

Exhibit No. \_\_ (JSG-2)  
Docket No. UG-15 \_\_\_\_  
Witness: J. Stephen Gaske

BEFORE THE  
WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

WASHINGTON UTILITIES AND  
TRANSPORTATION COMMISSION,  
Complainant,

v.

CASCADE NATURAL GAS  
CORPORATION,  
Respondent.

DOCKET UG-15 \_\_\_\_

CASCADE NATURAL GAS CORPORATION

EXHIBIT OF J. STEPHEN GASKE

General Economic Statistics

December 1, 2015

## Cascade Natural Gas Corporation

### General Economic Statistics

1985-2014

Year	[1]	[2]	[3]	[4]	[5]
	Percentage Price Changes		Real	Nominal	Nominal
	Consumer	GDP	GDP	GDP	GDP
	Price	Implicit Price	GDP	GDP	GDP
	Index	Deflator	Growth	(\$ billions)	Growth
1984	4.3%	3.5%	7.3%	4,040.7	
1985	3.6%	3.2%	4.2%	4,346.7	7.6%
1986	1.9%	2.0%	3.5%	4,590.2	5.6%
1987	3.6%	2.6%	3.5%	4,870.2	6.1%
1988	4.1%	3.5%	4.2%	5,252.6	7.9%
1989	4.8%	3.9%	3.7%	5,657.7	7.7%
1990	5.4%	3.7%	1.9%	5,979.6	5.7%
1991	4.2%	3.3%	-0.1%	6,174.0	3.3%
1992	3.0%	2.3%	3.6%	6,539.3	5.9%
1993	3.0%	2.4%	2.7%	6,878.7	5.2%
1994	2.6%	2.1%	4.0%	7,308.8	6.3%
1995	2.8%	2.1%	2.7%	7,664.1	4.9%
1996	3.0%	1.8%	3.8%	8,100.2	5.7%
1997	2.3%	1.7%	4.5%	8,608.5	6.3%
1998	1.6%	1.1%	4.5%	9,089.2	5.6%
1999	2.2%	1.5%	4.7%	9,660.6	6.3%
2000	3.4%	2.3%	4.1%	10,284.8	6.5%
2001	2.8%	2.3%	1.0%	10,621.8	3.3%
2002	1.6%	1.5%	1.8%	10,977.5	3.3%
2003	2.3%	2.0%	2.8%	11,510.7	4.9%
2004	2.7%	2.7%	3.8%	12,274.9	6.6%
2005	3.4%	3.2%	3.3%	13,093.7	6.7%
2006	3.2%	3.1%	2.7%	13,855.9	5.8%
2007	2.8%	2.7%	1.8%	14,477.6	4.5%
2008	3.8%	2.0%	-0.3%	14,718.6	1.7%
2009	-0.4%	0.8%	-2.8%	14,418.7	-2.0%
2010	1.6%	1.2%	2.5%	14,964.4	3.8%
2011	3.2%	2.1%	1.6%	15,517.9	3.7%
2012	2.1%	1.8%	2.2%	16,155.3	4.1%
2013	1.5%	1.6%	1.5%	16,663.2	3.1%
2014	1.6%	1.6%	2.4%	17,348.1	4.1%

Average Rate of Change [6]:

1985-2014	2.8%	2.3%	2.7%	4.7%	5.0%
1995-2014	2.4%	2.0%	2.4%	4.2%	4.4%
2005-2014	2.3%	2.0%	1.5%	2.9%	3.5%

Notes:

- [1] U.S. Department of Labor, Bureau of Labor Statistics;  
 U.S. city average, all urban consumers, all items, not seasonally adjusted
- [2] U.S. Department of Commerce, Bureau of Economic Analysis,  
 National Income and Product Accounts Tables, Table 1.1.9, Revised on October 29, 2015
- [3] U.S. Department of Commerce, Bureau of Economic Analysis,  
 National Income and Product Accounts Tables, Table 1.1.1, Revised on October 29, 2015
- [4] U.S. Department of Commerce, Bureau of Economic Analysis,  
 National Income and Product Accounts Tables, Table 1.1.5, Revised on October 29, 2015
- [5] Equals annual percent change of Column [4]
- [6] Nominal GDP growth rates based on geometric average rate of change

## Cascade Natural Gas Corporation

### Bond Yield Averages

*January 2010 - October 2015*

		[1]	[2]	[3]	[4]	[5]	[6]
		30-year U.S. Treasury Bond		Public Utility Bonds		Credit Spreads	
		Average	Corporate	A-Rated	Baa-Rated	A-Rated	Baa-Rated
2010	JAN	4.60	5.76	5.77	6.16	1.17	1.55
	FEB	4.62	5.86	5.87	6.25	1.25	1.63
	MAR	4.64	5.81	5.84	6.22	1.20	1.58
	APR	4.69	5.80	5.81	6.19	1.12	1.49
	MAY	4.29	5.52	5.50	5.97	1.21	1.68
	JUN	4.13	5.52	5.46	6.18	1.34	2.05
	JUL	3.99	5.32	5.26	5.98	1.26	1.98
	AUG	3.80	5.05	5.01	5.55	1.20	1.74
	SEP	3.77	5.05	5.01	5.53	1.24	1.76
	OCT	3.87	5.15	5.10	5.62	1.23	1.75
	NOV	4.19	5.37	5.37	5.85	1.18	1.67
	DEC	4.42	5.55	5.56	6.04	1.14	1.62
2011	JAN	4.52	5.56	5.57	6.06	1.05	1.54
	FEB	4.65	5.66	5.68	6.10	1.03	1.45
	MAR	4.51	5.55	5.56	5.97	1.05	1.46
	APR	4.50	5.56	5.55	5.98	1.05	1.48
	MAY	4.29	5.33	5.32	5.74	1.03	1.45
	JUN	4.23	5.30	5.26	5.67	1.03	1.44
	JUL	4.27	5.30	5.27	5.70	0.99	1.43
	AUG	3.65	4.79	4.69	5.22	1.04	1.57
	SEP	3.18	4.60	4.48	5.11	1.30	1.93
	OCT	3.13	4.60	4.52	5.24	1.39	2.11
	NOV	3.02	4.39	4.25	4.93	1.23	1.92
	DEC	2.98	4.47	4.33	5.07	1.35	2.09
2012	JAN	3.03	4.45	4.34	5.06	1.31	2.04
	FEB	3.11	4.42	4.36	5.02	1.25	1.91
	MAR	3.28	4.54	4.48	5.13	1.20	1.85
	APR	3.18	4.49	4.40	5.11	1.21	1.93
	MAY	2.93	4.33	4.20	4.97	1.27	2.03
	JUN	2.70	4.22	4.08	4.91	1.38	2.21
	JUL	2.59	4.03	3.93	4.85	1.34	2.26
	AUG	2.77	4.09	4.00	4.88	1.23	2.11
	SEP	2.88	4.09	4.02	4.81	1.14	1.93
	OCT	2.90	3.97	3.91	4.54	1.01	1.64
	NOV	2.80	3.92	3.84	4.42	1.03	1.61
	DEC	2.88	4.05	4.00	4.56	1.12	1.67

## Cascade Natural Gas Corporation

### Bond Yield Averages

*January 2010 - October 2015*

		[1]	[2]	[3]	[4]	[5]	[6]
		30-year U.S. Treasury Bond		Public Utility Bonds		Credit Spreads	
		Average	Average	A-Rated	Baa-Rated	A-Rated	Baa-Rated
		Corporate	Corporate				
2013	JAN	3.08	4.19	4.15	4.66	1.07	1.58
	FEB	3.17	4.27	4.18	4.74	1.02	1.58
	MAR	3.16	4.29	4.20	4.72	1.04	1.56
	APR	2.93	4.07	4.00	4.49	1.07	1.55
	MAY	3.11	4.23	4.17	4.65	1.05	1.54
	JUN	3.40	4.63	4.53	5.08	1.13	1.68
	JUL	3.61	4.76	4.68	5.21	1.08	1.60
	AUG	3.76	4.89	4.73	5.28	0.97	1.52
	SEP	3.79	4.95	4.80	5.31	1.02	1.52
	OCT	3.68	4.82	4.70	5.17	1.02	1.49
	NOV	3.80	4.91	4.77	5.24	0.97	1.44
	DEC	3.89	4.92	4.81	5.25	0.92	1.36
2014	JAN	3.77	4.76	4.63	5.09	0.86	1.32
	FEB	3.66	4.68	4.53	5.01	0.87	1.35
	MAR	3.62	4.65	4.51	5.00	0.89	1.37
	APR	3.52	4.52	4.41	4.85	0.89	1.33
	MAY	3.39	4.38	4.26	4.69	0.87	1.30
	JUN	3.42	4.44	4.29	4.73	0.87	1.31
	JUL	3.33	4.37	4.23	4.66	0.89	1.33
	AUG	3.20	4.29	4.13	4.65	0.93	1.45
	SEP	3.26	4.39	4.24	4.79	0.98	1.53
	OCT	3.04	4.22	4.06	4.67	1.02	1.63
	NOV	3.04	4.28	4.09	4.75	1.05	1.71
	DEC	2.83	4.17	3.95	4.70	1.11	1.86
2015	JAN	2.46	3.84	3.58	4.39	1.13	1.94
	FEB	2.57	3.93	3.67	4.44	1.11	1.87
	MAR	2.63	3.98	3.74	4.51	1.12	1.88
	APR	2.59	3.93	3.75	4.51	1.16	1.92
	MAY	2.96	4.35	4.17	4.91	1.22	1.95
	JUN	3.11	4.56	4.39	5.13	1.28	2.01
	JUL	3.07	4.57	4.40	5.22	1.33	2.16
	AUG	2.86	4.48	4.25	5.23	1.39	2.37
	SEP	2.95	4.59	4.39	5.42	1.43	2.47
	OCT	2.89	4.52	4.29	5.47	1.40	2.58
2015	AVG	2.81	4.27	4.06	4.92	1.26	2.12

Notes:

- [1] Bloomberg Finance L.P., 30-Year U.S. Treasury Bond
- [2] Bloomberg Finance L.P., Moody's Average Corporate Bond Index
- [3] Bloomberg Finance L.P., Moody's A-Rated Utility Bond Index
- [4] Bloomberg Finance L.P., Moody's Baa-Rated Utility Bond Index
- [5] Equals Column [3] – Column [1]
- [6] Equals Column [4] – Column [1]

## Cascade Natural Gas Corporation

### Common Equity Flotation Costs of Natural Gas Distribution Companies 2004-2015

Issuer	Date of Offering	Number of Shares	Issue Price	Net Proceeds Per Share	Financing Costs as a Percent of Net Proceeds
Piedmont Natural Gas Company, Inc.	1/20/2004	4,250,000	\$42.500	\$41.010	3.63%
MDU Resources Group, Inc.	2/4/2004	2,000,000	\$23.320	\$22.527	3.52%
UGI Corporation	3/18/2004	7,500,000	\$32.100	\$30.696	4.58%
Northwest Natural Gas Company	3/30/2004	1,200,000	\$31.000	\$29.990	3.37%
The Laclede Group, Inc.	5/25/2004	1,500,000	\$26.800	\$25.929	3.36%
Atmos Energy Corporation	7/13/2004	8,650,000	\$24.750	\$23.760	4.17%
Southern Union Company	7/26/2004	11,000,000	\$18.750	\$18.094	3.63%
Aquila, Inc.	8/18/2004	40,000,000	\$2.550	\$2.451	4.04%
Atmos Energy Corporation	10/21/2004	14,000,000	\$24.750	\$23.760	4.17%
AGL Resources Inc.	11/19/2004	9,600,000	\$31.010	\$30.080	3.09%
Cinergy Corporation	12/9/2004	6,100,000	\$41.000	\$40.510	1.21%
Southern Union Company	2/7/2005	14,910,000	\$23.000	\$22.300	3.14%
SEMCO Energy, Inc.	8/10/2005	4,300,000	\$6.320	\$6.067	4.17%
Chesapeake Utilities Corporation	11/16/2006	600,300	\$30.100	\$28.975	3.88%
Atmos Energy Corporation	12/7/2006	5,500,000	\$31.500	\$30.398	3.63%
Vectren Corporation	2/22/2007	4,600,000	\$28.330	\$27.338	3.63%
Unitil Corporation	12/10/2008	2,000,000	\$20.000	\$18.950	5.54%
Unitil Corporation	5/20/2009	2,400,000	\$20.000	\$18.950	5.54%
CenterPoint Energy, Inc.	9/10/2009	21,000,000	\$12.000	\$11.580	3.63%
CenterPoint Energy, Inc.	6/9/2010	22,000,000	\$12.900	\$12.449	3.63%
NiSource Inc.	9/8/2010	21,100,000	\$16.500	\$15.964	3.36%
Gas Natural Inc.	11/10/2010	2,100,000	\$10.000	\$9.400	6.38%
Unitil Corporation	5/10/2012	2,400,000	\$25.250	\$23.988	5.26%
Gas Natural Inc.	6/27/2012	700,000	\$10.100	\$9.494	6.38%
Piedmont Natural Gas Company, Inc.	1/29/2013	4,000,000	\$32.000	\$30.880	3.63%
The Laclede Group, Inc.	5/22/2013	8,700,000	\$44.500	\$42.780	4.02%
Gas Natural Inc.	7/11/2013	1,500,000	\$10.000	\$9.425	6.10%
Gas Natural Inc.	10/31/2013	1,134,155	\$10.000	\$9.425	6.10%
Atmos Energy Corporation	2/11/2014	8,000,000	\$44.000	\$42.460	3.63%
The Laclede Group, Inc.	6/5/2014	9,000,000	\$46.250	\$44.539	3.84%
Average 2004-2015:					4.14%
Selected Flotation Costs for Cost of Equity:					4.00%

