

**Exhibit No. \_\_ (JSG-2)**  
**Docket No. UG-17\_\_\_\_**  
**Witness: J. Stephen Gaske**

**BEFORE THE  
WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION**

WASHINGTON UTILITIES AND  
TRANSPORTATION  
COMMISSION,  
Complainant,

v.

CASCADE NATURAL GAS  
CORPORATION,  
Respondent.

DOCKET UG-17\_\_\_\_\_

**CASCADE NATURAL GAS CORPORATION  
GENERAL ECONOMIC STATISTICS**

**August 31, 2017**

## Cascade Natural Gas Corporation

### General Economic Statistics 1987-2016

Year	[1]	[2]	[3]	[4]	[5]
	Percentage Price Changes		Real GDP Growth	Nominal GDP (\$ billions)	Nominal GDP Growth
	Consumer Price Index	GDP Implicit Price Deflator			
1986	1.9%	2.0%	3.5%	4,590.2	
1987	3.6%	2.6%	3.5%	4,870.2	6.1%
1988	4.1%	3.5%	4.2%	5,252.6	7.9%
1989	4.8%	3.9%	3.7%	5,657.7	7.7%
1990	5.4%	3.7%	1.9%	5,979.6	5.7%
1991	4.2%	3.3%	-0.1%	6,174.0	3.3%
1992	3.0%	2.3%	3.6%	6,539.3	5.9%
1993	3.0%	2.4%	2.7%	6,878.7	5.2%
1994	2.6%	2.1%	4.0%	7,308.8	6.3%
1995	2.8%	2.1%	2.7%	7,664.1	4.9%
1996	3.0%	1.8%	3.8%	8,100.2	5.7%
1997	2.3%	1.7%	4.5%	8,608.5	6.3%
1998	1.6%	1.1%	4.5%	9,089.2	5.6%
1999	2.2%	1.5%	4.7%	9,660.6	6.3%
2000	3.4%	2.3%	4.1%	10,284.8	6.5%
2001	2.8%	2.3%	1.0%	10,621.8	3.3%
2002	1.6%	1.5%	1.8%	10,977.5	3.3%
2003	2.3%	2.0%	2.8%	11,510.7	4.9%
2004	2.7%	2.7%	3.8%	12,274.9	6.6%
2005	3.4%	3.2%	3.3%	13,093.7	6.7%
2006	3.2%	3.1%	2.7%	13,855.9	5.8%
2007	2.8%	2.7%	1.8%	14,477.6	4.5%
2008	3.8%	2.0%	-0.3%	14,718.6	1.7%
2009	-0.4%	0.8%	-2.8%	14,418.7	-2.0%
2010	1.6%	1.2%	2.5%	14,964.4	3.8%
2011	3.2%	2.1%	1.6%	15,517.9	3.7%
2012	2.1%	1.8%	2.2%	16,155.3	4.1%
2013	1.5%	1.6%	1.7%	16,691.5	3.3%
2014	1.6%	1.8%	2.4%	17,393.1	4.2%
2015	0.1%	1.1%	2.6%	18,036.6	3.7%
2016	1.3%	1.3%	1.6%	18,566.9	2.9%
Average Rate of Change:				[6]	
1987-2016	2.7%	2.2%	2.6%	4.6%	4.8%
1997-2016	2.2%	1.9%	2.3%	3.9%	4.3%
2007-2016	1.8%	1.6%	1.3%	2.5%	3.0%

Notes:

- [1] U.S. Department of Labor, Bureau of Labor Statistics; U.S. city average, all urban consumers, all items, not seasonally adjusted  
 [2] U.S. Department of Commerce, Bureau of Economic Analysis; NIPA Tables 1.1.9, Revised on January 27, 2017  
 [3] U.S. Department of Commerce, Bureau of Economic Analysis; NIPA Tables 1.1.1, Revised on January 27, 2017  
 [4] U.S. Department of Commerce, Bureau of Economic Analysis; NIPA Tables 1.1.5, Revised on January 27, 2017  
 [5] Equals annual percent change of Column [4]  
 [6] Nominal GDP growth rates based on geometric average rate of change

## Cascade Natural Gas Corporation

### Bond Yield Averages January 2010 - April 2017

		[1]	[2]	[3]	[4]	[5]	[6]
		30-year U.S. Treasury Bond	Average Corporate	Public Utility Bonds		Credit Spreads	
				A-Rated	Baa-Rated	A-Rated	Baa-Rated
2010	JAN	4.60	5.76	5.77	6.16	1.17	1.55
	FEB	4.62	5.86	5.87	6.25	1.25	1.63
	MAR	4.64	5.81	5.84	6.22	1.20	1.58
	APR	4.69	5.80	5.81	6.19	1.12	1.49
	MAY	4.29	5.52	5.50	5.97	1.21	1.68
	JUN	4.13	5.52	5.46	6.18	1.34	2.05
	JUL	3.99	5.32	5.26	5.98	1.26	1.98
	AUG	3.80	5.05	5.01	5.55	1.20	1.74
	SEP	3.77	5.05	5.01	5.53	1.24	1.76
	OCT	3.87	5.15	5.10	5.62	1.23	1.75
	NOV	4.19	5.37	5.37	5.85	1.18	1.67
	DEC	4.42	5.55	5.56	6.04	1.14	1.62
2011	JAN	4.52	5.56	5.57	6.06	1.05	1.54
	FEB	4.65	5.66	5.68	6.10	1.03	1.45
	MAR	4.51	5.55	5.56	5.97	1.05	1.46
	APR	4.50	5.56	5.55	5.98	1.05	1.48
	MAY	4.29	5.33	5.32	5.74	1.03	1.45
	JUN	4.23	5.30	5.26	5.67	1.03	1.44
	JUL	4.27	5.30	5.27	5.70	0.99	1.43
	AUG	3.65	4.79	4.69	5.22	1.04	1.57
	SEP	3.18	4.60	4.48	5.11	1.30	1.93
	OCT	3.13	4.60	4.52	5.24	1.39	2.11
	NOV	3.02	4.39	4.25	4.93	1.23	1.92
	DEC	2.98	4.47	4.33	5.07	1.35	2.09
2012	JAN	3.03	4.45	4.34	5.06	1.31	2.04
	FEB	3.11	4.42	4.36	5.02	1.25	1.91
	MAR	3.28	4.54	4.48	5.13	1.20	1.85
	APR	3.18	4.49	4.40	5.11	1.21	1.93
	MAY	2.93	4.33	4.20	4.97	1.27	2.03
	JUN	2.70	4.22	4.08	4.91	1.38	2.21
	JUL	2.59	4.03	3.93	4.85	1.34	2.26
	AUG	2.77	4.09	4.00	4.88	1.23	2.11
	SEP	2.88	4.09	4.02	4.81	1.14	1.93
	OCT	2.90	3.97	3.91	4.54	1.01	1.64
	NOV	2.80	3.92	3.84	4.42	1.03	1.61
	DEC	2.88	4.05	4.00	4.56	1.12	1.67
2013	JAN	3.08	4.19	4.15	4.66	1.07	1.58
	FEB	3.17	4.27	4.18	4.74	1.02	1.58
	MAR	3.16	4.29	4.20	4.72	1.04	1.56
	APR	2.93	4.07	4.00	4.49	1.07	1.55
	MAY	3.11	4.23	4.17	4.65	1.05	1.54
	JUN	3.40	4.63	4.53	5.08	1.13	1.68
	JUL	3.61	4.76	4.68	5.21	1.08	1.60
	AUG	3.76	4.89	4.73	5.28	0.97	1.52
	SEP	3.79	4.95	4.80	5.31	1.02	1.52
	OCT	3.68	4.82	4.70	5.17	1.02	1.49
	NOV	3.80	4.91	4.77	5.24	0.97	1.44
	DEC	3.89	4.92	4.81	5.25	0.92	1.36

