

**BEFORE THE WASHINGTON
UTILITIES & TRANSPORTATION COMMISSION**

WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

Complainant,

v.

CASCADE NATURAL GAS CORPORATION,

Respondent.

DOCKET UG-200568

DR. J. RANDALL WOOLRIDGE ON BEHALF OF PUBLIC COUNSEL

EXHIBIT JRW-2

Recommended Cost of Capital

November 19, 2020

Exhibit JRW-2

Cascade Natural Gas Corporation
Recommended Rate of Return

Capital Source	Capitalization Ratios	Cost Rate	Weighted Cost Rate
Debt	50.90%	4.75%	2.42%
Common Equity	<u>49.10%</u>	<u>9.00%</u>	<u>4.42%</u>
Total Capital	100.00%		6.83%

* Capital Structure Ratios are developed in Exhibit JRW-4.