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In the Community to Serve®

June 14, 2013

Steven V. King
Acting Executive Director and Secretary
Washington Utilities and Transportation Commission
P.O. Box 47250
Olympia, WA 98504-7250

Dear Mr. King:

Pursuant to RCW 80.08.040, Cascade Natural Gas Corporation intends to enter into a five year revolving credit agreement in the amount of \$50 million.

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

1. The purpose for which the issuance is made is to replace the current five year \$50,000,000 revolving credit agreement with a new five year \$50,000,000 revolving credit agreement. The purpose of all transactions under this revolving credit agreement will meet the requirements of RCW 80.08.030.
2. Cascade Natural Gas Corporation proposes to borrow funds on the \$50,000,000 revolving line of credit obligating Applicant to pay interest on a periodic basis based on current interest rates at the time the Applicant borrows. Interest rates are based on the Prime Rate and/or LIBOR and are determined based on the Applicant's long-term debt ratings.

The fees at closing of the loan agreement will be a \$75,000 arrangement fee to U.S. Bank National Association and a \$25,000 arrangement fee to Toronto Dominion as the Syndication Agent. An upfront fee of \$87,000 (17.5 bps) will also be paid to U.S. Bank. Annual administration fees of \$15,000 are also required.

3. Cascade Natural Gas Corporation has a continuing need for capital and operations. This loan agreement is necessary to the Applicant as the current loan agreement will soon expire. The revolving loan agreement is also important to the Applicant as it provides Letters of Credit as needed.

I certify that the above information is true and correct. If there are any questions regarding this filing, please contact me at (509) 734-4537.

Sincerely,

A handwritten signature in blue ink that reads "Mark A. Chiles". The signature is written in a cursive style with a blue ink color.

Mark Chiles
Vice President, Controller