## Cascade Natural Gas Corporation

### Bond Yield Averages January 2010 - April 2017

		[1]	[2]	[3]	[4]	[5]	[6]
		30-year U.S. Treasury Bond	Average Corporate	Public Utility Bonds		Credit Spreads	
				A-Rated	Baa-Rated	A-Rated	Baa-Rated
2014	JAN	3.77	4.76	4.63	5.09	0.86	1.32
	FEB	3.66	4.68	4.53	5.01	0.87	1.35
	MAR	3.62	4.65	4.51	5.00	0.89	1.37
	APR	3.52	4.52	4.41	4.85	0.89	1.33
	MAY	3.39	4.38	4.26	4.69	0.87	1.30
	JUN	3.42	4.44	4.29	4.73	0.87	1.31
	JUL	3.33	4.37	4.23	4.66	0.89	1.33
	AUG	3.20	4.29	4.13	4.65	0.93	1.45
	SEP	3.26	4.39	4.24	4.79	0.98	1.53
	OCT	3.04	4.22	4.06	4.67	1.02	1.63
	NOV	3.04	4.28	4.09	4.75	1.05	1.71
	DEC	2.83	4.17	3.95	4.70	1.11	1.86
2015	JAN	2.46	3.84	3.58	4.39	1.13	1.94
	FEB	2.57	3.93	3.67	4.44	1.11	1.87
	MAR	2.63	3.98	3.74	4.51	1.12	1.88
	APR	2.59	3.93	3.75	4.51	1.16	1.92
	MAY	2.96	4.35	4.17	4.91	1.22	1.95
	JUN	3.11	4.56	4.39	5.13	1.28	2.01
	JUL	3.07	4.57	4.40	5.22	1.33	2.16
	AUG	2.86	4.48	4.25	5.23	1.39	2.37
	SEP	2.95	4.59	4.39	5.42	1.43	2.47
	OCT	2.89	4.52	4.29	5.47	1.40	2.58
	NOV	3.03	4.62	4.40	5.57	1.37	2.54
	DEC	2.97	4.58	4.35	5.55	1.26	2.12
2016	JAN	2.86	4.56	4.27	5.49	1.41	2.63
	FEB	2.62	4.44	4.12	5.28	1.49	2.66
	MAR	2.68	4.33	4.16	5.12	1.48	2.44
	APR	2.62	4.09	4.00	4.75	1.38	2.12
	MAY	2.63	4.04	3.93	4.60	1.30	1.97
	JUN	2.44	3.90	3.77	4.46	1.33	2.01
	JUL	2.22	3.67	3.57	4.16	1.35	1.94
	AUG	2.26	3.70	3.59	4.20	1.32	1.94
	SEP	2.34	3.78	3.66	4.27	1.31	1.92
	OCT	2.50	3.87	3.77	4.34	1.28	1.85
	NOV	2.88	4.20	4.09	4.65	1.20	1.76
	DEC	3.11	4.36	4.27	4.79	1.16	1.68
2017	JAN	3.02	4.22	4.14	4.62	1.12	1.60
	FEB	3.03	4.24	4.18	4.58	1.15	1.55
	MAR	3.08	4.28	4.23	4.62	1.15	1.53
	APR	2.94	4.16	4.12	4.51	1.18	1.58
	MAY	2.96	4.15	4.12	4.50	1.17	1.54
TTM	AVG	2.71	4.03	3.94	4.47	1.23	1.76

Notes:

- [1] Bloomberg Finance L.P., 30-Year U.S. Treasury Bond
- [2] Bloomberg Finance L.P., Moody's Average Corporate Bond Index
- [3] Bloomberg Finance L.P., Moody's A-Rated Utility Bond Index
- [4] Bloomberg Finance L.P., Moody's Baa-Rated Utility Bond Index
- [5] Equals Column [3] – Column [1]
- [6] Equals Column [4] – Column [1]

## Cascade Natural Gas Corporation

### Common Equity Flotation Costs of Natural Gas Distribution Companies

2004-2017

Issuer	Date of Offering	Number of Shares	Issue Price	Net Proceeds Per Share	Financing Costs as a Percent of Net Proceeds
Piedmont Natural Gas Company, Inc.	1/20/2004	4,250,000	\$42.50	\$41.01	3.63%
MDU Resources Group, Inc.	2/4/2004	2,000,000	\$23.32	\$22.53	3.52%
UGI Corporation	3/18/2004	7,500,000	\$32.10	\$30.70	4.58%
Northwest Natural Gas Company	3/30/2004	1,200,000	\$31.00	\$29.99	3.37%
The Laclede Group, Inc.	5/25/2004	1,500,000	\$26.80	\$25.93	3.36%
Atmos Energy Corporation	7/13/2004	8,650,000	\$24.75	\$23.76	4.17%
Southern Union Company	7/26/2004	11,000,000	\$18.75	\$18.09	3.63%
Aquila, Inc.	8/18/2004	40,000,000	\$2.55	\$2.45	4.04%
Atmos Energy Corporation	10/21/2004	14,000,000	\$24.75	\$23.76	4.17%
AGL Resources Inc.	11/19/2004	9,600,000	\$31.01	\$30.08	3.09%
Cinergy Corporation	12/9/2004	6,100,000	\$41.00	\$40.51	1.21%
Southern Union Company	2/7/2005	14,910,000	\$23.00	\$22.30	3.14%
SEMCO Energy, Inc.	8/10/2005	4,300,000	\$6.32	\$6.07	4.17%
Chesapeake Utilities Corporation	11/16/2006	600,300	\$30.10	\$28.98	3.88%
Atmos Energy Corporation	12/7/2006	5,500,000	\$31.50	\$30.40	3.63%
Vectren Corporation	2/22/2007	4,600,000	\$28.33	\$27.34	3.63%
Unitil Corporation	12/10/2008	2,000,000	\$20.00	\$18.95	5.54%
Unitil Corporation	5/20/2009	2,400,000	\$20.00	\$18.95	5.54%
CenterPoint Energy, Inc.	9/10/2009	21,000,000	\$12.00	\$11.58	3.63%
CenterPoint Energy, Inc.	6/9/2010	22,000,000	\$12.90	\$12.45	3.63%
NiSource Inc.	9/8/2010	21,100,000	\$16.50	\$15.96	3.36%
Gas Natural Inc.	11/10/2010	2,100,000	\$10.00	\$9.40	6.38%
Unitil Corporation	5/10/2012	2,400,000	\$25.25	\$23.99	5.26%
Gas Natural Inc.	6/27/2012	700,000	\$10.10	\$9.49	6.38%
Piedmont Natural Gas Company, Inc.	1/29/2013	4,000,000	\$32.00	\$30.88	3.63%
The Laclede Group, Inc.	5/22/2013	8,700,000	\$44.50	\$42.78	4.02%
Gas Natural Inc.	7/11/2013	1,500,000	\$10.00	\$9.43	6.10%
Gas Natural Inc.	10/31/2013	1,134,155	\$10.00	\$9.43	6.10%
Atmos Energy Corporation	2/11/2014	8,000,000	\$44.00	\$42.46	3.63%
The Laclede Group, Inc.	6/5/2014	9,000,000	\$46.25	\$44.54	3.84%
South Jersey Industries, Inc.	5/12/2016	7,000,000	\$26.25	\$25.33	3.63%
Spire, Inc.	5/12/2016	1,900,000	\$63.05	\$61.00	3.36%
Chesapeake Utilities Corporation	9/22/2016	960,488	\$62.26	\$59.93	3.89%
Northwest Natural Gas Company	11/10/2016	1,012,000	\$54.63	\$52.58	3.90%
Average 2004-2017:					4.09%
Selected Flotation Costs for Cost of Equity:					4.00%