Sources: SNL Financial

## Cascade Natural Gas Corporation

### Selected Natural Gas Distribution Companies Fiscal Year 2014 Operating Data

Company	Ticker	Total Assets (\$ millions)	Operating Revenues (\$ millions)	Operating Income (\$ millions)
Atmos Energy Corporation	ATO	8,594.7	4,940.9	611.3 2/
Laclede Group, Inc. (The)	LG	5,074.0	1,627.2	166.4 2/
New Jersey Resources Corporation	NJR	3,158.8	3,738.1	201.2 2/
Northwest Natural Gas Company	NWN	3,064.9	772.9	143.0 1/
South Jersey Industries, Inc.	SJI	3,349.4	887.0	127.6 1/
Southwest Gas Corporation	SWX	5,214.5	2,121.7	284.5 1/
WGL Holdings, Inc.	WGL	4,856.5	2,780.9	197.5 2/
High		8,595	4,941	611
<b>Average</b>		<b>4,759</b>	<b>2,410</b>	<b>247</b>
<b>Median</b>		<b>4,856</b>	<b>2,122</b>	<b>198</b>
Low		3,065	773	128
Cascade Natural Gas Corp.		<b>\$289.7</b>	<b>\$262.7</b>	<b>\$22.2 3/</b>
Cascade Natural Gas Distribution % of:				
- Proxy Company Median		5.96%	12.38%	11.22%

Notes:

1/ Source: SNL Financial LC; data as of December 31, 2014

1/ Source: SNL Financial LC; data as of September 30, 2014

3/ Source: Cascade Exhibit MPP-2, based on test year revenue requirement and rate base

## Cascade Natural Gas Corporation

### Selected Natural Gas Distribution Companies Credit Ratings

Company	Ticker	Standard & Poor's	Moody's
Atmos Energy Corporation	ATO	A-	A2
Laclede Group, Inc. (The)	LG	A-	Baa2
New Jersey Resources Corporation	NJR	A	Aa2
Northwest Natural Gas Company	NWN	A+	A3
South Jersey Industries, Inc.	SJI	BBB+	--
Southwest Gas Corporation	SWX	BBB+	A3
WGL Holdings, Inc.	WGL	A+	A3
<b>Average</b>		<b>A-</b>	<b>A3</b>
<b>Median</b>		<b>A-</b>	<b>A3</b>
Cascade Natural Gas		BBB+	--

Notes:

Source: SNL Financial LC as of October 31, 2015

New Jersey Resources Corporation rating is for New Jersey Natural  
Gas Company

## Cascade Natural Gas Corporation

### Selected Natural Gas Distribution Companies Dividend Yields

*May 2015 - October 2015*

Company	Ticker	Average Dividend Yield
Atmos Energy Corporation	ATO	2.84%
Laclede Group, Inc. (The)	LG	3.45%
New Jersey Resources Corporation	NJR	3.15%
Northwest Natural Gas Company	NWN	4.18%
South Jersey Industries, Inc.	SJI	3.99%
Southwest Gas Corporation	SWX	2.93%
WGL Holdings, Inc.	WGL	3.29%
<b>Average</b>		<b>3.40%</b>
<b>Median</b>		<b>3.29%</b>

			Price			Annualized Dividend	Dividend Yield
			Low	High	Average		
Atmos Energy Corporation	ATO	May-15	52.18	55.10	\$ 53.64	\$ 1.56	2.91%
		Jun-15	50.83	54.48	52.66	1.56	2.96%
		Jul-15	51.03	55.72	53.38	1.56	2.92%
		Aug-15	52.08	57.96	55.02	1.56	2.84%
		Sep-15	52.42	58.33	55.38	1.56	2.82%
		Oct-15	57.37	63.46	60.42	1.56	<u>2.58%</u>
							<b>2.84%</b>
Laclede Group, Inc.	LG	May-15	50.04	53.89	\$ 51.97	\$ 1.84	3.54%
		Jun-15	50.93	54.32	52.63	1.84	3.50%
		Jul-15	51.48	54.74	53.11	1.84	3.46%
		Aug-15	51.52	56.31	53.92	1.84	3.41%
		Sep-15	49.66	54.62	52.14	1.84	3.53%
		Oct-15	53.86	59.38	56.62	1.84	<u>3.25%</u>
							<b>3.45%</b>
New Jersey Resources Corporation	NJR	May-15	29.10	31.31	\$ 30.21	\$ 0.90	2.98%
		Jun-15	26.77	30.27	28.52	0.90	3.16%
		Jul-15	27.39	29.72	28.56	0.90	3.15%
		Aug-15	27.74	29.84	28.79	0.90	3.13%
		Sep-15	26.89	30.07	28.48	0.96	3.37%
		Oct-15	29.67	31.85	30.76	0.96	<u>3.12%</u>
							<b>3.15%</b>
Northwest Natural Gas Company	NWN	May-15	43.77	47.04	\$ 45.41	\$ 1.86	4.10%
		Jun-15	42.08	44.85	43.47	1.86	4.28%
		Jul-15	42.10	44.48	43.29	1.86	4.30%
		Aug-15	42.00	46.74	44.37	1.86	4.19%
		Sep-15	42.25	45.99	44.12	1.86	4.22%
		Oct-15	45.03	48.61	46.82	1.87	<u>3.99%</u>
							<b>4.18%</b>



## Cascade Natural Gas Corporation

### Selected Natural Gas Distribution Companies Dividend Yields May 2015 - October 2015

Company	Ticker	Average Dividend Yield
Atmos Energy Corporation	ATO	2.84%
Laclede Group, Inc. (The)	LG	3.45%
New Jersey Resources Corporation	NJR	3.15%
Northwest Natural Gas Company	NWN	4.18%
South Jersey Industries, Inc.	SJI	3.99%
Southwest Gas Corporation	SWX	2.93%
WGL Holdings, Inc.	WGL	3.29%
<b>Average</b>		<b>3.40%</b>
<b>Median</b>		<b>3.29%</b>

			Price			Annualized Dividend	Dividend Yield
			Low	High	Average		
South Jersey Industries, Inc.	SJI	May-15	25.40	26.88	\$ 26.14	\$ 1.01	3.84%
		Jun-15	24.51	26.64	25.58	1.01	3.93%
		Jul-15	23.79	25.78	24.79	1.01	4.05%
		Aug-15	23.56	26.09	24.82	1.01	4.05%
		Sep-15	22.91	25.28	24.10	1.01	4.17%
		Oct-15	24.65	27.34	26.00	1.01	<u>3.87%</u>
							<b>3.99%</b>
Southwest Gas Corporation	SWX	May-15	51.70	55.97	\$ 53.83	\$ 1.62	3.01%
		Jun-15	51.69	55.63	53.66	1.62	3.02%
		Jul-15	53.08	56.88	54.98	1.62	2.95%
		Aug-15	51.26	58.34	54.80	1.62	2.96%
		Sep-15	52.86	58.40	55.63	1.62	2.91%
		Oct-15	56.43	62.89	59.66	1.62	<u>2.72%</u>
							<b>2.93%</b>
WGL Holdings, Inc.	WGL	May-15	52.95	58.14	\$ 55.55	\$ 1.85	3.33%
		Jun-15	54.02	58.11	56.07	1.85	3.30%
		Jul-15	53.27	56.65	54.96	1.85	3.37%
		Aug-15	53.58	58.55	56.07	1.85	3.30%
		Sep-15	51.86	57.80	54.83	1.85	3.37%
		Oct-15	56.90	63.20	60.05	1.85	<u>3.08%</u>
							<b>3.29%</b>

Source: Bloomberg Finance L.P.

## Cascade Natural Gas Corporation

### Selected Natural Gas Distribution Companies Projected Earnings Retention Growth Rates

Company	Ticker	Value Line Forecast 2018-20			Retention Rate	Retention Growth
		EPS	DPS	ROE		
Atmos Energy Corporation	ATO	\$3.80	\$1.90	10.50%	50.00%	5.25%
Laclede Group, Inc.	LG	\$4.20	\$2.20	8.50%	47.62%	4.05%
New Jersey Resources Corporation	NJR	\$2.00	\$0.98	12.50%	51.00%	6.38%
Northwest Natural Gas Company	NWN	\$3.30	\$2.10	10.00%	36.36%	3.64%
South Jersey Industries, Inc.	SJI	\$2.35	\$1.35	13.00%	42.55%	5.53%
Southwest Gas Corporation	SWX	\$4.50	\$2.10	11.50%	53.33%	6.13%
WGL Holdings, Inc.	WGL	\$3.55	\$1.99	12.00%	43.94%	5.27%
<b>Average</b>						<b>5.18%</b>
<b>Median</b>						<b>5.27%</b>

Source: Value Line, as of September 4, 2015.

## Cascade Natural Gas Corporation

### Selected Natural Gas Distribution Companies Earnings Growth Rate Estimates

Company	Ticker	1/2	1/2	Weighted Average
		Zacks 5-Yr Earnings Growth	Yahoo Finance! Earnings Growth	
Atmos Energy Corporation	ATO	7.00%	7.00%	7.00%
Laclede Group, Inc. (The)	LG	4.80%	4.42%	4.61%
New Jersey Resources Corporation	NJR	6.00%	6.00%	6.00%
Northwest Natural Gas Company	NWN	4.00%	4.00%	4.00%
South Jersey Industries, Inc.	SJI	N/A	6.00%	6.00%
Southwest Gas Corporation	SWX	5.00%	4.00%	4.50%
WGL Holdings, Inc.	WGL	6.00%	7.00%	6.50%
<b>Average</b>		<b>5.47%</b>	<b>5.49%</b>	<b>5.52%</b>
<b>Median</b>		<b>5.50%</b>	<b>6.00%</b>	<b>6.00%</b>

Source: Yahoo Finance! and Zacks Investment Research as of October 30, 2015.

## Cascade Natural Gas Corporation

### Selected Natural Gas Distribution Companies Blended Growth Rate Estimates

Company	Ticker	1/2	1/2	Weighted Average
		Retention Growth	Earnings Growth	
Atmos Energy Corporation	ATO	5.25%	7.00%	6.13%
Laclede Group, Inc. (The)	LG	4.05%	4.61%	4.33%
New Jersey Resources Corporation	NJR	6.38%	6.00%	6.19%
Northwest Natural Gas Company	NWN	3.64%	4.00%	3.82%
South Jersey Industries, Inc.	SJI	5.53%	6.00%	5.77%
Southwest Gas Corporation	SWX	6.13%	4.50%	5.32%
WGL Holdings, Inc.	WGL	5.27%	6.50%	5.89%
<b>Average</b>		<b>5.18%</b>	<b>5.52%</b>	<b>5.35%</b>
<b>Median</b>		<b>5.27%</b>	<b>6.00%</b>	<b>5.77%</b>

Source: Schedule 4, page 3 of 8, and Schedule 4, page 4 of 8

## Cascade Natural Gas Corporation

### Selected Natural Gas Distribution Companies Retention Growth DCF Calculation

Company	Ticker	Dividend Yield	Dividend Yield x (1 + 0.625g)	Expected Growth Rate (g)	Secondary Market:	Flotation Cost Adjustment	Primary Market:
					Investor Required Return		Cost of Capital
Atmos Energy Corporation	ATO	2.84%	2.93%	5.25%	8.18%	1.04	8.51%
Laclede Group, Inc. (The)	LG	3.45%	3.54%	4.05%	7.58%	1.04	7.89%
New Jersey Resources Corporation	NJR	3.15%	3.28%	6.38%	9.65%	1.04	10.04%
Northwest Natural Gas Company	NWN	4.18%	4.27%	3.64%	7.91%	1.04	8.23%
South Jersey Industries, Inc.	SJI	3.99%	4.12%	5.53%	9.66%	1.04	10.04%
Southwest Gas Corporation	SWX	2.93%	3.04%	6.13%	9.17%	1.04	9.54%
WGL Holdings, Inc.	WGL	3.29%	3.40%	5.27%	8.67%	1.04	9.02%
High					9.66%		10.04%
3 <sup>rd</sup> Quartile					9.41%		9.79%
<b>2<sup>nd</sup> Quartile (Median)</b>					<b>8.67%</b>		<b>9.02%</b>
1 <sup>st</sup> Quartile					8.05%		8.37%
Low					7.58%		7.89%

## Cascade Natural Gas Corporation

### Selected Natural Gas Distribution Companies Basic DCF Calculation

Company	Ticker	Dividend Yield	Dividend Yield x (1 + 0.625g)	Expected Growth Rate (g)	Secondary Market:	Primary Market:	
					Investor Required Return	Flotation Cost Adjustment	Cost of Capital
Atmos Energy Corporation	ATO	2.84%	2.96%	7.00%	9.96%	1.04	10.36%
Laclede Group, Inc. (The)	LG	3.45%	3.55%	4.61%	8.16%	1.04	8.48%
New Jersey Resources Corporation	NJR	3.15%	3.27%	6.00%	9.27%	1.04	9.64%
Northwest Natural Gas Company	NWN	4.18%	4.28%	4.00%	8.28%	1.04	8.61%
South Jersey Industries, Inc.	SJI	3.99%	4.14%	6.00%	10.14%	1.04	10.54%
Southwest Gas Corporation	SWX	2.93%	3.01%	4.50%	7.51%	1.04	7.81%
WGL Holdings, Inc.	WGL	3.29%	3.43%	6.50%	9.93%	1.04	10.32%
High					10.14%		10.54%
3 <sup>rd</sup> Quartile					9.94%		10.34%
<b>2<sup>nd</sup> Quartile (Median)</b>					<b>9.27%</b>		<b>9.64%</b>
1 <sup>st</sup> Quartile					8.22%		8.55%
Low					7.51%		7.81%

