

795

Cascade Natural Gas Corporation
TARGET COST OF CAPITAL
 State of Washington

Line No.	Description (a)	Ratios (b)	Cost (c)	Weighted (d)
1	Short-Term Debt	5.00%	6.82% 1/	0.34%
2	Long-Term Debt	45.00%	8.84% 2/	3.98%
3	Sr. Preferred Stock	5.00%	7.55% 3/	0.38%
4	Common Equity	45.00%	11.25%	5.06%
5		<u>100.00%</u>		<u>9.76%</u>

Source

- 1/ Schedule 4, column c, line 8.
- 2/ Schedule 5, column c, line 16.
- 3/ Schedule 6, column c, line 7.

WUTC *UG-950326,*
 DOCKET NO. *-951415*
 EXHIBIT # *42*

ADMIT W/D REJECT

Cascade Natural Gas Corporation						
COMPARATIVE CAPITAL STRUCTURES						
State of Washington						
Line No.	Description	Dec. 94 Ratio	Avg. Ratio 5/	High Ratio 6/	Target Ratio	
	(a)	(b)	(c)	(d)	(e)	
1	Short-Term Debt	6.92%	7.43%	0.00%	5.00%	1/
2	Long-Term Debt	47.75%	42.88%	43.36%	45.00%	2/
3	Preferred Stock	3.45%	4.17%	4.77%	5.00%	3/
4	Common Equity	<u>41.88%</u>	<u>45.52%</u>	<u>51.87%</u>	<u>45.00%</u>	4/
5		100.00%	100.00%	100.00%	100.00%	

- 1/ Carried forward to Schedule 1, column b, line 1.
 2/ Carried forward to Schedule 1, column b, line 2.
 3/ Carried forward to Schedule 1, column b, line 3.
 4/ Carried forward to Schedule 1, column b, line 4.
 5/ Averages for 1993-94
 6/ June 1993

Cascade Natural Gas Corporation			
HISTORIC CAPITAL RATIOS			
State of Washington			
(000 omitted)			
Line No.	Description	Amount	Ratio
	(a)	(b)	(c)
1	Average of Monthly Averages 1993		
2	Short Term Debt	\$ 11,959	6.97%
3	Long-term Debt	72,126	42.05%
4	Preferred Stock	7,875	4.59%
5	Common Equity	<u>79,544</u>	<u>46.38%</u>
6		171,504	100.00%
7	Average of Monthly Averages 1994		
8	Short Term Debt	15,392	7.83%
9	Long-term Debt	85,750	43.60%
10	Preferred Stock	7,470	3.80%
11	Common Equity	<u>88,059</u>	<u>44.77%</u>
12		196,671	100.00%
13	Average of Monthly Averages 1993 & 1994		
14	Short Term Debt	13,676	7.43%
15	Long-term Debt	78,938	42.88%
16	Preferred Stock	7,673	4.17%
17	Common Equity	<u>83,802</u>	<u>45.52%</u>
18		184,089	100.00%
19	High Ratio.. June 1993		
20	Short Term Debt	-	0.00%
21	Long-term Debt	72,000	43.36%
22	Preferred Stock	7,915	4.77%
23	Common Equity	<u>86,121</u>	<u>51.87%</u>
24		166,036	100.00%
25	Low Ratio.. December 1994		
26	Short Term Debt	14,501	6.92%
27	Long-term Debt	100,000	47.75%
28	Preferred Stock	7,217	3.45%
29	Common Equity	<u>87,710</u>	<u>41.88%</u>
30		209,428	100.00%

1/ Carried forward to Schedule 2, page 1, column c, line 1.

2/ Carried forward to Schedule 2, page 1, column c, line 2

3/ Carried forward to Schedule 2, page 1, column c, line 3

4/ Carried forward to Schedule 2, page 1, column c, line 4

Cascade Natural Gas Corporation			
SHORT TERM INTEREST COST			
State of Washington			
Line No	Description (a)	Forecasted (b)	Annual Cost (c)
1	Short-Term Debt	\$ 13,000,844	
2	Recent Interest Charge	6.50%	\$ 845,055
3	Facility Fee		
4	\$40 Million Commitment	0.1250%	16,251
5	Agent's Fee		10,000
6	Arrangement Fee		15,000
7			\$ 886,306
8	Effective Cost		6.82% 1/

1/ Carried Forward to Exhibit (JDW-1), Schedule 1, Page 1, Column (c), Line 1.