Sources: SNL Financial

## Cascade Natural Gas Corporation

### Selected Natural Gas Distribution Companies Fiscal Year 2016 Operating Data

Company	Ticker	Total Assets (\$ millions)	Operating Revenues (\$ millions)	Operating Income (\$ millions)	
Atmos Energy Corporation	ATO	11,194.9	3,349.9	668.0	1/
New Jersey Resources Corporation	NJR	3,727.1	1,880.9	178.1	1/
NiSource Inc.	NI	18,691.9	4,492.5	858.2	2/
Northwest Natural Gas Company	NWN	3,079.8	676.0	139.3	2/
South Jersey Industries, Inc.	SJI	3,730.6	1,036.5	189.3	2/
Southwest Gas Corporation	SWX	5,581.1	2,460.5	295.7	2/
Spire Inc.	SR	6,077.4	1,537.3	282.3	1/
High		18,692	4,493	858	
<b>Average</b>		<b>7,440</b>	<b>2,205</b>	<b>373</b>	
<b>Median</b>		<b>5,581</b>	<b>1,881</b>	<b>282</b>	
Low		3,080	676	139	
Cascade Natural Gas Corp.		<b>\$292.5</b>	<b>\$221.9</b>	<b>\$22.2</b>	3/
<b>Cascade Natural Gas Distribution % of:</b>					
<b>- Proxy Company Median</b>		5.24%	11.80%	7.87%	

Notes:

1/ Source: SNL Financial LC; data as of September 30, 2016

2/ Source: SNL Financial LC; data as of December 31, 2016

3/ Source: Cascade Exhibit MPP-2, based on test year revenue requirement and rate base

## Cascade Natural Gas Corporation

### Selected Natural Gas Distribution Companies Credit Ratings

Company	Ticker	Standard & Poor's	Moody's
Atmos Energy Corporation	ATO	A	A2
New Jersey Resources Corporation	NJR	A	Aa2
NiSource Inc.	NI	BBB+	Baa2
Northwest Natural Gas Company	NWN	A+	A3
South Jersey Industries, Inc.	SJI	BBB+	--
Southwest Gas Corporation	SWX	BBB+	--
Spire Inc.	SR	A-	Baa2
<b>Average</b>		A-	A3
<b>Median</b>		A-	A3
Cascade Natural Gas		BBB+	--

Notes:

Source: SNL Financial as of April 28, 2017

New Jersey Resources Corporation rating is for New Jersey Natural Gas Company

**Cascade Natural Gas Corporation**  
**Selected Natural Gas Distribution Companies**  
**Dividend Yields**  
*November 2016 - April 2017*

Company	Ticker			Average Dividend Yield
Atmos Energy Corporation	ATO			2.38%
New Jersey Resources Corporation	NJR			2.76%
NiSource Inc.	NI			2.98%
Northwest Natural Gas Company	NWN			3.20%
South Jersey Industries, Inc.	SJI			3.22%
Southwest Gas Corporation	SWX			2.27%
Spire Inc.	SR			3.19%
<b>Average</b>				<b>2.86%</b>
<b>Median</b>				<b>2.98%</b>

			Price			Annualized Dividend	Dividend Yield
			Low	High	Average		
Atmos Energy Corporation	ATO	Nov-16	\$ 70.47	\$ 74.15	\$ 72.31	\$ 1.80	2.49%
		Dec-16	70.16	74.73	72.45	1.80	2.48%
		Jan-17	73.21	76.18	74.70	1.80	2.41%
		Feb-17	74.56	78.29	76.43	1.80	2.36%
		Mar-17	76.25	80.40	78.33	1.80	2.30%
		Apr-17	78.90	81.40	80.15	1.80	2.25%
<b>2.38%</b>							
New Jersey Resources Corporation	NJR	Nov-16	\$ 32.25	\$ 35.30	\$ 33.78	\$ 1.02	3.02%
		Dec-16	33.95	37.00	35.48	1.02	2.88%
		Jan-17	34.25	37.70	35.98	1.02	2.84%
		Feb-17	37.10	39.50	38.30	1.02	2.66%
		Mar-17	37.85	39.75	38.80	1.02	2.63%
		Apr-17	39.15	40.95	40.05	1.02	2.55%
<b>2.76%</b>							
NiSource Inc.	NI	Nov-16	\$ 21.41	\$ 22.58	\$ 22.00	\$ 0.66	3.00%
		Dec-16	21.47	22.43	21.95	0.66	3.01%
		Jan-17	21.84	22.68	22.26	0.66	2.96%
		Feb-17	21.98	24.01	23.00	0.70	3.04%
		Mar-17	22.99	24.09	23.54	0.70	2.97%
		Apr-17	23.66	24.43	24.05	0.70	2.91%
<b>2.98%</b>							
Northwest Natural Gas Company	NWN	Nov-16	\$ 54.85	\$ 59.65	\$ 57.25	\$ 1.88	3.28%
		Dec-16	56.00	61.50	58.75	1.88	3.20%
		Jan-17	57.65	60.55	59.10	1.88	3.18%
		Feb-17	57.45	61.40	59.43	1.88	3.16%
		Mar-17	56.85	60.90	58.88	1.88	3.19%
		Apr-17	58.50	60.50	59.50	1.88	3.16%
<b>3.20%</b>							
South Jersey Industries, Inc.	SJI	Nov-16	\$ 28.22	\$ 33.85	\$ 31.04	\$ 1.06	3.40%
		Dec-16	32.70	34.68	33.69	1.09	3.24%
		Jan-17	31.50	34.21	32.86	1.09	3.32%
		Feb-17	32.52	35.02	33.77	1.09	3.23%
		Mar-17	32.93	35.75	34.34	1.09	3.17%
		Apr-17	35.35	38.12	36.74	1.09	2.97%
<b>3.22%</b>							
Southwest Gas Corporation	SWX	Nov-16	\$ 70.47	\$ 76.20	\$ 73.34	\$ 1.80	2.45%
		Dec-16	73.33	76.64	74.99	1.80	2.40%
		Jan-17	76.02	80.57	78.30	1.80	2.30%
		Feb-17	78.93	85.54	82.24	1.80	2.19%
		Mar-17	81.63	86.27	83.95	1.80	2.14%
		Apr-17	83.13	85.17	84.15	1.80	2.14%
<b>2.27%</b>							
Spire Inc.	SR	Nov-16	\$ 60.75	\$ 66.25	\$ 63.50	\$ 1.96	3.09%
		Dec-16	62.95	65.05	64.00	2.10	3.28%
		Jan-17	63.70	65.60	64.65	2.10	3.25%
		Feb-17	62.60	66.10	64.35	2.10	3.26%
		Mar-17	63.90	67.50	65.70	2.10	3.20%
		Apr-17	67.40	69.80	68.60	2.10	3.06%
<b>3.19%</b>							

Source: Bloomberg Finance L.P.



