

**Exhibit No. ___(MDM-7)
Docket No. UG-060256
Witness: Matthew D. McArthur**

BEFORE THE WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

**CASCADE NATURAL GAS
CORPORATION**

Complainant,

v.

**WASHINGTON UTILITIES AND
TRANSPORTATION COMMISSION**

Respondent.

DOCKET NO. UG-060256

EXHIBIT TO REBUTTAL TESTIMONY OF

Matthew D. McArthur

STAFF OF

Cascade Natural Gas Corporation

Capital Structure

September 12, 2006

Exhibit ___(MDM-7) Capital Structure

Cascade Natural Gas Corporation
HISTORICAL CAPITAL STRUCTURE

Line #	Description	9/30/1996	9/30/1997	9/30/1998	9/30/1999	9/30/2000	9/30/2001	9/30/2002	9/30/2003	9/30/2004	9/30/2005	6/30/2006
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)
1	Capital Ratios Debt	46.8%	53.1%	52.0%	50.9%	49.3%	54.3%	56.8%	57.4%	57.5%	58.7%	55.1%
2	Equity 1/	53.2%	46.9%	48.0%	49.1%	50.7%	45.7%	43.2%	42.6%	42.5%	41.3%	44.9%
3	Total Capital	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

1/ Equity includes both Common Equity and Preferred Equity. The Company carried Preferred Stock balances from 1996 to 2000. The Common Equity is adjusted for Accumulated Other Comprehensive Income (Loss).

**Exhibit No. ___(MDM-8)
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Exhibit ___ (MDM-8) Historical Capital Structure

Docket No. _____

Exhibit (MDM-8)

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**Cascade Natural Gas Corporation
CAPITAL STRUCTURE**

Line #	Description	Amount	Ratio
	(a)	(b)	(c)
		6/30/2006	
1	LT Debt (including current)	173,333	55.1%
2	ST Debt	-	0.0%
3	Equity	128,081	
4	less OCI	13,103	
5	Net Equity	141,184	44.9%
6	Total Capital	314,517	100.0%
7	<u>Adjusting Items</u>		
8	Cash Balance	22,364	
9	Deferred Gas Costs	527	
10	Adjusted Debt for Cash and Deferred Gas Costs		
11	Debt	150,442	51.6%
12	Equity	141,184	48.4%
13	Total Capital	291,626	100.0%