Cascade Natural Gas Corporation				
LONG TERM INTEREST COST				
State of Washington				
Line No	Description	Amount	Effective Rate	Annual Cost
	(a)	(b)	(c)	(d)
1	Long-Term Debt			
2	7.32% Medium Term Notes Due 2004	\$ 22,000,000	9.81%	\$ 2,158,200.00
3	8.06% Medium Term Notes Due 2012	14,000,000	9.12%	1,276,800
4	8.10% Medium Term Notes Due 2012	5,000,000	8.20%	410,000
5	8.11% Medium Term Notes Due 2012	3,000,000	8.21%	246,300
6	7.18% Medium Term Notes Due 2004	4,000,000	7.29%	291,600
7	7.95% Medium Term Notes Due 2013	4,000,000	9.65%	386,000
8	8.01% Medium Term Notes Due 2013	10,000,000	9.71%	971,000
9	7.95% Medium Term Notes Due 2013	10,000,000	9.65%	965,000
10	5.77% Medium Term Notes Due 1998	5,000,000	5.95%	297,500
11	5.78% Medium Term Notes Due 1998	5,000,000	5.96%	298,000
12	8.38% Medium Term Notes Due 2005	5,000,000	8.53%	426,500
13	8.35% Medium Term Notes Due 2005	5,000,000	8.47%	423,500
14	8.50% Medium Term Notes Due 2006	8,000,000	8.61%	688,800
15				
16	Total Long-Term Debt	\$ 100,000,000	8.84% 1/	\$ 8,839,200

1/ Carried forward to Schedule 1, column c, line 2.

Cascade Natural Gas Corporation				
PREFERRED STOCK COST				
State of Washington				
Line No	Description	Amount	Effective Rate	Annual Cost
	(a)	(b)	(c)	(d)
1	Senior Preferred Stock			
2	\$.55 Cumulative, Series A	\$ -	5.50%	\$ -
3	\$.55 Cumulative, Series B	289,800	5.95%	17,243
4	\$.55 Cumulative, Series C	540,167	6.61%	35,705
5	7.85% Cumulative, \$1.00 par	6,000,000	8.21%	492,600
6	6.45% New Preferred (1/)	7,500,000	6.61%	495,750
7	Total Preferred (3/)	<u>\$ 14,329,967</u>	<u>7.27%</u> 2/	<u>\$ 1,041,298</u>

1/ Proposed new issue of preferred planned for late 1995 or early 1996.

2/The effective rate is slightly less than the negotiated rate of 7.55% due to a lower rate on the new issue of preferred.

3/ Total preferred outstanding at December 31, 1994 was \$7,217,000.

Cascade Natural Gas Corporation PEER GROUP ANALYSIS State of Washington					
Line	COMPANY	S & P RATING	EQUITY % TOT CAP	ALLOWED RETURN	ACTUAL RETURN
No.	(a)	(b)	(c)	(d)	(e)
1	Atlanta Gas Light Co.	A-	45.20%	11.00%	11.60%
2	Atmos Energy Corp	N/R	52.00%	12.50%	10.10%
3	Berkshire Gas Company	N/R	36.70%		13.40%
4	Bay State Gas	A	52.30%	13.00%	11.70%
5	Brooklyn Union Gas	A	52.20%	11.20%	11.60%
6	Colonial Gas Company	A-	56.00%	11.19%	11.40%
7	Connecticut Energy Corp	A-	51.20%	11.50%	11.40%
8	Connecticut Nat. Gas	A-	47.30%	11.20%	12.80%
9	Energen Corporation	A	58.50%	13.40%	15.20%
10	Energy North, Inc.	N/R	54.90%		13.80%
11	NICOR, Inc	AA	59.30%	12.80%	15.70%
12	Indiana Energy Inc	AA-	63.00%	12.30%	13.00%
13	Laclede Gas Company	AA-	55.50%		11.50%
14	North Carolina Nat Gas	N/R	70.00%	12.70%	13.30%
15	New Jersey Resources	A	42.00%	11.50%	13.70%
16	NUI Corporation	BBB+	47.00%	12.40%	8.20%
17	Northwest Natural Gas	A	43.80%	13.30%	12.20%
18	ONEOK, Inc	A-	49.90%	12.10%	9.70%
19	Pacific Enterprises	AA-	40.60%	12.00%	14.50%
20	Peoples Energy Corp.	AA-	50.60%	12.30%	11.70%
21	Piedmont Natural Gas	A	49.10%		14.10%
22	Providence Energy Corp	BBB+	53.10%	11.20%	10.70%
23	Public Service of N. Car.	N/R	58.50%		14.10%
24	South Jersey Industries	N/R	49.90%	11.50%	8.40%
25	Southern Mich Gas	N/R	49.80%		10.00%
26	Southwest Gas Corp	BBB-	33.70%		7.60%
27	United Cities Gas Co.	N/R	45.00%	12.60%	10.60%
28	Valley Resources, Inc.	N/R	32.90%		15.00%
29	Washington Gas Light	AA-	56.70%		12.50%
30	WICOR, Inc	AA	64.30%	11.80%	11.80%
31	Washington Nat. Gas	BBB+	40.30%	11.20%	-16.00%
32	Yankee Energy System	N/R	54.10%	12.40%	12.70%
33	Average		50.48%	12.05%	11.55%
34	<u>Cascade Natural Gas</u>	BBB+	40.90%	13.20%	6.00%

Not Used

Source: This schedule represents all non-diversified publicly traded LDCs that have a market capitalization of at least \$75 million.