## Cascade Natural Gas Corporation

### Selected Natural Gas Distribution Companies Blended Growth Rate DCF Calculation

Company	Ticker	Dividend Yield	Dividend Yield x (1 + 0.625g)	Expected Growth Rate (g)	Secondary Market:	Flotation Cost Adjustment	Primary Market:
					Investor Required Return		Cost of Capital
Atmos Energy Corporation	ATO	2.84%	2.95%	6.13%	9.07%	1.04	9.43%
Laclede Group, Inc. (The)	LG	3.45%	3.54%	4.33%	7.87%	1.04	8.19%
New Jersey Resources Corporation	NJR	3.15%	3.27%	6.19%	9.46%	1.04	9.84%
Northwest Natural Gas Company	NWN	4.18%	4.28%	3.82%	8.10%	1.04	8.42%
South Jersey Industries, Inc.	SJI	3.99%	4.13%	5.77%	9.90%	1.04	10.29%
Southwest Gas Corporation	SWX	2.93%	3.02%	5.32%	8.34%	1.04	8.67%
WGL Holdings, Inc.	WGL	3.29%	3.41%	5.89%	9.30%	1.04	9.67%
High					9.90%		10.29%
3 <sup>rd</sup> Quartile					9.38%		9.76%
<b>2<sup>nd</sup> Quartile (Median)</b>					<b>9.07%</b>		<b>9.43%</b>
1 <sup>st</sup> Quartile					8.22%		8.55%
Low					7.87%		8.19%

Cascade Natural Gas Corporation

Market DCF Calculation as of October 30, 2015

		[1]	[2]	[3]	[4]				
		Dividend Yield	Dividend Yield x (1 + 0.625g)	Expected Growth Rate (g)	Secondary Market Investor Required Return				
S&P 500		2.44%	2.60%	10.14%	12.73%				

  

		[5]	[6]	[7]	[8]	[9]	[10]	[11]	[12]
Company	Ticker	Shares Outstanding (million)	Price	Market Capitalization (\$million)	Percent of Total Market Capitalization	Current Dividend Yield	Best Long-Term Growth Estimate	Market Capitalization-Weighted Dividend Yield	Market Capitalization-Weighted Best Long-Term Growth Estimate
Alcoa Inc	AA	1,310.1	8.94	11,713	0.0758%	1.34%	12.30%	0.0010%	0.0093%
LyondellBasell Industries NV	LYB	449.4	93.03	41,812	0.2704%	3.35%	5.86%	0.0091%	0.0158%
American Express Co	AXP	984.2	73.32	72,165	0.4668%	1.58%	9.42%	0.0074%	0.0440%
Verizon Communications Inc	VZ	4,068.9	46.95	191,034	1.2356%	4.81%	7.35%	0.0595%	0.0908%
Avago Technologies Ltd	AVGO	276.0	123.41	34,061	0.2203%	1.36%	20.78%	0.0030%	0.0458%
Boeing Co/The	BA	670.0	148.22	99,305	0.6423%	2.46%	11.28%	0.0158%	0.0725%
Caterpillar Inc	CAT	582.2	73.02	42,515	0.2750%	4.22%	9.00%	0.0116%	0.0247%
JPMorgan Chase & Co	JPM	3,698.1	64.34	237,934	1.5390%	2.74%	8.00%	0.0421%	0.1231%
Chevron Corp	CVX	1,881.7	91.05	171,332	0.0000%	4.70%	-3.87%	0.0000%	0.0000%
Coca-Cola Co/The	KO	4,349.0	42.37	184,266	1.1918%	3.12%	5.79%	0.0371%	0.0690%
AbbVie Inc	ABBV	1,655.3	59.55	98,572	0.6376%	3.83%	8.30%	0.0244%	0.0529%
Walt Disney Co/The	DIS	1,687.9	113.78	192,044	1.2422%	1.16%	11.90%	0.0144%	0.1479%
El du Pont de Nemours & Co	DD	876.4	63.46	55,617	0.3597%	2.40%	5.00%	0.0086%	0.0180%
Exxon Mobil Corp	XOM	4,169.4	82.90	345,647	0.0000%	3.52%	-2.31%	0.0000%	0.0000%
Phillips 66	PSX	533.4	89.11	47,535	0.3075%	2.51%	5.32%	0.0077%	0.0163%
General Electric Co	GE	10,096.4	28.95	292,292	1.8906%	3.18%	8.08%	0.0601%	0.1527%
Hewlett-Packard Co	HPQ	1,878.0	26.99	50,678	0.3278%	2.61%	4.14%	0.0086%	0.0136%
Home Depot Inc/The	HD	1,284.1	123.83	159,010	1.0285%	1.91%	13.97%	0.0196%	0.1437%
International Business Machines Corp	IBM	970.1	140.17	135,980	0.8795%	3.71%	6.48%	0.0326%	0.0569%
Johnson & Johnson	JNJ	2,766.9	101.12	279,793	1.8097%	2.97%	6.01%	0.0371%	0.1088%
McDonald's Corp	MCD	941.8	112.36	105,822	0.6845%	3.03%	7.77%	0.0207%	0.0532%
Merck & Co Inc	MRK	2,816.6	54.73	154,154	0.9971%	3.29%	6.70%	0.0328%	0.0668%
3M Co	MMM	615.7	157.29	96,845	0.6264%	2.61%	9.04%	0.0163%	0.0566%
Bank of America Corp	BAC	10,438.4	16.81	175,470	1.1349%	1.19%	20.95%	0.0135%	0.2378%
Pfizer Inc	PFE	6,167.3	33.89	209,011	1.3519%	3.30%	4.24%	0.0340%	0.0573%
Procter & Gamble Co/The	PG	2,720.6	76.46	208,001	1.3454%	3.47%	7.18%	0.0467%	0.0965%
AT&T Inc	T	6,151.0	33.54	206,305	1.3344%	5.61%	4.28%	0.0748%	0.0571%
Travelers Cos Inc/The	TRV	304.2	112.98	34,371	0.2223%	2.16%	8.62%	0.0048%	0.0192%
United Technologies Corp	UTX	887.0	98.48	87,354	0.5650%	2.60%	8.30%	0.0147%	0.0469%
Analog Devices Inc	ADI	313.7	60.14	18,864	0.1220%	2.66%	11.38%	0.0032%	0.0139%
Wal-Mart Stores Inc	WMT	3,205.9	57.27	183,588	1.1875%	3.42%	2.93%	0.0406%	0.0348%
Cisco Systems Inc	CSCO	5,087.2	28.89	146,968	0.9506%	2.91%	8.77%	0.0276%	0.0833%
Intel Corp	INTC	4,719.0	33.91	159,998	1.0349%	2.83%	8.60%	0.0293%	0.0890%
General Motors Co	GM	1,556.2	34.94	54,373	0.3517%	4.12%	11.69%	0.0145%	0.0411%
Microsoft Corp	MSFT	7,987.9	52.78	421,602	2.7269%	2.73%	9.55%	0.0744%	0.2605%
Dollar General Corp	DG	294.7	67.81	19,981	0.1292%	1.30%	12.29%	0.0017%	0.0159%
Kinder Morgan Inc/DE	KMI	2,231.5	27.36	61,054	0.3949%	7.46%	6.13%	0.0295%	0.0242%
Citigroup Inc	C	3,009.8	53.25	160,274	1.0367%	0.38%	25.41%	0.0039%	0.2634%
American International Group Inc	AIG	1,293.9	63.10	81,644	0.5281%	1.78%	9.04%	0.0094%	0.0477%
Honeywell International Inc	HON	770.7	103.35	79,651	0.5152%	2.30%	9.85%	0.0119%	0.0507%
Altria Group Inc	MO	1,960.7	60.54	118,700	0.7678%	3.73%	7.63%	0.0287%	0.0586%
HCA Holdings Inc	HCA	407.7	68.83	28,060	0.0000%	n/a	12.17%	n/a	0.0000%
Under Armour Inc	UA	180.0	95.17	17,127	0.0000%	n/a	22.64%	n/a	0.0000%
International Paper Co	IP	417.7	42.72	17,846	0.1154%	4.12%	6.27%	0.0048%	0.0072%
Abbott Laboratories	ABT	1,490.4	44.82	66,802	0.4321%	2.14%	12.14%	0.0093%	0.0525%
Aflac Inc	AFL	430.7	63.78	27,470	0.1777%	2.57%	9.05%	0.0046%	0.0161%
Air Products & Chemicals Inc	APD	215.0	139.06	29,895	0.1934%	2.33%	9.33%	0.0045%	0.0180%
Airgas Inc	ARG	74.7	96.21	7,182	0.0465%	2.49%	9.08%	0.0012%	0.0042%
Royal Caribbean Cruises Ltd	RCL	220.0	98.43	21,654	0.1401%	1.52%	19.70%	0.0021%	0.0276%
American Electric Power Co Inc	AEP	490.8	56.70	27,827	0.1800%	3.95%	5.34%	0.0071%	0.0096%
Hess Corp	HES	287.1	56.25	16,147	0.0000%	1.78%	-15.07%	0.0000%	0.0000%
Anadarko Petroleum Corp	APC	508.1	66.97	34,030	0.2201%	1.61%	8.33%	0.0036%	0.0183%
Aon PLC	AON	280.0	93.32	26,134	0.1690%	1.29%	11.04%	0.0022%	0.0187%
Apache Corp	APA	378.0	47.15	17,822	0.0000%	2.12%	-2.46%	0.0000%	0.0000%
Archer-Daniels-Midland Co	ADM	608.9	45.69	27,822	0.1800%	2.45%	3.65%	0.0044%	0.0066%
AGL Resources Inc	GAS	120.1	62.52	7,508	0.0486%	3.26%	6.50%	0.0016%	0.0032%
Automatic Data Processing Inc	ADP	465.3	87.10	40,525	0.2621%	2.25%	10.40%	0.0059%	0.0273%
Verisk Analytics Inc	VRSK	169.4	71.68	12,145	0.0000%	n/a	10.00%	n/a	0.0000%
AutoZone Inc	AZO	30.5	785.57	23,948	0.0000%	n/a	12.77%	n/a	0.0000%
Avery Dennison Corp	AVY	91.4	65.01	5,944	0.0384%	2.28%	7.30%	0.0009%	0.0028%
Baker Hughes Inc	BHI	436.1	52.77	23,012	0.1488%	1.29%	8.10%	0.0019%	0.0121%
Ball Corp	BLL	136.2	68.53	9,336	0.0604%	0.76%	6.10%	0.0005%	0.0037%
Bank of New York Mellon Corp/The	BK	1,106.5	41.69	46,131	0.2984%	1.63%	12.57%	0.0049%	0.0375%
CR Bard Inc	BCR	73.9	186.51	13,780	0.0891%	0.51%	13.78%	0.0005%	0.0123%
Baxter International Inc	BAX	545.5	37.42	20,414	0.1320%	1.23%	9.40%	0.0016%	0.0124%
Becton Dickinson and Co	BDX	210.3	142.65	29,993	0.1940%	1.68%	11.20%	0.0033%	0.0217%
Berkshire Hathaway Inc	BRK/B	1,247.4	136.19	169,879	0.0000%	n/a	5.80%	n/a	0.0000%