## Cascade Natural Gas Corporation

### Selected Natural Gas Distribution Companies Earnings Growth Rate Estimates

Company	Ticker	1/2	1/2	Weighted Average
		Zacks 5-Yr Earnings Growth	Yahoo Finance! Earnings Growth	
Atmos Energy Corporation	ATO	7.00%	6.90%	6.95%
New Jersey Resources Corporation	NJR	6.00%	6.00%	6.00%
NiSource Inc.	NI	6.20%	8.00%	7.10%
Northwest Natural Gas Company	NWN	4.30%	4.50%	4.40%
South Jersey Industries, Inc.	SJI	10.00%	6.00%	8.00%
Southwest Gas Corporation	SWX	5.00%	4.00%	4.50%
Spire Inc.	SR	4.10%	4.05%	4.08%
<b>Average</b>		<b>6.09%</b>	<b>5.64%</b>	<b>5.86%</b>
<b>Median</b>		<b>6.00%</b>	<b>6.00%</b>	<b>6.00%</b>

Source: Yahoo Finance! and Zacks Investment Research as of April 28, 2017.

## Cascade Natural Gas Corporation

### Selected Natural Gas Distribution Companies Projected Sustainable Earnings Growth Rates

Company	Ticker	[1]	[2]	[3]	[4]	[5]	[6]	[7]	[8]	[9]	[10]	[11]	[12]	[13]	[14]	[15]	[16]	[17]
		Value Line Forecast 2020-22			Retention			Common Shares Outstanding			Price 2020-22			Book	Market/			
		EPS	DPS	ROE	Rate	B*R	2017	2020-22	Growth	High	Low	Average	Value Per Share 2020-22	Book Ratio	"S"	"V"	S*V	BR + SV
Atmos Energy Corporation	ATO	\$4.50	\$2.30	11.50%	48.89%	5.62%	107.00	120.00	2.32%	115.00	95.00	105.00	38.50	2.73	6.33%	63.33%	4.01%	9.63%
New Jersey Resources Corporation	NJR	\$2.15	\$1.12	12.00%	47.91%	5.75%	86.00	86.00	0.00%	35.00	25.00	30.00	17.80	1.69	0.00%	40.67%	0.00%	5.75%
NiSource Inc.	NI	\$1.50	\$1.00	12.00%	33.33%	4.00%	325.00	330.00	0.31%	30.00	20.00	25.00	12.75	1.96	0.60%	49.00%	0.29%	4.29%
Northwest Natural Gas Company	NWN	\$3.15	\$2.05	10.00%	34.92%	3.49%	29.00	30.00	0.68%	60.00	50.00	55.00	31.75	1.73	1.18%	42.27%	0.50%	3.99%
South Jersey Industries, Inc.	SJI	\$1.85	\$1.30	6.00%	29.73%	1.78%	82.00	86.00	0.96%	35.00	25.00	30.00	29.05	1.03	0.99%	3.17%	0.03%	1.82%
Southwest Gas Corporation	SWX	\$4.75	\$2.50	12.00%	47.37%	5.68%	49.00	53.00	1.58%	90.00	60.00	75.00	39.60	1.89	3.00%	47.20%	1.41%	7.10%
Spire Inc.	SR	\$4.65	\$2.50	9.50%	46.24%	4.39%	47.00	50.00	1.25%	85.00	65.00	75.00	48.30	1.55	1.93%	35.60%	0.69%	5.08%
<b>Average</b>																		<b>5.38%</b>
<b>Median</b>																		<b>5.08%</b>

Source: Value Line, dated March 3, 2017.

## Cascade Natural Gas Corporation

### Selected Natural Gas Distribution Companies Blended Growth Rate Estimates

Company	Ticker	2/3	1/3	Average
		Earnings Growth	Growth	
Atmos Energy Corporation	ATO	6.95%	9.63%	7.84%
New Jersey Resources Corporation	NJR	6.00%	5.75%	5.92%
NiSource Inc.	NI	7.10%	4.29%	6.16%
Northwest Natural Gas Company	NWN	4.40%	3.99%	4.26%
South Jersey Industries, Inc.	SJI	8.00%	1.82%	5.94%
Southwest Gas Corporation	SWX	4.50%	7.10%	5.37%
Spire Inc.	SR	4.08%	5.08%	4.41%
<b>Average</b>		<b>5.86%</b>	<b>5.38%</b>	<b>5.70%</b>
<b>Median</b>		<b>6.00%</b>	<b>5.08%</b>	<b>5.92%</b>

Source: Schedule 4, page 2 & 3

## Cascade Natural Gas Corporation

### Selected Natural Gas Distribution Companies Basic DCF Calculation

Company	Ticker	Dividend Yield	Dividend Yield x (1 + 0.625g)	Expected Growth Rate (g)	Secondary Market:	Flotation Cost Adjustment	Primary Market:
					Investor Required Return		Cost of Capital
Atmos Energy Corporation	ATO	2.38%	2.48%	6.95%	9.43%	1.04	9.81%
New Jersey Resources Corporation	NJR	2.76%	2.87%	6.00%	8.87%	1.04	9.22%
NiSource Inc.	NI	2.98%	3.12%	7.10%	10.22%	1.04	10.62%
Northwest Natural Gas Company	NWN	3.20%	3.28%	4.40%	7.68%	1.04	7.99%
South Jersey Industries, Inc.	SJI	3.22%	3.38%	8.00%	11.38%	1.04	11.84%
Southwest Gas Corporation	SWX	2.27%	2.33%	4.50%	6.83%	1.04	7.11%
Spire Inc.	SR	3.19%	3.27%	4.08%	7.35%	1.04	7.64%
High					11.38%		11.84%
3 <sup>rd</sup> Quartile					9.82%		10.22%
<b>2<sup>nd</sup> Quartile (Median)</b>					<b>8.87%</b>		<b>9.22%</b>
1 <sup>st</sup> Quartile					7.52%		7.82%
Low					6.83%		7.11%

Source: Schedule 2 and Schedule 4, page 1 & 2

## Cascade Natural Gas Corporation

### Selected Natural Gas Distribution Companies Blended Growth Rate DCF Calculation

Company	Ticker	Dividend Yield	Dividend Yield x (1 + 0.625g)	Expected Growth Rate (g)	Secondary Market:	Flotation Cost Adjustment	Primary Market:
					Investor Required Return		Cost of Capital
Atmos Energy Corporation	ATO	2.38%	2.50%	7.84%	10.34%	1.04	10.75%
New Jersey Resources Corporation	NJR	2.76%	2.86%	5.92%	8.78%	1.04	9.13%
NiSource Inc.	NI	2.98%	3.10%	6.16%	9.26%	1.04	9.63%
Northwest Natural Gas Company	NWN	3.20%	3.28%	4.26%	7.55%	1.04	7.85%
South Jersey Industries, Inc.	SJI	3.22%	3.34%	5.94%	9.28%	1.04	9.65%
Southwest Gas Corporation	SWX	2.27%	2.35%	5.37%	7.71%	1.04	8.02%
Spire Inc.	SR	3.19%	3.28%	4.41%	7.69%	1.04	8.00%
High					10.34%		10.75%
3 <sup>rd</sup> Quartile					9.27%		9.64%
<b>2<sup>nd</sup> Quartile (Median)</b>					<b>8.78%</b>		<b>9.13%</b>
1 <sup>st</sup> Quartile					7.70%		8.01%
Low					7.55%		7.85%

