

BEFORE THE
WASHINGTON UTILITIES & TRANSPORTATION COMMISSION

UG-06____

GENERAL RATE APPLICATION

OF



February 14, 2006

Exhibits of

Matthew D. McArthur

Exhibit ____ (MDM-2) – Proforma Cost of Capital

Exhibit ____ (MDM-3) – Cost of Long Term Debt

Exhibit ____ (MDM-4) – Proforma Capital Structure

Exhibit ____ (MDM-5) – Short Term Borrowing Balance for January 2006

Cascade Natural Gas Corporation
PROFORMA COST OF CAPITAL

Line No.	Description	Ratios	Cost		Weighted
	(a)	(b)	(c)		(d)
1	Long-Term Debt	50.00%	7.58%	1/	3.79%
2	Common Stock	50.00%	11.15%	2/	5.58%
3		100.00%			9.37%

Source

1/ Exhibit __ (MDM-3), column c, line 17.

2/ Dr. Morin's testimony.

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Exhibit __ (MDM-3)

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Cascade Natural Gas Corporation
COST OF LONG-TERM DEBT

Line No.	Description	Amount	Effective Rate	Annual Cost
	(a)	(b)	(c)	(d)
1	8.06% MTN Due 9/4/2012	\$ 14,000,000	9.12%	\$ 1,277,000
2	8.10% MTN Due 10/8/2012	5,000,000	8.20%	410,000
3	8.11% MTN Due 10/8/2012	3,000,000	8.21%	246,000
4	7.95% MTN Due 2/04/2013	4,000,000	9.65%	386,000
5	8.01% MTN Due 2/12/2013	10,000,000	9.71%	971,000
6	7.95% MTN Due 2/25/2013	10,000,000	9.65%	965,000
7	8.50% MTN Due 10/02/2006	8,000,000	8.62%	690,000
8	7.48% MTN Due 9/15/2027	20,000,000	7.57%	1,513,000
9	7.098% MTN Due 3/16/2029	15,000,000	7.18%	1,077,000
13	7.50% Notes Due 11/15/31	39,840,000	7.82%	3,117,000
14	5.25% IQN Due 2/1/2035	30,000,000	5.69%	1,708,000
15	5.21% Notes Due 9/1/2020	15,000,000	5.39%	809,000
16				
17	Total Long-Term Debt	\$ 173,840,000	7.58%	1/ \$ 13,169,000

1/ Carried forward to Exhibit __ (MDM-2), column c, line 1

Cascade Natural Gas Corporation
PROFORMA CAPITAL STRUCTURE

Line No.	Description	Amount	Total	Ratio
	(a)	(b)	(c)	(d)
1				
2	Long Term Debt as of 9/30/05	\$ 173,840,000		
3	Less: Deferred Gas Costs	(16,223,000)		
4	Less: Cash flow from FY2006 - FY2007			
5	NI + Dep + DRIP - Div - Cap Ex	(8,573,000)		
6				
7	Proforma Long Term Debt as of 9/30/07		\$ 149,044,000	50.41%
8				
9	Equity as of 9/30/05	132,032,000		
10	Plus: NI + DRIP - Div from FY2006 - FY2007	14,559,000		
11				
12	Proforma Equity as of 9/30/07		146,591,000	49.59%
13				
14	Proforma Total Capital as of 9/30/07		\$ 295,635,000	100.00%

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Exhibit __ (MDM-5)

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Cascade Natural Gas Corporation
SHORT-TERM BORROWING BALANCES FOR
JANUARY 2006

Line No.	Date	Short-Term Borrowings	Cash in Money Market	Net Cash (Borrowings)
	(a)	(b)	(c)	(d)
1	1-Jan-06	\$ 18,900,000	\$ 1,573,000	\$ (17,327,000)
2	2-Jan-06	18,900,000	1,573,000	(17,327,000)
3	3-Jan-06	15,900,000	44,000	(15,856,000)
4	4-Jan-06	14,100,000	1,129,000	(12,971,000)
5	5-Jan-06	11,200,000	-	(11,200,000)
6	6-Jan-06	10,100,000	1,169,000	(8,931,000)
7	7-Jan-06	10,100,000	1,169,000	(8,931,000)
8	8-Jan-06	10,100,000	1,169,000	(8,931,000)
9	9-Jan-06	7,000,000	5,510,000	(1,490,000)
10	10-Jan-06	-	3,433,000	3,433,000
11	11-Jan-06	-	5,507,000	5,507,000
12	12-Jan-06	-	8,247,000	8,247,000
13	13-Jan-06	-	9,815,000	9,815,000
14	14-Jan-06	-	9,815,000	9,815,000
15	15-Jan-06	-	9,815,000	9,815,000
16	16-Jan-06	-	9,815,000	9,815,000
17	17-Jan-06	-	12,459,000	12,459,000
18	18-Jan-06	-	15,774,000	15,774,000
19	19-Jan-06	-	19,098,000	19,098,000
20	20-Jan-06	-	23,864,000	23,864,000
21	21-Jan-06	-	23,864,000	23,864,000
22	22-Jan-06	-	23,864,000	23,864,000
23	23-Jan-06	-	27,916,000	27,916,000
24	24-Jan-06	-	30,880,000	30,880,000
25	25-Jan-06	23,400,000	5,524,000	(17,876,000)
26	26-Jan-06	17,400,000	754,000	(16,646,000)
27	27-Jan-06	19,900,000	848,000	(19,052,000)
28	28-Jan-06	19,900,000	848,000	(19,052,000)
29	29-Jan-06	19,900,000	848,000	(19,052,000)
30	30-Jan-06	17,400,000	768,000	(16,632,000)
31	31-Jan-06	15,400,000	1,579,000	(13,821,000)
32				\$ 9,071,000
33				
34	Average Daily Cash / (Borrowings) Balance			\$ 293,000