Cascade Natural Gas Corporation

Market DCF Calculation as of October 30, 2015

	[1]	[2]	[3]	[4]							
	Dividend Yield	Dividend Yield x (1 + 0.625g)	Expected Growth Rate (g)	Secondary Market Investor Required Return							
S&P 500	2.44%	2.60%	10.14%	12.73%							
	[5]	[6]	[7]	[8]	[9]	[10]	[11]	[12]			
Company	Ticker	Shares Outstanding (million)	Price	Market Capitalization (\$million)	Percent of Total Market Capitalization	Current Dividend Yield	Best-Long-Term Growth Estimate	Market Capitalization-Weighted Dividend Yield	Market Capitalization-Weighted Best Long-Term Growth Estimate		
Best Buy Co Inc	BBY	344.6	35.06	12,081	0.0781%	2.62%	10.47%	0.0021%	0.0082%		
H&R Block Inc	HRB	276.4	37.29	10,305	0.0667%	2.15%	11.00%	0.0014%	0.0073%		
Boston Scientific Corp	BSX	1,344.0	18.30	24,594	0.0000%	n/a	9.72%	n/a	0.0000%		
Bristol-Myers Squibb Co	BMJ	1,668.3	65.99	110,090	0.7121%	2.24%	13.53%	0.0160%	0.0964%		
Brown-Forman Corp	BF/B	122.0	106.22	12,955	0.0838%	1.19%	8.80%	0.0010%	0.0074%		
Cabot Oil & Gas Corp	COG	413.9	21.74	8,998	0.0582%	0.37%	41.83%	0.0002%	0.0243%		
Campbell Soup Co	CPB	309.8	50.81	15,740	0.1018%	2.46%	4.50%	0.0025%	0.0046%		
Kansas City Southern	KSU	109.1	82.84	9,041	0.0585%	1.59%	10.60%	0.0009%	0.0062%		
Carnival Corp	CCL	590.1	54.13	31,943	0.2066%	2.22%	19.12%	0.0046%	0.0395%		
Qorvo Inc	QRVO	149.5	43.97	6,575	0.0000%	n/a	16.53%	n/a	0.0000%		
CenturyLink Inc	CTL	563.0	28.24	15,899	0.0000%	7.65%	-1.29%	0.0000%	0.0000%		
Chubb Corp/The	CB	227.0	129.40	29,380	0.1900%	1.76%	9.75%	0.0033%	0.0185%		
Cigna Corp	CI	257.5	134.07	34,522	0.2233%	0.03%	11.45%	0.0001%	0.0256%		
Frontier Communications Corp	FTR	1,168.2	5.14	5,999	0.0388%	8.18%	3.00%	0.0032%	0.0012%		
Clorox Co/The	CLX	129.1	121.94	15,746	0.1018%	2.53%	6.82%	0.0026%	0.0069%		
CMS Energy Corp	CMS	277.9	36.10	10,031	0.0649%	3.21%	6.53%	0.0021%	0.0042%		
Coca-Cola Enterprises Inc	CCE	227.0	51.39	11,663	0.0754%	2.18%	6.04%	0.0016%	0.0046%		
Colgate-Palmolive Co	CL	896.9	66.38	59,538	0.3851%	2.29%	7.90%	0.0088%	0.0304%		
Comerica Inc	CMA	176.7	43.43	7,676	0.0496%	1.93%	9.28%	0.0010%	0.0046%		
CA Inc	CA	438.7	27.73	12,166	0.0787%	3.61%	5.50%	0.0028%	0.0043%		
Computer Sciences Corp	CSC	138.3	66.63	9,217	0.0596%	1.38%	9.30%	0.0008%	0.0055%		
ConAgra Foods Inc	CAG	432.9	40.57	17,563	0.1136%	2.46%	8.50%	0.0028%	0.0097%		
Consolidated Edison Inc	ED	292.9	65.79	19,268	0.1246%	3.95%	2.95%	0.0049%	0.0037%		
SL Green Realty Corp	SLG	99.5	118.71	11,813	0.0764%	2.02%	5.72%	0.0015%	0.0044%		
Corning Inc	GLW	1,183.0	18.62	22,027	0.1425%	2.58%	5.55%	0.0037%	0.0079%		
CSX Corp	CSX	974.9	27.02	26,343	0.1704%	2.66%	8.59%	0.0045%	0.0146%		
Cummins Inc	CMI	177.6	103.59	18,400	0.1190%	3.76%	7.35%	0.0045%	0.0087%		
Danaher Corp	DHR	685.3	93.39	63,999	0.4139%	0.58%	12.90%	0.0024%	0.0534%		
Target Corp	TGT	628.4	77.23	48,534	0.3139%	2.90%	9.65%	0.0091%	0.0303%		
Deere & Co	DE	328.2	78.11	25,633	0.1658%	3.07%	4.92%	0.0051%	0.0082%		
Dominion Resources Inc/VA	D	594.3	71.50	42,494	0.2749%	3.62%	6.23%	0.0100%	0.0171%		
Dover Corp	DOV	155.0	64.47	9,991	0.0646%	2.61%	12.00%	0.0017%	0.0078%		
Dow Chemical Co/The	DOW	1,158.6	51.72	59,924	0.3876%	3.56%	6.53%	0.0138%	0.0253%		
Duke Energy Corp	DUK	688.3	71.55	49,250	0.3186%	4.61%	4.54%	0.0147%	0.0145%		
Eaton Corp PLC	ETN	462.8	55.99	25,912	0.1676%	3.93%	8.51%	0.0066%	0.0143%		
Ecolab Inc	ECL	295.1	120.35	35,514	0.2297%	1.10%	13.17%	0.0025%	0.0302%		
PerkinElmer Inc	PKI	113.4	51.67	5,858	0.0379%	0.54%	8.54%	0.0002%	0.0032%		
EMC Corp/MA	EMC	1,939.7	26.23	50,879	0.3291%	1.75%	8.53%	0.0058%	0.0281%		
Emerson Electric Co	EMR	657.1	47.25	31,050	0.2008%	3.98%	4.71%	0.0080%	0.0095%		
EOG Resources Inc	EOG	549.2	85.93	47,190	0.0000%	0.78%	-4.68%	0.0000%	0.0000%		
Entergy Corp	ETR	179.5	68.21	12,246	0.0792%	4.98%	3.30%	0.0039%	0.0026%		
Equifax Inc	EFX	118.5	106.65	12,635	0.0817%	1.09%	14.00%	0.0009%	0.0114%		
EQT Corp	EQT	152.5	66.10	10,083	0.0652%	0.18%	25.00%	0.0001%	0.0163%		
XL Group PLC	XL	302.3	38.09	11,515	0.0745%	2.10%	9.50%	0.0016%	0.0071%		
FedEx Corp	FDX	282.4	155.74	43,978	0.2844%	0.64%	13.90%	0.0018%	0.0395%		
Macy's Inc	M	331.0	51.02	16,887	0.1092%	2.82%	7.88%	0.0031%	0.0086%		
FMC Corp	FMC	133.6	40.72	5,441	0.0352%	1.62%	9.00%	0.0006%	0.0032%		
Ford Motor Co	F	3,897.8	14.83	57,785	0.3738%	4.05%	13.79%	0.0151%	0.0516%		
NextEra Energy Inc	NEE	460.5	102.73	47,303	0.3060%	3.00%	7.00%	0.0092%	0.0214%		
Franklin Resources Inc	BEN	613.8	40.75	25,013	0.1618%	1.47%	6.57%	0.0024%	0.0106%		
Freeport-McMoRan Inc	FCX	1,136.1	11.77	13,372	0.0000%	1.70%	-5.25%	0.0000%	0.0000%		
TEGNA Inc	TGNA	226.5	27.06	6,128	0.0396%	2.07%	4.08%	0.0008%	0.0016%		
Gap Inc/The	GPS	406.7	27.23	11,076	0.0716%	3.38%	9.04%	0.0024%	0.0065%		
General Dynamics Corp	GD	316.1	148.66	46,996	0.3040%	1.86%	9.12%	0.0056%	0.0277%		
General Mills Inc	GIS	597.7	58.16	34,762	0.2248%	3.03%	7.18%	0.0068%	0.0161%		
Genuine Parts Co	GPC	151.6	90.84	13,771	0.0891%	2.71%	8.62%	0.0024%	0.0077%		
WW Grainger Inc	GWV	62.8	210.03	13,188	0.0853%	2.23%	10.85%	0.0019%	0.0093%		
Halliburton Co	HAL	855.8	38.40	32,863	0.2126%	1.88%	10.12%	0.0040%	0.0215%		
Harley-Davidson Inc	HOG	206.0	49.45	10,185	0.0659%	2.51%	10.13%	0.0017%	0.0067%		
Harman International Industries Inc	HAR	71.2	110.08	7,835	0.0507%	1.27%	17.00%	0.0006%	0.0086%		
Harris Corp	HRS	124.1	79.13	9,818	0.0000%	2.53%	n/a	0.0000%	n/a		
HCP Inc	HCP	462.6	37.20	17,208	0.1113%	6.08%	0.0287	0.0068%	0.0032%		
Helmerich & Payne Inc	HP	107.8	56.32	6,069	0.0393%	4.88%	5.35%	0.0019%	0.0021%		
Hershey Co/The	HSY	156.2	88.75	13,860	0.0896%	2.63%	8.54%	0.0024%	0.0077%		
Hormel Foods Corp	HRL	264.5	67.58	17,876	0.1156%	1.48%	8.00%	0.0017%	0.0092%		
Starwood Hotels & Resorts Worldwide Inc	HOT	169.0	80.01	13,521	0.0875%	1.87%	9.26%	0.0016%	0.0081%		
Mondelez International Inc	MDLZ	1,589.2	46.17	73,372	0.4746%	1.47%	10.76%	0.0070%	0.0511%		

Cascade Natural Gas Corporation

Market DCF Calculation as of October 30, 2015

		(1)	(2)	(3)	(4)				
		Dividend Yield	Dividend Yield x (1 + 0.625g)	Expected Growth Rate (g)	Secondary Market Investor Required Return				
<b>S&amp;P 500</b>		<b>2.44%</b>	<b>2.60%</b>	<b>10.14%</b>	<b>12.73%</b>				
		(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)
Company	Ticker	Shares Outstanding (million)	Price	Market Capitalization (\$million)	Percent of Total Market Capitalization	Current Dividend Yield	Best Long-Term Growth Estimate	Market Capitalization-Weighted Dividend Yield	Market Capitalization-Weighted Best Long-Term Growth Estimate
CenterPoint Energy Inc	CNP	430.3	18.55	7,981	0.0516%	5.34%	5.00%	0.0028%	0.0026%
Humana Inc	HUM	148.2	178.87	26,511	0.1715%	0.65%	10.57%	0.0011%	0.0181%
Illinois Tool Works Inc	ITW	363.5	92.02	33,449	0.2163%	2.39%	9.23%	0.0052%	0.0200%
Ingersoll-Rand PLC	IR	261.0	59.30	15,480	0.1001%	1.96%	10.11%	0.0020%	0.0101%
Interpublic Group of Cos Inc/The	IPG	406.3	22.94	9,322	0.0603%	2.09%	6.50%	0.0013%	0.0039%
International Flavors & Fragrances Inc	IFF	80.6	116.19	9,363	0.0606%	1.93%	9.20%	0.0012%	0.0056%
Jacobs Engineering Group Inc	JEC	123.8	40.16	4,972	0.0000%	n/a	8.37%	n/a	0.0000%
Johnson Controls Inc	JCI	654.1	45.21	29,570	0.1913%	2.30%	10.18%	0.0044%	0.0195%
Hanesbrands Inc	HBI	391.8	31.95	12,519	0.0810%	1.25%	15.63%	0.0010%	0.0127%
Kellogg Co	K	353.6	70.53	24,938	0.1613%	2.84%	6.30%	0.0046%	0.0102%
Perrigo Co PLC	PRGO	146.4	157.91	23,114	0.1495%	0.32%	12.73%	0.0005%	0.0190%
Kimberly-Clark Corp	KMB	363.0	119.79	43,483	0.2813%	2.94%	8.15%	0.0083%	0.0229%
Kimco Realty Corp	KIM	413.1	26.77	11,060	0.0715%	3.59%	5.13%	0.0026%	0.0037%
Kohl's Corp	KSS	194.5	46.16	8,978	0.0581%	3.90%	7.90%	0.0023%	0.0046%
Oracle Corp	ORCL	4,264.6	38.88	165,809	1.0725%	1.54%	7.72%	0.0166%	0.0828%
Kroger Co/The	KR	973.4	37.84	36,835	0.2382%	1.11%	10.18%	0.0026%	0.0243%
Legg Mason Inc	LM	109.7	44.80	4,915	0.0318%	1.79%	16.65%	0.0006%	0.0053%
Leggett & Platt Inc	LEG	136.8	45.08	6,168	0.0000%	2.84%	n/a	0.0000%	n/a
Lennar Corp	LEN	179.0	50.08	8,966	0.0000%	0.32%	n/a	0.0000%	n/a
Leucadia National Corp	LUK	366.6	20.02	7,339	0.0000%	1.25%	n/a	0.0000%	n/a
Eli Lilly & Co	LLY	1,108.1	81.61	90,430	0.5849%	2.45%	0.11967	0.0143%	0.0700%
L Brands Inc	LB	290.4	96.03	27,885	0.1804%	2.08%	11.83%	0.0038%	0.0213%
Lincoln National Corp	LNC	247.5	53.54	13,250	0.0857%	1.87%	10.18%	0.0016%	0.0087%
Loews Corp	L	363.1	36.50	13,252	0.0000%	0.68%	n/a	0.0000%	n/a
Lowe's Cos Inc	LOW	925.2	73.85	68,328	0.4420%	1.52%	0.1667	0.0067%	0.0737%
Host Hotels & Resorts Inc	HST	751.6	17.33	13,025	0.0842%	4.62%	5.00%	0.0039%	0.0042%
Marsh & McLennan Cos Inc	MMC	521.6	55.77	29,092	0.1882%	2.22%	11.99%	0.0042%	0.0226%
Masco Corp	MAS	336.5	29.02	9,763	0.0631%	1.31%	14.79%	0.0008%	0.0093%
Mattel Inc	MAT	339.4	24.62	8,353	0.0540%	6.17%	9.43%	0.0033%	0.0051%
McGraw Hill Financial Inc	MHFI	272.5	92.73	25,269	0.1634%	1.42%	11.83%	0.0023%	0.0193%
Medtronic PLC	MDT	1,413.6	73.99	104,593	0.6765%	2.05%	7.04%	0.0139%	0.0476%
CVS Health Corp	CVS	1,114.5	98.80	110,111	0.7122%	1.42%	15.00%	0.0101%	0.1068%
Micron Technology Inc	MU	1,085.8	16.58	18,002	0.0000%	n/a	2.22%	n/a	0.0000%
Motorola Solutions Inc	MSI	176.7	70.01	12,371	0.0800%	1.94%	9.05%	0.0016%	0.0072%
Murphy Oil Corp	MUR	172.8	28.46	4,917	0.0318%	4.92%	13.00%	0.0016%	0.0041%
Mylan NV	MYL	491.7	44.16	21,714	0.0000%	n/a	11.16%	n/a	0.0000%
Laboratory Corp of America Holdings	LH	101.1	122.81	12,416	0.0000%	n/a	10.26%	n/a	0.0000%
Tenet Healthcare Corp	THC	99.6	31.36	3,122	0.0000%	n/a	16.55%	n/a	0.0000%
Newell Rubbermaid Inc	NWL	267.8	42.49	11,379	0.0736%	1.79%	9.33%	0.0013%	0.0069%
Newmont Mining Corp	NEM	529.1	19.46	10,297	0.0666%	0.51%	2.33%	0.0003%	0.0015%
Twenty-First Century Fox Inc	FOXA	1,184.1	30.70	36,352	0.2351%	0.98%	16.22%	0.0023%	0.0381%
NIKE Inc	NKE	674.7	131.09	88,451	0.5721%	0.85%	12.71%	0.0049%	0.0727%
NiSource Inc	NT	317.9	19.18	6,097	0.0000%	3.23%	-0.30%	0.0000%	0.0000%
Noble Energy Inc	NBL	428.0	35.84	15,341	0.0992%	2.01%	4.83%	0.0020%	0.0048%
Norfolk Southern Corp	NSC	298.6	80.11	23,918	0.1547%	2.95%	9.30%	0.0046%	0.0144%
Eversource Energy	ES	317.2	50.97	16,166	0.1046%	3.28%	6.67%	0.0034%	0.0070%
Northrop Grumman Corp	NOC	182.4	187.85	34,261	0.2216%	1.70%	6.57%	0.0038%	0.0146%
Wells Fargo & Co	WFC	5,133.4	54.22	278,331	1.8003%	2.77%	11.28%	0.0498%	0.2031%
Nucor Corp	NUE	319.6	42.35	13,535	0.0875%	3.52%	10.10%	0.0031%	0.0088%
PVH Corp	PVH	82.5	90.97	7,509	0.0486%	0.16%	9.76%	0.0001%	0.0047%
Occidental Petroleum Corp	OXY	763.7	74.58	56,959	0.3684%	4.02%	8.00%	0.0148%	0.0295%
Omnicom Group Inc	OMC	242.3	74.99	18,167	0.1175%	2.67%	5.33%	0.0031%	0.0063%
ONEOK Inc	OKE	209.2	33.96	7,103	0.0459%	7.24%	8.60%	0.0033%	0.0040%
Owens-Illinois Inc	OI	160.8	21.57	3,468	0.0000%	n/a	2.90%	n/a	0.0000%
PG&E Corp	PG	490.5	53.39	26,185	0.1694%	3.41%	4.26%	0.0058%	0.0072%
Parker-Hannifin Corp	PH	136.2	104.75	14,264	0.0923%	2.41%	8.69%	0.0022%	0.0080%
PPL Corp	PPL	670.0	34.43	23,064	0.1492%	4.39%	1.42%	0.0065%	0.0021%
PepsiCo Inc	PEP	1,456.9	102.27	148,992	0.9637%	2.75%	6.04%	0.0265%	0.0582%
Exelon Corp	EXC	919.6	27.94	25,693	0.1662%	4.44%	5.87%	0.0074%	0.0098%
ConocoPhillips	COP	1,233.5	53.44	65,916	0.4263%	5.54%	1.85%	0.0236%	0.0079%
PolteGroup Inc	PHM	349.1	18.33	6,400	0.0414%	1.75%	14.17%	0.0007%	0.0059%
Pinnacle West Capital Corp	PNW	110.9	63.54	7,043	0.0456%	3.93%	5.45%	0.0018%	0.0025%
Pitney Bowes Inc	PBI	201.9	20.66	4,172	0.0270%	3.63%	14.00%	0.0010%	0.0038%
Plum Creek Timber Co Inc	PCL	174.7	40.78	7,125	0.0461%	4.32%	22.82%	0.0020%	0.0105%
PNC Financial Services Group Inc/The	PNC	513.6	90.35	46,404	0.3001%	2.26%	7.00%	0.0068%	0.0210%
PPG Industries Inc	PPG	269.3	104.37	28,104	0.1818%	1.38%	7.03%	0.0025%	0.0128%
Praxair Inc	PX	286.5	111.15	31,841	0.2060%	2.57%	9.00%	0.0053%	0.0185%