Source: Schedule 2 and Schedule 4, page 1 & 4

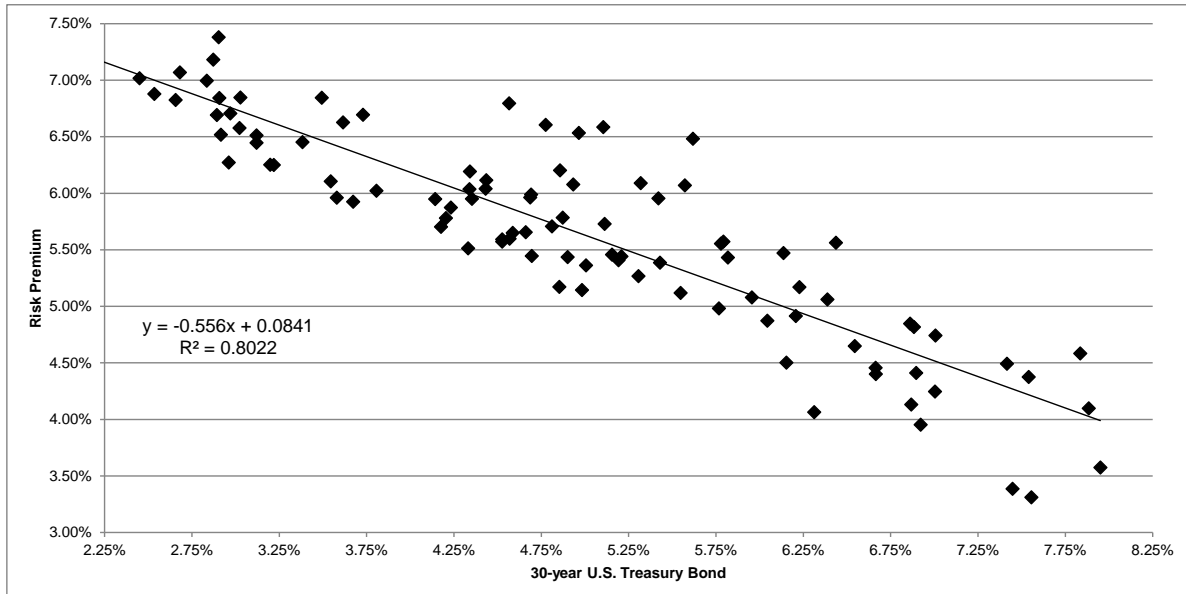
BOND YIELD PLUS RISK PREMIUM

	[1]	[2]	[3]
	Average Authorized Natural Gas ROE	30-year U.S. Treasury Bond	Risk Premium
1992.1	12.42%	7.84%	4.58%
1992.2	11.98%	7.88%	4.10%
1992.3	11.91%	7.42%	4.49%
1992.4	11.92%	7.54%	4.38%
1993.1	11.75%	7.01%	4.74%
1993.2	11.71%	6.86%	4.85%
1993.3	11.40%	6.23%	5.17%
1993.4	11.12%	6.21%	4.92%
1994.1	11.12%	6.66%	4.46%
1994.2	10.84%	7.45%	3.39%
1994.3	10.87%	7.55%	3.31%
1994.4	11.53%	7.95%	3.58%
1995.2	11.00%	6.87%	4.13%
1995.3	11.07%	6.66%	4.40%
1995.4	11.61%	6.14%	5.47%
1996.1	11.45%	6.39%	5.06%
1996.2	10.88%	6.92%	3.95%
1996.3	11.25%	7.00%	4.25%
1996.4	11.19%	6.54%	4.65%
1997.1	11.31%	6.90%	4.41%
1997.2	11.70%	6.88%	4.82%
1997.3	12.00%	6.44%	5.56%
1997.4	10.92%	6.04%	4.87%
1998.2	11.37%	5.79%	5.57%
1998.3	11.41%	5.32%	6.09%
1998.4	11.69%	5.11%	6.59%
1999.1	10.82%	5.43%	5.39%
1999.2	11.25%	5.82%	5.43%
1999.4	10.38%	6.31%	4.06%
2000.1	10.66%	6.15%	4.50%
2000.2	11.03%	5.95%	5.08%
2000.3	11.33%	5.78%	5.56%
2000.4	12.10%	5.62%	6.48%
2001.1	11.38%	5.42%	5.96%
2001.2	10.75%	5.77%	4.98%
2001.4	10.65%	5.21%	5.44%
2002.1	10.67%	5.55%	5.12%
2002.2	11.64%	5.57%	6.07%
2002.3	11.50%	4.96%	6.54%
2002.4	11.01%	4.93%	6.08%
2003.1	11.38%	4.78%	6.61%
2003.2	11.36%	4.57%	6.80%
2003.3	10.61%	5.15%	5.46%
2003.4	10.84%	5.11%	5.73%
2004.1	11.06%	4.86%	6.20%
2004.2	10.57%	5.31%	5.27%
2004.3	10.37%	5.01%	5.36%
2004.4	10.66%	4.87%	5.79%
2005.1	10.65%	4.69%	5.96%
2005.2	10.54%	4.34%	6.19%
2005.3	10.47%	4.43%	6.04%
2005.4	10.32%	4.66%	5.66%
2006.1	10.68%	4.69%	5.99%
2006.2	10.60%	5.19%	5.41%
2006.3	10.34%	4.90%	5.44%
2006.4	10.14%	4.70%	5.45%

BOND YIELD PLUS RISK PREMIUM

	[1]	[2]	[3]
	Average Authorized Natural Gas ROE	30-year U.S. Treasury Bond	Risk Premium
2007.1	10.52%	4.81%	5.71%
2007.2	10.13%	4.98%	5.14%
2007.3	10.03%	4.85%	5.17%
2007.4	10.12%	4.53%	5.59%
2008.1	10.38%	4.34%	6.04%
2008.2	10.17%	4.57%	5.60%
2008.3	10.55%	4.44%	6.12%
2008.4	10.34%	3.49%	6.85%
2009.1	10.24%	3.62%	6.63%
2009.2	10.11%	4.23%	5.87%
2009.3	9.88%	4.18%	5.70%
2009.4	10.31%	4.35%	5.95%
2010.1	10.24%	4.59%	5.65%
2010.2	9.99%	4.20%	5.78%
2010.3	10.43%	3.73%	6.70%
2010.4	10.09%	4.14%	5.95%
2011.1	10.10%	4.53%	5.57%
2011.2	9.85%	4.33%	5.51%
2011.3	9.65%	3.54%	6.11%
2011.4	9.88%	3.03%	6.85%
2012.1	9.63%	3.12%	6.51%
2012.2	9.83%	2.84%	7.00%
2012.3	9.75%	2.68%	7.07%
2012.4	10.06%	2.87%	7.18%
2013.1	9.57%	3.12%	6.45%
2013.2	9.47%	3.22%	6.25%
2013.3	9.60%	3.67%	5.93%
2013.4	9.83%	3.81%	6.02%
2014.1	9.54%	3.58%	5.96%
2014.2	9.84%	3.38%	6.45%
2014.3	9.45%	3.20%	6.25%
2014.4	10.28%	2.90%	7.38%
2015.1	9.47%	2.45%	7.02%
2015.2	9.43%	2.92%	6.52%
2015.3	9.75%	2.91%	6.84%
2015.4	9.68%	2.97%	6.71%
2016.1	9.48%	2.66%	6.83%
2016.2	9.42%	2.54%	6.88%
2016.3	9.47%	2.24%	7.22%
2016.4	9.59%	2.89%	6.69%
2017.1	9.60%	3.02%	6.58%
2017.2	9.23%	2.96%	6.27%
Average	10.59%	4.92%	5.68%
Median	10.56%	4.86%	5.72%

BOND YIELD PLUS RISK PREMIUM



SUMMARY OUTPUT

<i>Regression Statistics</i>	
Multiple R	0.895674832
R Square	0.802233405
Adjusted R Square	0.800173336
Standard Error	0.004084076
Observations	98

ANOVA

	<i>df</i>	<i>SS</i>	<i>MS</i>	<i>F</i>	<i>Significance F</i>
Regression	1	0.00649541	0.00649541	389.4207048	1.48518E-35
Residual	96	0.001601249	1.66797E-05		
Total	97	0.008096658			

