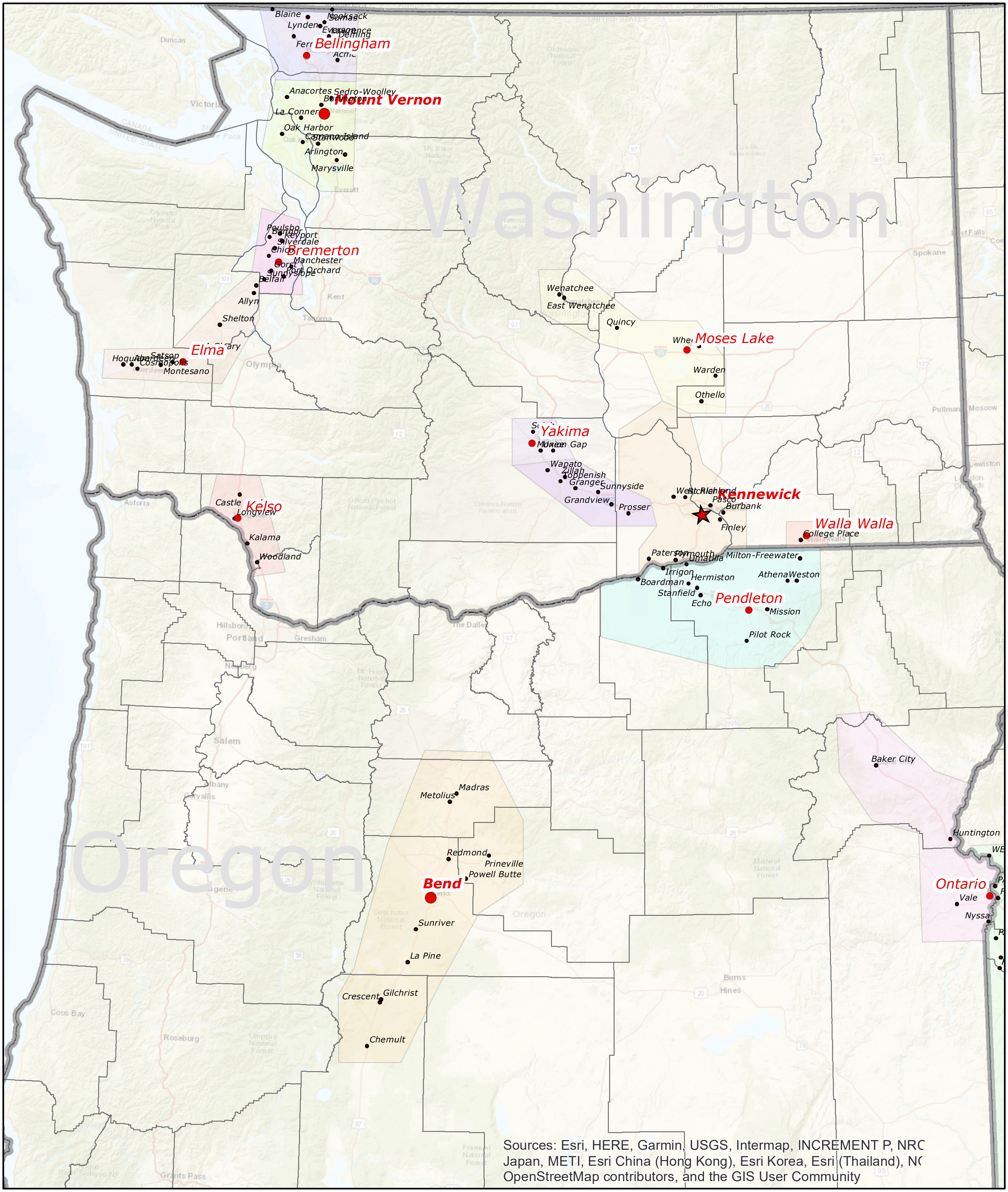
## System Maps

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 then this report. Bind the maps to the report.

See attached map.




# Communities Served

2022

0 25 50 100 Miles

N

**Communities**

- Communities Served
- District Office
- Region Office
- General Office

CASCADE NATURAL GAS CORPORATION®

A Subsidiary of MDU Resources Group, Inc.

*In the Community to Serve®*

| INDEX | |
|---|---|