Cascade Natural Gas Corporation

Market DCF Calculation as of October 30, 2015

		[1]	[2]	[3]	[4]					
		Dividend Yield	Dividend Yield x (1 + 0.625g)	Expected Growth Rate (g)	Secondary Market Investor Required Return					
<b>S&amp;P 500</b>		<b>2.44%</b>	<b>2.60%</b>	<b>10.14%</b>	<b>12.73%</b>					
		[5]	[6]	[7]	[8]	[9]	[10]	[11]	[12]	
Company	Ticker	Shares Outstanding (million)	Price	Market Capitalization (\$million)	Percent of Total Market Capitalization	Current Dividend Yield	Best Long-Term Growth Estimate	Market Capitalization-Weighted Dividend Yield	Market Capitalization-Weighted Best Long-Term Growth Estimate	
Precision Castparts Corp	PCP	137.6	230.81	31,755	0.2054%	0.05%	10.55%	0.0001%	0.0217%	
Progressive Corp/The	PGR	585.9	33.14	19,418	0.1256%	2.07%	8.58%	0.0026%	0.0108%	
Public Service Enterprise Group Inc	PEG	505.9	41.33	20,908	0.1352%	3.77%	4.75%	0.0051%	0.0064%	
Raytheon Co	RTN	301.1	117.50	35,379	0.2288%	2.28%	7.41%	0.0052%	0.0169%	
Robert Half International Inc	RHI	134.5	52.72	7,091	0.0459%	1.52%	13.07%	0.0007%	0.0060%	
Ryder System Inc	R	53.4	71.85	3,839	0.0248%	2.28%	10.93%	0.0006%	0.0027%	
SCANA Corp	SCG	142.9	59.24	8,466	0.0548%	3.68%	6.00%	0.0020%	0.0033%	
Edison International	EIX	325.8	60.55	19,728	0.1276%	2.76%	3.42%	0.0035%	0.0044%	
Schlumberger Ltd	SLB	1,261.1	78.19	98,606	0.6378%	2.56%	12.60%	0.0163%	0.0804%	
Charles Schwab Corp/The	SCHW	1,315.6	30.56	40,199	0.2600%	0.79%	20.35%	0.0020%	0.0529%	
Sherwin-Williams Co/The	SHW	93.1	266.82	24,841	0.1607%	1.00%	18.05%	0.0016%	0.0290%	
JM Smucker Co/The	SJM	119.7	117.44	14,053	0.0909%	2.28%	9.38%	0.0021%	0.0085%	
Snap-on Inc	SNA	58.1	165.87	9,633	0.0623%	1.28%	3.30%	0.0008%	0.0021%	
AMETEK Inc	AME	242.2	54.81	13,273	0.0859%	0.66%	9.41%	0.0006%	0.0081%	
Southern Co/The	SO	908.4	45.11	40,979	0.2651%	4.81%	4.11%	0.0127%	0.0109%	
BB&T Corp	BBT	780.2	37.18	29,006	0.1876%	2.90%	11.30%	0.0054%	0.0212%	
Southwest Airlines Co	LUV	650.4	46.31	30,118	0.1948%	0.65%	17.26%	0.0013%	0.0336%	
Southwestern Energy Co	SWN	384.5	11.03	4,241	0.0000%	n/a	9.55%	n/a	0.0000%	
Stanley Black & Decker Inc	SWK	149.7	106.07	15,881	0.1027%	2.07%	10.67%	0.0021%	0.0110%	
Public Storage	PSA	173.0	229.53	39,701	0.2568%	2.96%	4.85%	0.0076%	0.0124%	
SunTrust Banks Inc	STI	514.0	41.57	21,369	0.1382%	2.31%	5.86%	0.0032%	0.0081%	
Sysco Corp	SYU	596.1	41.26	24,595	0.1591%	2.91%	9.33%	0.0046%	0.0148%	
TECO Energy Inc	TE	235.2	27.00	6,351	0.0411%	3.33%	5.33%	0.0014%	0.0022%	
Tesoro Corp	TSO	120.4	106.99	12,881	0.0833%	1.87%	16.14%	0.0016%	0.0134%	
Texas Instruments Inc	TXN	1,026.4	56.77	58,268	0.3769%	2.68%	9.48%	0.0101%	0.0357%	
Textron Inc	TXT	273.7	42.20	11,549	0.0747%	0.19%	9.26%	0.0001%	0.0069%	
Thermo Fisher Scientific Inc	TMO	399.1	130.85	52,222	0.3378%	0.46%	11.60%	0.0015%	0.0392%	
Tiffany & Co	TIF	128.9	82.48	10,636	0.0688%	1.94%	10.07%	0.0013%	0.0069%	
TJX Cos Inc/The	TJX	674.4	73.24	49,391	0.3195%	1.15%	11.28%	0.0037%	0.0360%	
Torchmark Corp	TMK	125.1	58.06	7,264	0.0470%	0.93%	7.19%	0.0004%	0.0034%	
Total System Services Inc	TSS	184.0	52.49	9,656	0.0625%	0.76%	11.00%	0.0005%	0.0069%	
Tyco International Plc	TYC	421.5	36.46	15,366	0.0994%	2.25%	10.70%	0.0022%	0.0106%	
Union Pacific Corp	UNP	854.1	89.45	76,401	0.4942%	2.46%	8.68%	0.0122%	0.0429%	
UnitedHealth Group Inc	UNH	953.6	117.83	112,358	0.7267%	1.70%	12.03%	0.0123%	0.0875%	
Unum Group	UNM	243.4	34.68	8,443	0.0546%	2.13%	9.00%	0.0012%	0.0049%	
Marathon Oil Corp	MRO	677.2	18.37	12,440	0.0000%	1.09%	-3.17%	0.0000%	0.0000%	
Varian Medical Systems Inc	VAR	98.7	78.56	7,755	0.0000%	n/a	12.50%	n/a	0.0000%	
Ventas Inc	VTR	333.0	53.73	17,891	0.1157%	5.43%	2.79%	0.0063%	0.0032%	
VF Corp	VFC	425.6	67.54	28,748	0.1859%	2.19%	11.71%	0.0041%	0.0218%	
Vornado Realty Trust	VNO	188.5	100.61	18,965	0.1227%	2.50%	3.62%	0.0031%	0.0044%	
ADT Corp/The	ADT	169.9	33.06	5,617	0.0363%	2.54%	6.33%	0.0009%	0.0023%	
Vulcan Materials Co	VMC	133.2	96.63	12,870	0.0832%	0.41%	43.59%	0.0003%	0.0363%	
Weyerhaeuser Co	WY	514.2	29.36	15,097	0.0976%	4.22%	5.50%	0.0041%	0.0054%	
Whirlpool Corp	WHR	78.2	160.15	12,523	0.0810%	2.25%	16.65%	0.0018%	0.0135%	
Williams Cos Inc/The	WMB	749.8	39.51	29,623	0.1916%	6.48%	3.75%	0.0124%	0.0072%	
WEC Energy Group Inc	WEC	315.7	51.55	16,274	0.1053%	3.55%	4.57%	0.0037%	0.0048%	
Xerox Corp	XRX	1,012.4	9.38	9,496	0.0614%	2.99%	8.55%	0.0018%	0.0053%	
Adobe Systems Inc	ADBE	498.8	88.67	44,229	0.0000%	n/a	18.87%	n/a	0.0000%	
AES Corp/VA	AES	682.8	10.96	7,484	0.0484%	3.65%	4.39%	0.0018%	0.0021%	
Amgen Inc	AMGN	758.3	158.27	120,008	0.7762%	2.00%	9.68%	0.0155%	0.0751%	
Apple Inc	AAPL	5,575.3	119.55	666,531	4.3111%	1.74%	15.14%	0.0750%	0.6529%	
Autodesk Inc	ADSK	226.2	55.21	12,488	0.0000%	n/a	11.99%	n/a	0.0000%	
Cintas Corp	CTAS	108.0	93.13	10,054	0.0650%	1.13%	12.00%	0.0007%	0.0078%	
Comcast Corp	CMCSA	2,100.5	62.67	131,636	0.8514%	1.60%	12.68%	0.0136%	0.1079%	
Molson Coors Brewing Co	TAP	162.8	88.17	14,352	0.0928%	1.86%	8.20%	0.0017%	0.0076%	
KLA-Tencor Corp	KLAC	155.9	67.18	10,476	0.0678%	3.10%	13.47%	0.0021%	0.0091%	
Marriott International Inc/MD	MAR	257.1	76.81	19,750	0.1277%	1.30%	14.74%	0.0017%	0.0188%	
McCormick & Co Inc/MD	MKC	116.3	83.99	9,767	0.0632%	1.91%	6.50%	0.0012%	0.0041%	
Nordstrom Inc	JWN	188.2	65.23	12,279	0.0794%	2.27%	9.27%	0.0018%	0.0074%	
PACCAR Inc	PCAR	355.0	52.70	18,707	0.1210%	1.82%	9.16%	0.0022%	0.0111%	
Costco Wholesale Corp	COST	437.4	158.16	69,180	0.4475%	1.01%	9.87%	0.0045%	0.0442%	
Sigma-Aldrich Corp	SIAL	119.8	139.73	16,740	0.1083%	0.66%	8.62%	0.0007%	0.0093%	
St Jude Medical Inc	STJ	281.7	63.86	17,992	0.1164%	1.82%	11.40%	0.0021%	0.0133%	
Stryker Corp	SYK	375.5	95.66	35,922	0.2323%	1.44%	12.00%	0.0034%	0.0279%	
Tyson Foods Inc	TSN	304.4	44.37	13,504	0.0873%	0.90%	8.60%	0.0008%	0.0075%	
Altera Corp	ALTR	302.9	52.55	15,915	0.1029%	1.37%	11.93%	0.0014%	0.0123%	
Applied Materials Inc	AMAT	1,200.6	16.79	20,158	0.1304%	2.38%	12.66%	0.0031%	0.0165%	