	<i>Coefficients</i>	<i>Standard Error</i>	<i>t Stat</i>	<i>P-value</i>	<i>Lower 95%</i>	<i>Upper 95%</i>	<i>Lower 95.0%</i>	<i>Upper 95.0%</i>
Intercept	0.084098699	0.001445096	58.19592207	1.12791E-76	0.081230206	0.086967192	0.081230206	0.086967192
30-year U.S. T-Bond	-0.55599725	0.028174948	-19.73374533	1.48518E-35	-0.61192408	-0.50007042	-0.61192408	-0.50007042

	T-Bond [7]	Premium [8]	ROE [9]
Current 30-day average of 30-year U.S. Treasury bond yield [4]	2.80%	6.85%	9.65%
Near-term projected 30-year U.S. Treasury bond yield (Q2 2017 - Q3 2018) [5]	3.40%	6.52%	9.92%
Projected 30-year U.S. Treasury bond yield (2019 - 2023) [6]	4.30%	6.02%	10.32%
<b>MEAN</b>			<b>9.96%</b>

Notes:

- [1] Source: Regulatory Research Associates, accessed April 28, 2017
- [2] Source: Bloomberg Professional, quarterly bond yields are the daily average of each trading day in the quarter
- [3] Equals [1] - [2]
- [4] Source: Bloomberg Professional, as of April 28, 2017
- [5] Source: Blue Chip Financial Forecasts, Vol. 36, No. 6, June 1, 2017, at 2
- [6] Source: Blue Chip Financial Forecasts, Vol. 36, No. 6, June 1, 2017, at 14.
- [7] See Notes [4], [5] and [6]
- [8] Equals  $0.084099 + (-0.555997 \times [7])$
- [9] Equals [7] + [8]



**Cascade Natural Gas Corporation**

**Market DCF Calculation as of April 28, 2017**

		[1]	[2]	[3]	[4]				
		Dividend Yield	Dividend Yield x (1 + 0.625g)	Expected Growth Rate (g)	Secondary Market Investor Required Return				
<b>S&amp;P 500</b>		<b>2.39%</b>	<b>2.54%</b>	<b>10.00%</b>	<b>12.54%</b>				
		[5]	[6]	[7]	[8]	[9]	[10]	[11]	[12]
Company	Ticker	Shares Outstanding (million)	Price	Market Capitalization (\$million)	Percent of Total Market Capitalization	Current Dividend Yield	Long-Term Growth Estimate	Market Capitalization- Weighted Dividend Yield	Market Capitalization- Weighted Long-Term Growth Estimate
LyondellBasell Industries NV	LYB	402.8	84.76	34,142	0.1965%	4.01%	6.50%	0.0079%	0.0128%
American Express Co	AXP	893.8	79.25	70,832	0.4077%	1.62%	8.20%	0.0066%	0.0334%
Verizon Communications Inc	VZ	4,079.4	45.91	187,284	1.0781%	5.03%	2.72%	0.0542%	0.0293%
Broadcom Ltd	AVGO	401.4	220.81	88,625	0.5102%	1.85%	15.42%	0.0094%	0.0787%
Boeing Co/The	BA	603.6	184.83	111,560	0.6422%	3.07%	14.33%	0.0197%	0.0920%
Caterpillar Inc	CAT	589.2	102.26	60,247	0.3468%	3.01%	7.64%	0.0104%	0.0265%
JPMorgan Chase & Co	JPM	3,557.9	87.00	309,534	1.7818%	2.30%	7.80%	0.0410%	0.1390%
Chevron Corp	CVX	1,894.6	106.70	202,150	1.1636%	4.05%	28.87%	0.0471%	0.3359%
Coca-Cola Co/The	KO	4,272.6	43.15	184,361	1.0612%	3.43%	5.16%	0.0364%	0.0548%
AbbVie Inc	ABBV	1,593.6	65.94	105,080	0.6049%	3.88%	9.27%	0.0235%	0.0561%
Walt Disney Co/The	DIS	1,581.2	115.60	182,792	1.0522%	1.35%	7.75%	0.0142%	0.0816%
Extra Space Storage Inc	EXR	125.9	75.53	9,510	0.0547%	4.13%	7.54%	0.0023%	0.0041%
EI du Pont de Nemours & Co	DD	867.0	79.75	69,146	0.3980%	1.91%	6.72%	0.0076%	0.0267%
Exxon Mobil Corp	XOM	4,239.7	81.65	346,174	1.9927%	3.77%	13.80%	0.0752%	0.2751%
Phillips 66	PSX	517.0	79.56	41,130	0.0000%	3.17%	-12.32%	0.0000%	0.0000%
General Electric Co	GE	8,708.7	28.99	252,466	1.4533%	3.31%	10.03%	0.0481%	0.1457%
HP Inc	HPQ	1,690.8	18.82	31,821	0.1832%	2.82%	1.75%	0.0052%	0.0032%
Home Depot Inc/The	HD	1,201.2	156.10	187,502	1.0793%	2.28%	12.45%	0.0246%	0.1343%
International Business Machines Corp	IBM	939.5	160.29	150,592	0.8669%	3.74%	6.64%	0.0324%	0.0576%
Concho Resources Inc	CXO	148.2	126.66	18,767	0.0000%	n/a	3.24%	n/a	0.0000%
Johnson & Johnson	JNJ	2,710.9	123.47	334,714	1.9267%	2.72%	6.45%	0.0524%	0.1243%
McDonald's Corp	MCD	816.8	139.93	114,288	0.6579%	2.69%	9.77%	0.0177%	0.0643%
Merck & Co Inc	MRK	2,741.5	62.33	170,880	0.9836%	3.02%	5.36%	0.0297%	0.0527%
3M Co	MMM	597.6	195.83	117,027	0.6737%	2.40%	8.40%	0.0162%	0.0566%
American Water Works Co Inc	AWK	177.7	79.76	14,176	0.0816%	2.08%	7.00%	0.0017%	0.0057%
Bank of America Corp	BAC	10,011.9	23.34	233,679	1.3451%	1.29%	13.94%	0.0173%	0.1875%
CSRA Inc	CSRA	163.1	29.08	4,743	0.0273%	1.38%	6.20%	0.0004%	0.0017%
Pfizer Inc	PFE	5,955.1	33.92	201,998	1.1628%	3.77%	5.08%	0.0439%	0.0590%
Procter & Gamble Co/The	PG	2,557.6	87.33	223,356	1.2857%	3.16%	7.56%	0.0406%	0.0972%
AT&T Inc	T	6,147.0	39.63	243,606	1.4023%	4.95%	4.75%	0.0694%	0.0666%
Travelers Cos Inc/The	TRV	279.4	121.66	33,994	0.1957%	2.37%	6.88%	0.0046%	0.0135%
United Technologies Corp	UTX	801.2	118.99	95,338	0.5488%	2.22%	7.92%	0.0122%	0.0435%
Analog Devices Inc	ADI	365.1	76.20	27,820	0.1601%	2.36%	10.96%	0.0038%	0.0176%
Wal-Mart Stores Inc	WMT	3,031.6	75.18	227,912	1.3119%	2.71%	4.84%	0.0356%	0.0635%
Cisco Systems Inc	CSCO	5,007.9	34.07	170,618	0.9821%	3.40%	7.44%	0.0334%	0.0731%
Intel Corp	INTC	4,709.0	36.15	170,230	0.9799%	3.02%	7.79%	0.0295%	0.0763%
General Motors Co	GM	1,509.1	34.64	52,276	0.3009%	4.39%	10.23%	0.0132%	0.0308%
Microsoft Corp	MSFT	7,720.5	68.46	528,546	3.0425%	2.28%	9.57%	0.0693%	0.2911%
Dollar General Corp	DG	274.9	72.71	19,987	0.1151%	1.43%	9.65%	0.0016%	0.0111%
Kinder Morgan Inc/DE	KMI	2,232.4	20.63	46,055	0.2651%	2.42%	10.00%	0.0064%	0.0265%
Citigroup Inc	C	2,764.9	59.12	163,459	0.9409%	1.08%	4.43%	0.0102%	0.0417%
American International Group Inc	AIG	979.6	60.91	59,665	0.3435%	2.10%	11.00%	0.0072%	0.0378%
Honeywell International Inc	HON	762.3	131.14	99,973	0.5755%	2.03%	9.29%	0.0117%	0.0535%
Altria Group Inc	MO	1,935.7	71.78	138,946	0.7998%	3.40%	7.64%	0.0272%	0.0611%
HCA Holdings Inc	HCA	370.4	84.21	31,195	0.0000%	n/a	11.18%	n/a	0.0000%
Under Armour Inc	UA	184.7	21.49	3,988	0.0000%	n/a	17.98%	n/a	0.0000%
International Paper Co	IP	412.9	53.97	22,284	0.1283%	3.43%	6.86%	0.0044%	0.0088%
Hewlett Packard Enterprise Co	HPE	1,657.7	18.63	30,883	0.0000%	1.40%	-4.80%	0.0000%	0.0000%
Abbott Laboratories	ABT	1,728.0	43.64	75,410	0.4341%	2.43%	10.70%	0.0105%	0.0464%
Aflac Inc	AFL	401.2	74.88	30,040	0.1729%	2.30%	3.30%	0.0040%	0.0057%
Air Products & Chemicals Inc	APD	217.7	140.50	30,590	0.1761%	2.70%	8.19%	0.0048%	0.0144%
Royal Caribbean Cruises Ltd	RCL	214.9	106.60	22,911	0.1319%	1.80%	18.57%	0.0024%	0.0245%
American Electric Power Co Inc	AEP	491.7	67.83	33,353	0.1920%	3.48%	4.75%	0.0067%	0.0091%
Hess Corp	HES	316.5	48.83	15,456	0.0000%	2.05%	-9.60%	0.0000%	0.0000%
Anadarko Petroleum Corp	APC	558.7	57.02	31,857	0.0000%	0.35%	-0.49%	0.0000%	0.0000%
Aon PLC	AON	262.6	119.84	31,470	0.1812%	1.20%	9.77%	0.0022%	0.0177%
Apache Corp	APA	380.4	48.64	18,501	0.0000%	2.06%	-14.70%	0.0000%	0.0000%
Archer-Daniels-Midland Co	ADM	570.7	45.75	26,108	0.1503%	2.80%	11.86%	0.0042%	0.0178%
Automatic Data Processing Inc	ADP	448.9	104.49	46,906	0.2700%	2.18%	11.02%	0.0059%	0.0297%
Verisk Analytics Inc	VRSK	166.4	82.81	13,778	0.0000%	n/a	10.55%	n/a	0.0000%

