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In the Community to Serve®

October 20, 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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State Of WASH.
UTIL. AND TRANSP.
COMMISSION

Dear Mr. Johnson:

Pursuant to RCW 80.08.040, Cascade Natural Gas Corporation (Cascade) intends to issue long-term debt securities in the amount of \$25,000,000.

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

1. The issuance purpose is to refinance existing debt. The purpose of all transactions under this long-term note will meet the requirements of RCW 80.08.030.
2. Applicant proposes to issue and sell no more than \$25,000,000 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. The note will have a 40-year maturity. Applicant is proposing to issue this note October 2020 to benefit from the current low long-term interest rates. Interest rates are based on Treasury rates plus 185 basis points.

The note will be issued by Cascade. The note will be sold at one time to institutional investors in a private placement led by RBC Capital Markets, LLC.

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 security issuance 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 approximately \$24,200,000 of long-term obligations with an interest rate of 5.25% due February 1, 2035. 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
Cascade Natural Gas Corporation
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