Cascade Natural Gas Corporation

Market DCF Calculation as of October 30, 2015

	[1]	[2]	[3]	[4]					
	Dividend Yield	Dividend Yield x (1 + 0.625g)	Expected Growth Rate (g)	Secondary Market Investor Required Return					
S&P 500	2.44%	2.60%	10.14%	12.73%					
	[5]	[6]	[7]	[8]	[9]	[10]	[11]	[12]	
Company	Ticker	Shares Outstanding (million)	Price	Market Capitalization (\$million)	Percent of Total Market Capitalization	Current Dividend Yield	Best Long-Term Growth Estimate	Market Capitalization-Weighted Dividend Yield	Market Capitalization-Weighted Best Long-Term Growth Estimate
Time Warner Inc	TWX	815.6	75.39	61,487	0.3977%	1.86%	15.14%	0.0074%	0.0602%
Bed Bath & Beyond Inc	BBBY	166.9	59.64	9,953	0.0000%	n/a	7.12%	n/a	0.0000%
American Airlines Group Inc	AAL	630.3	46.24	29,146	0.1885%	0.87%	18.37%	0.0016%	0.0346%
Cardinal Health Inc	CAH	328.8	82.20	27,031	0.1748%	1.88%	11.97%	0.0033%	0.0209%
Celgene Corp	CELG	790.5	122.78	97,063	0.0000%	n/a	25.53%	n/a	0.0000%
Cerner Corp	CERN	345.1	66.32	22,885	0.0000%	n/a	16.98%	n/a	0.0000%
Cincinnati Financial Corp	CINF	163.9	60.26	9,874	0.0000%	3.05%	n/a	0.0000%	n/a
Cablevision Systems Corp	CVC	222.3	32.59	7,246	0.0469%	1.84%	0.0395	0.0009%	0.0019%
DR Horton Inc	DHI	366.8	29.46	10,805	0.0699%	0.85%	21.58%	0.0006%	0.0151%
Flowserve Corp	FLS	130.9	46.39	6,071	0.0393%	1.55%	6.94%	0.0006%	0.0027%
Electronic Arts Inc	EA	311.7	72.14	22,489	0.0000%	n/a	14.33%	n/a	0.0000%
Express Scripts Holding Co	ESRX	676.3	86.46	58,471	0.0000%	n/a	16.06%	n/a	0.0000%
Expediars International of Washington Inc	EXPD	189.2	49.78	9,416	0.0609%	1.45%	11.58%	0.0009%	0.0071%
Fastenal Co	FAST	289.7	39.18	11,350	0.0734%	2.86%	14.35%	0.0021%	0.0105%
M&T Bank Corp	MTB	133.2	120.27	16,025	0.1036%	2.33%	6.86%	0.0024%	0.0071%
Fiserv Inc	FISV	228.5	96.58	22,072	0.0000%	n/a	12.80%	n/a	0.0000%
Fifth Third Bancorp	FITB	809.3	19.05	15,417	0.0997%	2.73%	4.58%	0.0027%	0.0046%
Gilead Sciences Inc	GILD	1,467.6	108.20	158,795	1.0271%	1.59%	13.70%	0.0163%	0.1407%
Hasbro Inc	HAS	124.9	76.87	9,601	0.0621%	2.39%	9.70%	0.0015%	0.0606%
Huntington Bancshares Inc/OH	HBAN	796.7	10.98	8,747	0.0566%	2.55%	7.69%	0.0014%	0.0044%
Welltower Inc	HCN	351.9	64.85	22,820	0.1476%	5.09%	4.49%	0.0075%	0.0066%
Biogen Inc	BIIB	222.9	291.04	64,874	0.0000%	n/a	12.00%	n/a	0.0000%
Linear Technology Corp	LLTC	239.8	44.44	10,655	0.0689%	2.70%	6.76%	0.0019%	0.0047%
Range Resources Corp	RRC	169.4	30.45	5,157	0.0334%	0.53%	0.27%	0.0002%	0.0001%
Northern Trust Corp	NTRS	231.2	70.43	16,285	0.1053%	2.04%	13.54%	0.0022%	0.0143%
Paychex Inc	PAYX	360.5	51.59	18,600	0.1203%	3.26%	9.39%	0.0039%	0.0113%
People's United Financial Inc	PBCT	310.0	15.97	4,951	0.0000%	4.20%	n/a	0.0000%	n/a
Patterson Cos Inc	PDCO	103.2	47.42	4,896	0.0317%	1.86%	0.0862	0.0006%	0.0027%
QUALCOMM Inc	QCOM	1,571.2	59.48	93,455	0.6045%	3.23%	13.00%	0.0195%	0.0786%
Roper Technologies Inc	ROP	100.7	186.41	18,765	0.1214%	0.54%	11.77%	0.0007%	0.0143%
Ross Stores Inc	ROST	408.1	50.62	20,657	0.1336%	0.93%	10.75%	0.0012%	0.0144%
AutoNation Inc	AN	110.6	63.22	6,994	0.0000%	n/a	13.29%	n/a	0.0000%
Starbucks Corp	SBUX	1,484.2	62.71	93,074	0.6020%	1.28%	18.11%	0.0077%	0.1090%
KeyCorp	KEY	840.9	12.43	10,452	0.0676%	2.41%	7.10%	0.0016%	0.0048%
Staples Inc	SPLS	643.6	12.98	8,353	0.0000%	3.70%	-0.35%	0.0000%	0.0000%
State Street Corp	STT	408.1	69.03	28,172	0.1822%	1.97%	8.36%	0.0036%	0.0152%
US Bancorp	USB	1,761.0	42.22	74,350	0.4809%	2.42%	5.75%	0.0116%	0.0277%
Symantec Corp	SYMC	684.2	20.60	14,094	0.0912%	2.91%	8.35%	0.0027%	0.0076%
T Rowe Price Group Inc	TROW	251.1	75.66	18,998	0.1229%	2.75%	10.44%	0.0034%	0.0128%
Waste Management Inc	WM	446.5	53.77	24,008	0.1553%	2.86%	7.63%	0.0044%	0.0119%
CBS Corp	CBS	444.4	46.55	20,687	0.1338%	1.29%	14.87%	0.0017%	0.0199%
Allergan plc	AGN	393.6	308.80	121,555	0.0000%	n/a	12.40%	n/a	0.0000%
Whole Foods Market Inc	WFM	357.9	29.96	10,721	0.0693%	1.74%	11.82%	0.0012%	0.0082%
Constellation Brands Inc	STZ	173.1	134.86	23,351	0.1510%	0.92%	13.29%	0.0014%	0.0201%
Xilinx Inc	XLNX	257.0	47.64	12,242	0.0792%	2.60%	8.12%	0.0021%	0.0064%
DENTSPLY International Inc	XRAY	139.9	60.86	8,512	0.0551%	0.48%	9.62%	0.0003%	0.0053%
Zions Bancorporation	ZION	204.2	28.79	5,877	0.0380%	0.83%	8.10%	0.0003%	0.0031%
Invesco Ltd	IVZ	423.9	33.20	14,072	0.0910%	3.25%	9.87%	0.0030%	0.0090%
Intuit Inc	INTU	277.3	97.50	27,037	0.1749%	1.23%	17.94%	0.0022%	0.0314%
Morgan Stanley	MS	1,953.4	32.99	64,442	0.4168%	1.82%	17.02%	0.0076%	0.0709%
Microchip Technology Inc	MCHP	211.1	48.35	10,206	0.0660%	2.96%	6.30%	0.0020%	0.0042%
ACE Ltd	ACE	323.9	113.56	36,785	0.2379%	2.36%	11.20%	0.0056%	0.0266%
Chesapeake Energy Corp	CHK	665.4	7.12	4,737	0.0000%	n/a	14.37%	n/a	0.0000%
O'Reilly Automotive Inc	ORLY	99.4	276.38	27,473	0.0000%	n/a	17.70%	n/a	0.0000%
Allstate Corp/The	ALL	400.4	61.88	24,776	0.1603%	1.94%	9.70%	0.0031%	0.0155%
FLIR Systems Inc	FLIR	140.2	26.69	3,743	0.0242%	1.65%	13.50%	0.0004%	0.0033%
Equity Residential	EQR	364.1	77.36	28,165	0.1822%	2.86%	8.04%	0.0052%	0.0147%
BorgWarner Inc	BWA	224.1	42.83	9,600	0.0621%	1.21%	10.59%	0.0008%	0.0066%
Newfield Exploration Co	NFX	163.0	40.19	6,551	0.0000%	n/a	4.90%	n/a	0.0000%
Urban Outfitters Inc	URBN	123.9	28.60	3,545	0.0000%	n/a	14.19%	n/a	0.0000%
Simon Property Group Inc	SPG	309.4	201.63	62,386	0.4035%	3.17%	7.75%	0.0128%	0.0313%
Eastman Chemical Co	EMN	148.7	72.24	10,739	0.0695%	2.21%	7.17%	0.0015%	0.0050%
AvalonBay Communities Inc	AVB	132.9	174.98	23,255	0.1504%	2.86%	7.65%	0.0043%	0.0115%
Prudential Financial Inc	PRU	451.0	82.50	37,208	0.2407%	2.81%	15.78%	0.0068%	0.0380%
United Parcel Service Inc	UPS	698.4	103.06	71,982	0.4656%	2.83%	11.54%	0.0132%	0.0537%
Apartment Investment & Management Co	AIV	156.3	39.20	6,126	0.0396%	3.06%	7.21%	0.0012%	0.0029%
Walgreens Boots Alliance Inc	WBA	1,088.8	84.79	92,319	0.5971%	1.70%	15.51%	0.0101%	0.0926%

