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August 2, 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 issue a long-term debt security in the amount of \$50,000,000.

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 refinance existing debt and general corporate purposes. The purpose of all transactions under this revolving credit agreement will meet the requirements of RCW 80.08.030.
2. Applicant proposes to issue and sell not more than \$50,000,000 Unsecured Notes obligating Cascade to pay interest on a periodic basis on a fixed coupon rate established as part of the note obligation with principal payable at some future date. These notes will have a 12 or 15 year maturity. Applicant is proposing to issue these notes in the month of August 2013 to benefit from the current low rates. Interest rates are based on 10 year Treasury rates plus 140 for 12 year tranche or plus 170 for 15 year tranche.

Securities will be issued under a private placement agreement with Teachers Insurance and Annuity Association of America ("TIAA"). No underwriting fees or commissions will be paid in conjunction with the issuance of the securities. Legal fees and reasonable out-of-pocket costs will be paid or reimbursed to TIAA, Sutherland Asbill & Brennan LLP (TIAA's special counsel, and Cohen Tauber Spievack & Wagner P.C. (Cascade's legal counsel), and are estimated at \$125,000.

3. Common equity, preferred stock, and debt are a necessary component of the capital structure for Cascade, which is consistent with the long-term nature of

its investments or assets. Applicant retired \$24,000,000 medium term notes in February 2013. Projected capital additions in fiscal 2013 are approximately \$29,000,000. Applicant will use proceeds from the proposed securities issuance(s) for the following purposes and no others: the acquisition of utility property or the construction, extension or improvement of utility facilities; the improvement or maintenance of service; the discharge or lawful refunding of its obligations (such as relatively higher-coupon debt and maturing debt previously authorized by the Commission); and refunding the Company's treasury expended on utility purposes.

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,



Mark Chiles
Vice President, Controller