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December 2, 2020

Mr. Mark L. Johnson
Executive Director and Secretary
Washington Utilities & Transportation Commission
P.O. Box 47250
Olympia, WA 98504-7250

RE: UG-200877 Supplemental, Issuance of Debt Securities Filing – Do not re-docket.

Dear Mr. Johnson:

After a conversation with Commission Staff, our initial securities filing omitted specific language required; thus, this supplemental filing corrects any omissions while fulfilling additional requirements pursuant to WAC 480-90-242.

Pursuant to RCW 80.08.040, Cascade Natural Gas Corporation (Cascade) intends to issue long-term debt securities in the amount of \$25,000,000.

The following information is supplied in conformance with RCW 80.08.040 and WAC 480-90-242:

1. The issuance purpose is to refinance existing debt, which is in the public interest because it lowers debt service costs through lower interest rates, and thus lowering our customers overall bills. The purpose of all transactions under this long-term note will meet the requirements of RCW 80.08.030.

Applicant proposes to issue and sell no more than \$25,000,000 Unsecured Notes obligating Cascade to pay interest on a periodic basis on a fixed coupon rate established as part of the note obligation with principal payable at some future date. The note will have a 40-year maturity with a coupon rate of 3.34 percent. Applicant issued this note October 2020 to benefit from the current low long-term interest rates. The note was issued by Cascade. The note was sold at one time to institutional investors in a private placement led by RBC Capital Markets, LLC.

2. Common equity, preferred stock, and debt are a necessary component of the capital structure for Cascade, which is consistent with the long-term nature of its investments or assets. Applicant will use proceeds from the security issuance for the following purposes and no others: the acquisition of utility property or the construction, extension or improvement of utility facilities; the improvement or maintenance of

service; and refunding the Company's treasury expended on utility purposes. Specifically, applicant will pay off approximately \$24,200,000 of long-term obligations with an interest rate of 5.25% due February 1, 2035. Projected capital additions in fiscal year 2020 are approximately \$108,000,000.

Cascade is complying with the Commission's rules WAC 480-90-242(6); therefore, providing the following file is electronically submitted as part of this filing:

- UG-200877 CNGC Note Purchase Agreement, 12.02.20 (C).pdf
- UG-200877 CNGC Note Purchase Agreement, 12.02.20 (R).pdf

Note Purchase Agreement is marked confidential pursuant to WAC 480-07-160. The content contains valuable commercially sensitive or material that is non-public information.

In addition, this concludes Cascade's issuance of debt securities under its original filing. I certify, or declare, under penalty of perjury under the laws of the State of Washington that the foregoing is true and correct. If there are any questions regarding this filing, please contact me at (208) 377-6124.

Sincerely,

/s/ Mark Chiles

Mark Chiles
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