### Cascade Natural Gas Corporation

#### Market DCF Calculation as of October 30, 2015

	[1]	[2]	[3]	[4]					
	Dividend Yield	Dividend Yield x (1 + 0.625g)	Expected Growth Rate (g)	Secondary Market Investor Required Return					
S&P 500	2.44%	2.60%	10.14%	12.73%					
	[5]	[6]	[7]	[8]	[9]	[10]	[11]	[12]	
Company	Ticker	Shares Outstanding (million)	Price	Market Capitalization (\$Million)	Percent of Total Market Capitalization	Current Dividend Yield	Best Long-Term Growth Estimate	Market Capitalization-Weighted Dividend Yield	Market Capitalization-Weighted Best Long-Term Growth Estimate
McKesson Corp	MCK	230.1	178.85	41,155	0.2662%	0.63%	13.55%	0.0017%	0.0361%
Lockheed Martin Corp	LMT	307.3	219.97	67,596	0.4372%	3.00%	7.80%	0.0131%	0.0341%
AmerisourceBergen Corp	ABC	216.2	96.56	20,876	0.1350%	1.20%	13.09%	0.0016%	0.0177%
Cameron International Corp	CAM	190.9	68.07	12,996	0.0000%	n/a	-5.90%	n/a	0.0000%
Capital One Financial Corp	COF	542.4	78.97	42,836	0.2771%	2.03%	6.17%	0.0056%	0.0171%
Waters Corp	WAT	82.3	127.89	10,522	0.0000%	n/a	9.59%	n/a	0.0000%
Dollar Tree Inc	DLTR	234.7	65.57	15,390	0.0000%	n/a	19.67%	n/a	0.0000%
Darden Restaurants Inc	DRI	128.1	61.95	7,938	0.0513%	3.55%	12.50%	0.0018%	0.0064%
SanDisk Corp	SNDK	204.4	77.00	15,742	0.0000%	n/a	6.90%	n/a	0.0000%
Diamond Offshore Drilling Inc	DO	137.2	19.87	2,725	0.0000%	2.52%	n/a	0.0000%	n/a
NetApp Inc	NTAP	294.9	34.01	10,030	0.0649%	2.12%	9.98%	0.0014%	0.0065%
Citrix Systems Inc	CTXS	160.7	82.15	13,202	0.0000%	n/a	14.38%	n/a	0.0000%
Goodyear Tire & Rubber Co/The	GT	268.9	32.86	8,835	0.0571%	0.85%	7.00%	0.0005%	0.0040%
DaVita HealthCare Partners Inc	DVA	215.5	77.53	16,708	0.0000%	n/a	10.26%	n/a	0.0000%
Hartford Financial Services Group Inc/The	HIG	409.6	46.29	18,961	0.1226%	1.81%	9.25%	0.0022%	0.0113%
Iron Mountain Inc	IRM	211.2	30.65	6,472	0.0419%	6.33%	4.60%	0.0026%	0.0019%
Estee Lauder Cos Inc/The	EL	224.0	80.46	18,024	0.1166%	1.19%	10.41%	0.0014%	0.0121%
Yahoo! Inc	YHOO	941.4	35.63	33,537	0.0000%	n/a	10.25%	n/a	0.0000%
Principal Financial Group Inc	PFG	292.8	50.19	14,693	0.0950%	3.03%	10.17%	0.0029%	0.0097%
Stericycle Inc	SRCL	85.0	121.26	10,302	0.0000%	n/a	15.35%	n/a	0.0000%
Universal Health Services Inc	UHS	91.7	122.14	11,205	0.0725%	0.33%	10.35%	0.0002%	0.0075%
E*TRADE Financial Corp	ETFC	290.3	28.51	8,277	0.0000%	n/a	16.36%	n/a	0.0000%
Skyworks Solutions Inc	SWKS	195.7	77.33	15,132	0.0979%	1.34%	19.44%	0.0013%	0.0190%
National Oilwell Varco Inc	NOV	375.7	37.64	14,143	0.0000%	4.89%	-2.70%	0.0000%	0.0000%
Quest Diagnostics Inc	DGX	143.4	67.95	9,741	0.0630%	2.24%	10.46%	0.0014%	0.0066%
Activision Blizzard Inc	ATVI	729.0	34.76	25,341	0.1639%	0.66%	9.48%	0.0011%	0.0155%
Rockwell Automation Inc	ROK	134.1	109.18	14,642	0.0947%	2.38%	7.51%	0.0023%	0.0071%
Kraft Heinz Co/The	KHC	1,212.8	78.00	94,601	0.6119%	2.82%	11.15%	0.0173%	0.0682%
American Tower Corp	AMT	423.6	102.29	43,327	0.2802%	1.80%	14.10%	0.0050%	0.0395%
Regeneron Pharmaceuticals Inc	REGN	101.7	557.30	56,698	0.0000%	n/a	22.38%	n/a	0.0000%
Amazon.com Inc	AMZN	468.8	626.24	293,558	0.0000%	n/a	50.72%	n/a	0.0000%
Ralph Lauren Corp	RL	59.8	110.78	6,621	0.0428%	1.81%	13.57%	0.0008%	0.0058%
Boston Properties Inc	BXP	153.6	125.89	19,333	0.1250%	2.07%	6.23%	0.0026%	0.0078%
Amphenol Corp	APH	309.1	54.24	16,768	0.1085%	1.03%	8.70%	0.0011%	0.0094%
Pioneer Natural Resources Co	PXD	149.3	137.15	20,478	0.1324%	0.06%	5.60%	0.0001%	0.0074%
Valero Energy Corp	VLO	497.1	65.91	32,765	0.2119%	3.03%	2.39%	0.0064%	0.0051%
L-3 Communications Holdings Inc	LLL	80.3	126.48	10,160	0.0657%	2.06%	6.79%	0.0014%	0.0045%
Western Union Co/The	WU	505.3	19.25	9,724	0.0629%	3.22%	8.99%	0.0020%	0.0057%
CH Robinson Worldwide Inc	CHRW	144.8	69.37	10,045	0.0650%	2.19%	10.63%	0.0014%	0.0069%
Accenture PLC	ACN	626.7	107.25	67,214	0.4347%	2.05%	10.37%	0.0089%	0.0451%
Yum! Brands Inc	YUM	431.2	70.97	30,605	0.1980%	2.59%	11.45%	0.0051%	0.0227%
Prologis Inc	PLD	524.0	42.73	22,393	0.1448%	3.75%	4.77%	0.0054%	0.0069%
FirstEnergy Corp	FE	423.0	31.22	13,207	0.0854%	4.61%	2.12%	0.0039%	0.0018%
Veeva Systems Inc	VRSN	111.5	80.64	8,991	0.0000%	n/a	10.40%	n/a	0.0000%
Quanta Services Inc	PWR	196.8	20.11	3,958	0.0000%	n/a	2.25%	n/a	0.0000%
Henry Schein Inc	HSIC	83.4	151.72	12,653	0.0000%	n/a	11.15%	n/a	0.0000%
Ameren Corp	AEE	242.6	43.69	10,601	0.0686%	3.89%	6.77%	0.0027%	0.0046%
Broadcom Corp	BRCM	561.0	51.45	28,863	0.1867%	1.09%	12.36%	0.0020%	0.0231%
NVIDIA Corp	NVDA	539.0	28.37	15,291	0.0989%	1.37%	9.25%	0.0014%	0.0091%
Sealed Air Corp	SEE	205.8	49.12	10,111	0.0654%	1.06%	9.50%	0.0007%	0.0062%
Cognizant Technology Solutions Corp	CTSH	609.5	68.14	41,533	0.0000%	n/a	15.49%	n/a	0.0000%
Intuitive Surgical Inc	ISRG	37.4	496.60	18,555	0.0000%	n/a	15.01%	n/a	0.0000%
CONSOL Energy Inc	CNX	229.0	6.66	1,525	0.0099%	0.60%	14.40%	0.0001%	0.0014%
Affiliated Managers Group Inc	AMG	54.3	180.32	9,788	0.0000%	n/a	13.08%	n/a	0.0000%
Aetna Inc	AET	348.7	114.38	39,884	0.2580%	0.87%	11.95%	0.0023%	0.0308%
Republic Services Inc	RSRG	347.2	43.75	15,192	0.0983%	2.74%	7.00%	0.0027%	0.0069%
eBay Inc	EBAY	1,200.7	27.93	33,534	0.0000%	n/a	8.79%	n/a	0.0000%
Goldman Sachs Group Inc/The	GS	432.9	187.24	81,051	0.5242%	1.39%	10.05%	0.0073%	0.0527%
Sempra Energy	SRE	247.9	102.39	25,384	0.1642%	2.73%	8.10%	0.0045%	0.0133%
Moody's Corp	MCO	200.3	96.18	19,265	0.1246%	1.41%	12.00%	0.0018%	0.0150%
Priceline Group Inc/The	PCLN	50.7	1,454.19	73,730	0.0000%	n/a	19.50%	n/a	0.0000%
FS Networks Inc	FFIV	71.0	110.20	7,825	0.0000%	n/a	14.55%	n/a	0.0000%
Akamai Technologies Inc	AKAM	178.6	60.86	10,869	0.0000%	n/a	15.40%	n/a	0.0000%
Reynolds American Inc	RAI	1,429.1	48.32	69,054	0.4466%	2.98%	6.48%	0.0133%	0.0290%
Devon Energy Corp	DVN	411.0	41.94	17,237	0.1115%	2.29%	6.24%	0.0026%	0.0070%
Alphabet Inc	GOOGL	291.3	737.66	214,901	0.0000%	n/a	17.03%	n/a	0.0000%
Red Hat Inc	RHT	182.8	79.15	14,469	0.0000%	n/a	18.58%	n/a	0.0000%

Cascade Natural Gas Corporation

Market DCF Calculation as of October 30, 2015

	[1]	[2]	[3]	[4]					
	Dividend Yield	Dividend Yield x (1 + 0.625g)	Expected Growth Rate (g)	Secondary Market Investor Required Return					
S&P 500	2.44%	2.60%	10.14%	12.73%					
	[5]	[6]	[7]	[8]	[9]	[10]	[11]	[12]	
Company	Ticker	Shares Outstanding (million)	Price	Market Capitalization (\$million)	Percent of Total Market Capitalization	Current Dividend Yield	Best Long-Term Growth Estimate	Market Capitalization-Weighted Dividend Yield	Market Capitalization-Weighted Best Long-Term Growth Estimate
Hudson City Bancorp Inc	HCBK	529.5	10.10	5,348	0.0000%	1.58%	-3.00%	0.0000%	0.0000%
Allegion PLC	ALLE	95.9	65.19	6,253	0.0404%	0.61%	14.85%	0.0002%	0.0600%
Netflix Inc	NFLX	427.4	108.45	46,350	0.0000%	n/a	27.33%	n/a	0.0000%
Agilent Technologies Inc	A	331.4	37.77	12,515	0.0810%	1.06%	5.90%	0.0009%	0.0048%
Anthem Inc	ANTM	261.0	139.32	36,360	0.2352%	1.79%	9.61%	0.0042%	0.0226%
CME Group Inc/IL	CME	337.8	94.57	31,942	0.2066%	2.11%	12.61%	0.0044%	0.0261%
Juniper Networks Inc	JNPR	384.4	31.40	12,069	0.0781%	1.27%	11.12%	0.0010%	0.0087%
BlackRock Inc	BLK	163.6	352.04	57,606	0.3726%	2.48%	11.56%	0.0092%	0.0431%
DTE Energy Co	DTE	179.3	81.62	14,637	0.0947%	3.58%	5.04%	0.0034%	0.0048%
Nasdaq Inc	NDAQ	168.9	57.92	9,784	0.0633%	1.73%	7.50%	0.0011%	0.0047%
Philip Morris International Inc	PM	1,549.3	88.44	137,020	0.8862%	4.61%	5.90%	0.0409%	0.0523%
Time Warner Cable Inc	TWC	283.2	189.47	53,658	0.3471%	1.58%	5.57%	0.0055%	0.0193%
salesforce.com inc	CRM	660.0	77.72	51,295	0.0000%	n/a	28.06%	n/a	0.0000%
MetLife Inc	MET	1,116.9	50.43	56,324	0.3643%	2.98%	7.25%	0.0108%	0.0264%
Monsanto Co	MON	439.8	93.30	41,037	0.2654%	2.32%	11.42%	0.0061%	0.0303%
Coach Inc	COH	277.5	31.24	8,669	0.0561%	4.32%	10.52%	0.0024%	0.0059%
Fluor Corp	FLR	141.6	47.84	6,775	0.0438%	1.76%	4.43%	0.0008%	0.0019%
Dun & Bradstreet Corp/The	DNB	36.1	113.97	4,116	0.0266%	1.62%	10.15%	0.0004%	0.0027%
Edwards Lifesciences Corp	EW	107.9	157.30	16,966	0.0000%	n/a	15.20%	n/a	0.0000%
Ameriprise Financial Inc	AMP	178.2	115.37	20,561	0.1330%	2.32%	11.65%	0.0031%	0.0155%
Xcel Energy Inc	XEL	507.5	35.64	18,087	0.1170%	3.59%	5.04%	0.0042%	0.0059%
Rockwell Collins Inc	COL	131.8	86.75	11,431	0.0739%	1.52%	9.78%	0.0011%	0.0072%
FMC Technologies Inc	FTI	228.0	33.80	7,706	0.0000%	n/a	-1.20%	n/a	0.0000%
Zimmer Biomet Holdings Inc	ZBH	203.4	104.61	21,274	0.1376%	0.84%	11.07%	0.0012%	0.0152%
CBRE Group Inc	CBG	333.2	37.30	12,428	0.0000%	n/a	10.50%	n/a	0.0000%
MasterCard Inc	MA	1,100.2	99.10	109,033	0.7052%	0.65%	16.50%	0.0046%	0.1164%
Signet Jewelers Ltd	SIG	79.6	151.00	12,018	0.0777%	0.58%	12.50%	0.0005%	0.0097%
GameStop Corp	GME	105.5	46.10	4,863	0.0315%	3.12%	13.58%	0.0010%	0.0043%
CarMax Inc	KMX	202.6	59.06	11,968	0.0000%	n/a	15.19%	n/a	0.0000%
Intercontinental Exchange Inc	ICE	109.7	252.61	27,722	0.1793%	1.19%	15.83%	0.0021%	0.0284%
Fidelity National Information Services Inc	FIS	281.6	72.97	20,547	0.1329%	1.42%	12.62%	0.0019%	0.0168%
Chipotle Mexican Grill Inc	CMG	31.2	640.10	19,963	0.0000%	n/a	20.91%	n/a	0.0000%
Pepco Holdings Inc	POM	253.6	26.65	6,759	0.0437%	4.05%	5.53%	0.0018%	0.0024%
Wynn Resorts Ltd	WYNN	101.5	70.00	7,108	0.0460%	2.86%	9.27%	0.0013%	0.0043%
Assurant Inc	AIZ	66.8	81.57	5,450	0.0353%	2.45%	8.62%	0.0009%	0.0030%
NRG Energy Inc	NRG	330.7	12.89	4,262	0.0276%	4.50%	23.90%	0.0012%	0.0066%
Genworth Financial Inc	GNW	497.4	4.68	2,328	0.0000%	n/a	5.00%	n/a	0.0000%
Regions Financial Corp	RF	1,324.9	9.34	12,375	0.0800%	2.57%	3.60%	0.0021%	0.0029%
Monster Beverage Corp	MNST	204.2	136.31	27,834	0.0000%	n/a	16.38%	n/a	0.0000%
Teradata Corp	TDC	141.6	28.12	3,981	0.0000%	n/a	10.25%	n/a	0.0000%
Mosaic Co/The	MOS	337.2	33.81	11,399	0.0737%	3.25%	6.00%	0.0024%	0.0044%
Expedia Inc	EXPE	117.0	136.26	15,948	0.1032%	0.70%	18.03%	0.0007%	0.0186%
Discovery Communications Inc	DISCA	149.3	29.43	4,394	0.0000%	n/a	10.35%	n/a	0.0000%
CF Industries Holdings Inc	CF	233.0	50.78	11,834	0.0765%	2.36%	9.00%	0.0018%	0.0069%
Viacom Inc	VIAB	347.5	49.31	17,132	0.1108%	3.25%	9.25%	0.0036%	0.0102%
Wyndham Worldwide Corp	WYNN	116.1	81.38	9,449	0.0611%	2.06%	9.00%	0.0013%	0.0055%
Alphabet Inc	GOOG	345.5	711.68	245,888	0.0000%	n/a	17.03%	n/a	0.0000%
Spectra Energy Corp	SE	671.4	28.58	19,188	0.1241%	5.18%	3.95%	0.0064%	0.0049%
First Solar Inc	FSLR	100.9	57.13	5,765	0.0000%	n/a	-7.95%	n/a	0.0000%
Mead Johnson Nutrition Co	MJN	197.1	82.00	16,165	0.1046%	2.01%	8.80%	0.0021%	0.0092%
Ensc0 PLC	ESV	235.5	16.63	3,916	0.0000%	3.61%	-4.30%	0.0000%	0.0000%
TE Connectivity Ltd	TEL	402.4	64.45	25,934	0.1677%	2.05%	10.00%	0.0034%	0.0168%
Discover Financial Services	DFS	427.5	56.24	24,042	0.1555%	1.99%	8.59%	0.0031%	0.0134%
TripAdvisor Inc	TRIP	131.3	83.79	11,001	0.0000%	n/a	19.05%	n/a	0.0000%