**Cascade Natural Gas Corporation**

**Market DCF Calculation as of April 28, 2017**

		[1]	[2]	[3]	[4]				
		Dividend Yield	Dividend Yield x (1 + 0.625g)	Expected Growth Rate (g)	Secondary Market Investor Required Return				
<b>S&amp;P 500</b>		<b>2.39%</b>	<b>2.54%</b>	<b>10.00%</b>	<b>12.54%</b>				
		[5]	[6]	[7]	[8]	[9]	[10]	[11]	[12]
Company	Ticker	Shares Outstanding (million)	Price	Market Capitalization (\$million)	Percent of Total Market Capitalization	Current Dividend Yield	Long-Term Growth Estimate	Market Capitalization- Weighted Dividend Yield	Market Capitalization- Weighted Long-Term Growth Estimate
AutoZone Inc	AZO	28.4	692.19	19,663	0.0000%	n/a	14.01%	n/a	0.0000%
Avery Dennison Corp	AVY	88.1	83.21	7,333	0.0422%	2.16%	7.10%	0.0009%	0.0030%
Baker Hughes Inc	BHI	425.5	59.37	25,260	0.1454%	1.15%	20.50%	0.0017%	0.0298%
Ball Corp	BLL	175.1	76.89	13,461	0.0775%	0.52%	5.50%	0.0004%	0.0043%
Bank of New York Mellon Corp/The	BK	1,035.6	47.06	48,737	0.2805%	1.62%	12.31%	0.0045%	0.0345%
CR Bard Inc	BCR	72.4	307.48	22,267	0.1282%	0.34%	9.30%	0.0004%	0.0119%
Baxter International Inc	BAX	542.0	55.68	30,176	0.1737%	0.93%	13.08%	0.0016%	0.0227%
Becton Dickinson and Co	BDX	212.8	186.97	39,792	0.2291%	1.56%	10.19%	0.0036%	0.0233%
Berkshire Hathaway Inc	BRK/B	1,310.3	165.21	216,475	0.0000%	n/a	n/a	n/a	n/a
Best Buy Co Inc	BBY	309.1	51.81	16,015	0.0922%	2.63%	11.55%	0.0024%	0.0106%
H&R Block Inc	HRB	207.2	24.79	5,136	0.0296%	3.55%	11.00%	0.0010%	0.0033%
Boston Scientific Corp	BSX	1,369.0	26.38	36,113	0.0000%	n/a	9.80%	n/a	0.0000%
Bristol-Myers Squibb Co	BMJ	1,647.4	56.05	92,339	0.5315%	2.78%	15.33%	0.0148%	0.0815%
Fortune Brands Home & Security Inc	FBHS	153.5	63.74	9,784	0.0563%	1.13%	12.48%	0.0006%	0.0070%
Brown-Forman Corp	BF/B	214.8	47.32	10,167	0.0585%	1.54%	1.53%	0.0009%	0.0009%
Cabot Oil & Gas Corp	COG	465.5	23.24	10,819	0.0623%	0.34%	41.29%	0.0002%	0.0257%
Campbell Soup Co	CPB	304.4	57.54	17,514	0.1008%	2.43%	4.98%	0.0025%	0.0050%
Kansas City Southern	KSU	106.1	90.07	9,555	0.0550%	1.47%	12.56%	0.0008%	0.0069%
Advanced Micro Devices Inc	AMD	941.4	13.30	12,521	0.0000%	n/a	8.33%	n/a	0.0000%
Carnival Corp	CCL	536.6	61.77	33,147	0.1908%	2.59%	13.55%	0.0049%	0.0259%
Qorvo Inc	QRVO	126.5	68.03	8,603	0.0000%	n/a	14.07%	n/a	0.0000%
CenturyLink Inc	CTL	548.9	25.67	14,089	0.0000%	8.41%	-0.45%	0.0000%	0.0000%
Cigna Corp	CI	256.7	156.37	40,135	0.2310%	0.03%	11.98%	0.0001%	0.0277%
UDR Inc	UDR	267.4	37.34	9,984	0.0575%	3.32%	6.41%	0.0019%	0.0037%
Clorox Co/The	CLX	128.3	133.69	17,148	0.0987%	2.39%	7.01%	0.0024%	0.0069%
CMS Energy Corp	CMS	280.0	45.40	12,713	0.0732%	2.93%	6.33%	0.0021%	0.0046%
Colgate-Palmolive Co	CL	883.3	72.04	63,632	0.3663%	2.22%	9.04%	0.0081%	0.0331%
Comerica Inc	CMA	176.3	70.70	12,466	0.0718%	1.47%	10.97%	0.0011%	0.0079%
CA Inc	CA	418.0	32.83	13,722	0.0790%	3.11%	6.05%	0.0025%	0.0048%
Conagra Brands Inc	CAG	425.5	38.78	16,501	0.0950%	2.06%	8.65%	0.0020%	0.0082%
Consolidated Edison Inc	ED	305.3	79.28	24,202	0.1393%	3.48%	3.27%	0.0049%	0.0046%
SL Green Realty Corp	SLG	101.8	104.93	10,685	0.0615%	2.95%	0.58%	0.0018%	0.0004%
Corning Inc	GLW	920.2	28.85	26,549	0.1528%	2.15%	9.19%	0.0033%	0.0140%
Cummins Inc	CMI	168.0	150.94	25,354	0.1459%	2.72%	8.50%	0.0040%	0.0124%
Danaher Corp	DHR	694.1	83.33	57,841	0.3330%	0.67%	10.41%	0.0022%	0.0347%
Target Corp	TGT	552.7	55.85	30,867	0.0000%	4.30%	-1.11%	0.0000%	0.0000%
Deere & Co	DE	318.3	111.61	35,524	0.2045%	2.15%	7.70%	0.0044%	0.0157%
Dominion Resources Inc/VA	D	628.2	77.43	48,644	0.2800%	3.90%	5.68%	0.0109%	0.0159%
Dover Corp	DOV	155.7	78.88	12,279	0.0707%	2.23%	13.63%	0.0016%	0.0096%
CBOE Holdings Inc	CBOE	112.0	82.41	9,229	0.0000%	1.21%	n/a	0.0000%	n/a
Dow Chemical Co/The	DOW	1,221.7	62.80	76,723	0.4416%	2.93%	6.58%	0.0129%	0.0291%
Duke Energy Corp	DUK	699.9	82.50	57,740	0.3324%	4.15%	5.05%	0.0138%	0.0168%
Eaton Corp PLC	ETN	448.6	75.64	33,929	0.1953%	3.17%	9.20%	0.0062%	0.0180%
Ecolab Inc	ECL	290.1	129.09	37,443	0.2155%	1.15%	13.00%	0.0025%	0.0280%
PerkinElmer Inc	PKI	109.8	59.41	6,522	0.0375%	0.47%	9.57%	0.0002%	0.0036%
Emerson Electric Co	EMR	645.1	60.28	38,885	0.2238%	3.19%	7.08%	0.0071%	0.0158%
EOG Resources Inc	EOG	577.2	92.50	53,387	0.0000%	0.72%	-6.08%	0.0000%	0.0000%
Entergy Corp	ETR	180.2	76.26	13,739	0.0000%	4.56%	-2.70%	0.0000%	0.0000%
Equifax Inc	EFX	120.2	135.31	16,266	0.0936%	1.15%	8.90%	0.0011%	0.0083%
EQT Corp	EQT	173.3	58.14	10,077	0.0580%	0.21%	15.00%	0.0001%	0.0087%
XL Group Ltd	XL	263.8	41.85	11,039	0.0635%	2.10%	9.00%	0.0013%	0.0057%
Gartner Inc	IT	90.5	114.09	10,320	0.0000%	n/a	14.83%	n/a	0.0000%
FedEx Corp	FDX	267.4	189.70	50,721	0.2920%	0.84%	13.67%	0.0025%	0.0399%
Macy's Inc	M	305.2	29.22	8,918	0.0513%	5.17%	2.63%	0.0027%	0.0013%
FMC Corp	FMC	133.8	73.23	9,800	0.0564%	0.90%	12.00%	0.0005%	0.0068%
Ford Motor Co	F	3,911.1	11.47	44,861	0.2582%	5.23%	3.82%	0.0135%	0.0099%
NextEra Energy Inc	NEE	468.2	133.56	62,528	0.3599%	2.94%	6.75%	0.0106%	0.0243%
Franklin Resources Inc	BEN	561.3	43.11	24,198	0.1393%	1.86%	10.00%	0.0026%	0.0139%
Freepport-McMoRan Inc	FCX	1,446.6	12.75	18,445	0.0000%	n/a	12.55%	n/a	0.0000%
TEGNA Inc	TGNA	214.8	25.48	5,473	0.0315%	2.20%	5.50%	0.0007%	0.0017%

