

Exhibit No. ___ (DCP-15)
Docket No. UG-060256
Witness: David C. Parcell

BEFORE THE WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

**WASHINGTON UTILITIES AND
TRANSPORTATION COMMISSION,**

Complainant,

v.

**CASCADE NATURAL GAS
CORPORATION,**

Respondent.

DOCKET NO. UG-060256

EXHIBIT TO TESTIMONY OF

DAVID C. PARCELL

(REVISED EXHIBIT NUMBER)

ON BEHALF OF

**STAFF OF
WASHINGTON UTILITIES AND
TRANSPORTATION COMMISSION**

*Cascade Natural Gas
Pre-Tax Coverage*

August 22, 2006

**CASCADE NATURAL GAS
 PRE-TAX COVERGE**

| Item | Percent | Cost | Weighted Cost | Pre-Tax Cost |
|-----------------|---------|-------|---------------|--------------|
| Long-Term Debt | 54.78% | 7.58% | 4.15% | 4.15% |
| Short-Term Debt | 4.09% | 6.59% | 0.27% | 0.27% |
| Common Equity | 41.13% | 9.75% | 4.01% | 6.7% (1) |
| Total | 100.00% | | 8.43% | 11.11% |

(1) Post-tax weighted cost divided by .60 (composite tax factor).

Pre-tax coverage = $11.11\% / (4.15\% + 0.27\%)$
2.51

Standard & Poor's Utility Benchmark Ratios:

| | A | BBB |
|---------------------------------|------------|------------|
| Pre-tax coverage (x) | 2.3 - 2.9x | 1.3 - 2.3x |
| Total Debt to Total Capital (%) | 52 - 58% | 58 - 68% |

Note: Standard & Poor's no longer employs the pre-tax coverage ratios as one of its qualitative ratings criteria. The above-cited benchmark ratios reflect the 1999 criteria reported by S&P.