Cascade Natural Gas Corporation

Market DCF Calculation as of October 30, 2015

	[1]	[2]	[3]	[4]							
	Dividend Yield	Dividend Yield x (1 + 0.625g)	Expected Growth Rate (g)	Secondary Market Investor Required Return							
<b>S&amp;P 500</b>	<b>2.44%</b>	<b>2.60%</b>	<b>10.14%</b>	<b>12.73%</b>							

  

	[5]	[6]	[7]	[8]	[9]	[10]	[11]	[12]	
Company	Ticker	Shares Outstanding (million)	Price	Market Capitalization (\$million)	Percent of Total Market Capitalization	Current Dividend Yield	Best Long-Term Growth Estimate	Market Capitalization-Weighted Dividend Yield	Market Capitalization-Weighted Best Long-Term Growth Estimate
Dr Pepper Snapple Group Inc	DPS	188.9	89.42	16,891	0.1092%	2.15%	7.70%	0.0023%	0.0084%
Scripps Networks Interactive Inc	SNI	94.2	60.09	5,661	0.0366%	1.53%	11.46%	0.0006%	0.0042%
Visa Inc	V	1,951.4	77.60	151,428	0.9794%	0.72%	18.08%	0.0071%	0.1771%
Xylem Inc/NY	XYL	179.4	36.43	6,534	0.0423%	1.55%	11.30%	0.0007%	0.0048%
Marathon Petroleum Corp	MPC	536.2	51.80	27,773	0.1796%	2.47%	2.52%	0.0044%	0.0045%
Level 3 Communications Inc	LVL3	355.8	50.98	18,140	0.0000%	n/a	8.00%	n/a	0.0000%
Tractor Supply Co	TSCO	135.8	92.40	12,550	0.0812%	0.87%	15.49%	0.0007%	0.0126%
Transocean Ltd	RIG	363.7	15.83	5,757	0.0000%	n/a	-25.40%	n/a	0.0000%
Essex Property Trust Inc	ESS	65.7	220.49	14,496	0.0938%	2.61%	7.08%	0.0024%	0.0066%
General Growth Properties Inc	GGP	885.7	28.95	25,640	0.1658%	2.49%	7.51%	0.0041%	0.0125%
Realty Income Corp	O	249.6	49.47	12,348	0.0799%	4.62%	4.30%	0.0037%	0.0034%
Seagate Technology PLC	STX	296.8	38.09	11,305	0.0731%	6.62%	7.64%	0.0048%	0.0056%
WestRock Co	WRK	261.8	53.77	14,080	0.0911%	2.79%	7.19%	0.0025%	0.0065%
Western Digital Corp	WDC	230.4	66.86	15,405	0.0996%	2.99%	5.00%	0.0030%	0.0050%
Twenty-First Century Fox Inc	FOX	798.5	30.88	24,658	0.1595%	0.97%	16.22%	0.0015%	0.0259%
Comcast Corp	CMCSK	347.3	62.72	21,784	0.1409%	1.59%	12.68%	0.0022%	0.0179%
Fossil Group Inc	FOSL	48.1	54.42	2,620	0.0000%	n/a	7.35%	n/a	0.0000%
JB Hunt Transport Services Inc	JBHT	114.6	76.40	8,756	0.0566%	1.10%	14.35%	0.0006%	0.0081%
Lam Research Corp	LRCX	158.5	76.63	12,146	0.0786%	1.57%	5.48%	0.0012%	0.0043%
Mohawk Industries Inc	MHK	73.9	195.48	14,449	0.0000%	n/a	12.05%	n/a	0.0000%
Pentair PLC	PNR	180.3	55.94	10,083	0.0652%	2.29%	14.93%	0.0015%	0.0097%
Vertex Pharmaceuticals Inc	VRTX	244.7	124.74	30,517	0.0000%	n/a	30.00%	n/a	0.0000%
Facebook Inc	FB	2,259.7	102.00	230,493	0.0000%	n/a	24.30%	n/a	0.0000%
United Rentals Inc	URI	92.8	74.89	6,952	0.0000%	n/a	12.64%	n/a	0.0000%
United Continental Holdings Inc	UAL	382.0	60.37	23,059	0.0000%	n/a	16.92%	n/a	0.0000%
Baxalta Inc	BXLT	677.0	34.47	23,335	0.0000%	0.81%	-5.50%	0.0000%	0.0000%
Delta Air Lines Inc	DAL	786.5	50.89	40,020	0.2588%	1.06%	0.2188	0.0027%	0.0566%
Navient Corp	NAVI	374.0	13.19	4,933	0.0000%	4.85%	n/a	0.0000%	n/a
Mallinckrodt PLC	MNK	117.3	65.66	7,705	0.0000%	n/a	14.05%	n/a	0.0000%
News Corp	NWS	199.6	15.49	3,092	0.0200%	1.29%	13.95%	0.0003%	0.0028%
Keurig Green Mountain Inc	GMCR	154.1	50.76	7,820	0.0506%	2.27%	16.40%	0.0011%	0.0083%
Macerich Co/The	MAC	158.3	84.76	13,419	0.0868%	3.21%	7.32%	0.0028%	0.0063%
Martin Marietta Materials Inc	MLM	67.0	155.19	10,398	0.0673%	1.03%	24.06%	0.0007%	0.0162%
PayPal Holdings Inc	PYPL	1,221.7	36.02	44,005	0.0000%	n/a	0.1571	n/a	0.0000%
Alexion Pharmaceuticals Inc	ALXN	226.2	176.06	39,817	0.0000%	n/a	21.73%	n/a	0.0000%
Columbia Pipeline Group Inc	CPGX	317.6	20.78	6,600	0.0427%	2.41%	36.00%	0.0010%	0.0154%
Endo International PLC	ENDP	226.4	59.95	13,573	0.0000%	n/a	9.87%	n/a	0.0000%
News Corp	NWSA	381.6	15.41	5,880	0.0380%	1.30%	13.95%	0.0005%	0.0053%
Crown Castle International Corp	CCI	333.8	85.47	28,527	0.1845%	4.14%	22.80%	0.0076%	0.0421%
Delphi Automotive PLC	DLPH	280.1	83.22	23,309	0.1508%	1.20%	10.61%	0.0018%	0.0160%
Advance Auto Parts Inc	AAP	73.2	198.51	14,534	0.0940%	0.12%	13.81%	0.0001%	0.0130%
Michael Kors Holdings Ltd	KORS	193.4	38.66	7,478	0.0000%	n/a	7.78%	n/a	0.0000%
Alliance Data Systems Corp	ADS	61.4	297.31	18,265	0.0000%	n/a	14.50%	n/a	0.0000%
Nielsen Holdings PLC	NLSN	364.1	47.50	17,293	0.1119%	2.36%	12.33%	0.0026%	0.0138%
Garmin Ltd	GRMN	190.3	35.47	6,750	0.0437%	5.75%	8.80%	0.0025%	0.0038%
Cimarex Energy Co	XEC	94.5	118.06	11,151	0.0000%	0.54%	-2.77%	0.0000%	0.0000%
Zoetis Inc	ZTS	498.944	43.02	21,465	0.1388%	0.77%	12.50%	0.0011%	0.0174%
Equinix Inc	EQIX	57.286	296.8	17,002	0.1100%	2.28%	40.65%	0.0025%	0.0447%
Discovery Communications Inc	DISCK	274.284	27.53	7,551	0.0000%	n/a	10.35%	n/a	0.0000%

Average for Companies Paying Dividends with Positive Best Long-Term Growth Estimates 2.34% 10.02%

Notes:

- [1] Equals sum of Column [11]
- [2] Equals Column [1] x (1 + 0.625 x Column [3])
- [3] Equals sum of Column [12]
- [4] Equals Column [2] ÷ Column [3]
- [5] Source: Bloomberg Finance L.P.
- [6] Source: Bloomberg Finance L.P.
- [7] Equals Column [5] x Column [6]
- [8] Equals percent of sum of Column [7] if Current Dividend Yield does not equal "n/a" and Best Long-Term Growth Estimate does not equal "n/a" and is greater than 0%
- [9] Source: Bloomberg Finance L.P.
- [10] Source: Bloomberg Finance L.P.
- [11] Equals Column [8] x Column [9]
- [12] Equals Column [8] x Column [10]

**Cascade Natural Gas Corporation**  
**Beta**  
**As of September 4, 2015**

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		Value Line
Atmos Energy Corporation	ATO	0.85
Laclede Group, Inc. (The)	LG	0.70
New Jersey Resources Corporation	NJR	0.85
Northwest Natural Gas Company	NWN	0.70
South Jersey Industries, Inc.	SJI	0.85
Southwest Gas Corporation	SWX	0.85
WGL Holdings, Inc.	WGL	0.80
Mean		0.80

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Source: Value Line; dated September 4, 2015



## Cascade Natural Gas Corporation

### Selected Natural Gas Distribution Companies Decoupling Mechanisms

Company	Ticker	Utility	State	Decoupling Mechanism	# of Customers	% of Total Customers
				[1]		
Atmos Energy Corporation	ATO	Atmos Energy Corporation	CO	N	113,006	1.2%
		Atmos Energy Corporation	KS	N	131,426	1.4%
		Atmos Energy Corporation	KY	N	177,811	1.9%
		Atmos Energy Corporation	LA	Y	353,079	3.8%
		Atmos Energy Corporation	MS	Y	265,762	2.9%
		Atmos Energy Corporation	TN	N	137,989	1.5%
		Atmos Energy Corporation (Mid-Tex)	TX	N	1,609,920	17.3%
		Atmos Energy Corporation (West Texas)	TX	N	302,815	3.3%
Laclede Goup, Inc. (The)	LG	Atmos Energy Corporation	VA	N	23,261	0.3%
		Alabama Gas Corporation	AL	N	415,800	4.5%
		Laclede Gas Company	MO	N	642,200	6.9%
New Jersey Resources Corporation	NJR	Missouri Gas Energy	MO	Y	505,200	5.4%
		New Jersey Natural Gas Company	NJ	Y	504,300	5.4%
Northwest Natural Gas Company	NWN	Northwest Natural Gas Company	OR	Y	623,000	6.7%
		Northwest Natural Gas Company	WA	N	77,000	0.8%
South Jersey Industries, Inc.	SJI	South Jersey Gas Company	NJ	Y	366,854	3.9%
Southwest Gas Corporation	SWX	Southwest Gas Corporation	AZ	Y	1,033,000	11.1%
		Southwest Gas Corporation	CA	Y	189,000	2.0%
		Southwest Gas Corporation	NV	Y	708,000	7.6%
WGL Holdings, Inc.	WGL	WGL Holdings, Inc.	DC	N	155,993	1.7%
		WGL Holdings, Inc.	MD	Y	454,273	4.9%
		WGL Holdings, Inc.	VA	Y	506,777	5.5%
<b>Total Number of Customers</b>					<b>9,296,466</b>	
<b>Percent with Decoupling</b>						<b>59.3%</b>

Notes:

[1] Source: Adjustment Clauses - A State-by-State Overview, Regulatory Research Associates, October 2, 2015

## Cascade Natural Gas Corporation

### Selected Natural Gas Distribution Companies

#### Capital Structures as of June 30, 2015

*\$ millions*

Company	Ticker	Short-Term Debt	%	Long-Term Debt	%	Preferred Stock	%	Common Equity	%	Total Capital
Atmos Energy Corporation	ATO	\$ 251,977.0	4.24%	\$ 2,455,303.0	41.30%	\$ -	0.00%	3,238,255.0	54.47%	\$ 5,945,535.0 1/
Laclede Group, Inc. (The)	LG	211,400.0	5.81%	1,816,400.0	49.95%	-	0.00%	1,608,600.0	44.24%	3,636,400.0 1/
New Jersey Resources Corporation	NJR	-	0.00%	883,553.0	44.03%	-	0.00%	1,123,312.0	55.97%	2,006,865.0 1/
Northwest Natural Gas Company	NWN	190,300.0	11.98%	621,700.0	39.13%	-	0.00%	776,964.0	48.90%	1,588,964.0 1/
South Jersey Industries, Inc.	SJI	366,000.0	16.04%	945,400.0	41.44%	-	0.00%	969,977.0	42.52%	2,281,377.0 1/
Southwest Gas Corporation	SWX	-	0.00%	1,541,733.0	49.84%	-	0.00%	1,551,832.0	50.16%	3,093,565.0 1/
WGL Holdings, Inc.	WGL	156,000.0	6.45%	995,494.0	41.17%	-	0.00%	1,266,373.0	52.38%	2,417,867.0 1/
<b>Median</b>			<b>5.81%</b>		<b>41.44%</b>		<b>0.00%</b>		<b>50.16%</b>	
Cascade Natural Gas Company		-	0.00%		50.00%	-	0.00%		50.00%	2/

1/ Source: SNL Financial LC; data as of June 30, 2015

2/ Source: Cascade Natural Gas Corp. - Washington Natural Gas Operations