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In the Community to Serve®

March 19, 2020

Mr. Mark L. Johnson
Executive Director and Secretary
Washington Utilities & Transportation Commission
P.O. Box 47250
Olympia, WA 98504-7250

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UTIL. AND TRANSP.
COMMISSION

Dear Mr. Johnson:

Pursuant to RCW 80.08.040, Cascade Natural Gas Corporation intends to issue long-term debt securities in the amount of \$75,000,000.

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 these long-term notes will meet the requirements of RCW 80.08.030.
2. Applicant proposes to issue and sell not more than \$75,000,000 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 5- to 40-year maturity. Applicant is proposing to issue these notes between the months of May and September 2020 to benefit from the current low long-term interest rates. Interest rates are based on Treasury rates plus a range of 100 to 250 basis points depending on final maturity date.

The notes will be issued by Cascade. The notes will be sold at one time to institutional investors in a private placement led by [TBD].

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 will use proceeds from the 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; and refunding the Company's treasury expended on utility purposes. Specifically, applicant will pay off \$15,000,000 of short-term obligations due

September 2020. Projected capital additions in fiscal year 2020 are approximately \$108,000,000.

I certify that the above information is true and correct. If there are any questions regarding this filing, please contact me at (208) 377-6124.

Sincerely,

/s/ Mark Chiles

Mark Chiles
Vice President, Regulatory Affairs and Customer Service
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