**Cascade Natural Gas Corporation**

**Market DCF Calculation as of April 28, 2017**

		[1]	[2]	[3]	[4]				
		Dividend Yield	Dividend Yield x (1 + 0.625g)	Expected Growth Rate (g)	Secondary Market Investor Required Return				
<b>S&amp;P 500</b>		<b>2.39%</b>	<b>2.54%</b>	<b>10.00%</b>	<b>12.54%</b>				
		[5]	[6]	[7]	[8]	[9]	[10]	[11]	[12]
Company	Ticker	Shares Outstanding (million)	Price	Market Capitalization (\$million)	Percent of Total Market Capitalization	Current Dividend Yield	Long-Term Growth Estimate	Market Capitalization- Weighted Dividend Yield	Market Capitalization- Weighted Long- Term Growth Estimate
Gap Inc/The	GPS	400.2	26.20	10,486	0.0604%	3.51%	5.46%	0.0021%	0.0033%
General Dynamics Corp	GD	301.7	193.79	58,464	0.3365%	1.73%	8.55%	0.0058%	0.0288%
General Mills Inc	GIS	576.1	57.51	33,134	0.1907%	3.34%	8.10%	0.0064%	0.0154%
Genuine Parts Co	GPC	147.4	92.02	13,563	0.0781%	2.93%	10.32%	0.0023%	0.0081%
WW Grainger Inc	GWG	58.4	192.70	11,255	0.0648%	2.66%	12.28%	0.0017%	0.0080%
Halliburton Co	HAL	867.9	45.88	39,818	0.2292%	1.57%	27.00%	0.0036%	0.0619%
Harley-Davidson Inc	HOG	175.6	56.81	9,977	0.0574%	2.57%	8.80%	0.0015%	0.0051%
Harris Corp	HRS	124.5	111.89	13,926	0.0000%	1.89%	n/a	0.0000%	n/a
HCP Inc	HCP	468.4	31.35	14,685	0.0000%	4.72%	-0.01897	0.0000%	0.0000%
Helmerich & Payne Inc	HP	108.6	60.64	6,583	0.0379%	4.62%	4.10%	0.0017%	0.0016%
Fortive Corp	FTV	346.6	63.26	21,925	0.1262%	0.44%	7.65%	0.0006%	0.0097%
Hershey Co/The	HSY	152.2	108.20	16,464	0.0948%	2.28%	9.97%	0.0022%	0.0094%
Synchrony Financial	SYF	810.8	27.80	22,540	0.1298%	1.87%	9.88%	0.0024%	0.0128%
Hormel Foods Corp	HRL	528.9	35.08	18,554	0.1068%	1.94%	4.07%	0.0021%	0.0043%
Arthur J Gallagher & Co	AJG	179.5	55.81	10,017	0.0577%	2.80%	9.95%	0.0016%	0.0057%
Mondelez International Inc	MDLZ	1,524.5	45.03	68,648	0.3952%	1.69%	11.04%	0.0067%	0.0436%
CenterPoint Energy Inc	CNP	431.0	28.53	12,295	0.0708%	3.75%	6.00%	0.0027%	0.0042%
Humana Inc	HUM	144.3	221.98	32,028	0.1844%	0.72%	12.53%	0.0013%	0.0231%
Willis Towers Watson PLC	WLTW	135.4	132.62	17,963	0.1034%	1.60%	11.90%	0.0017%	0.0123%
Illinois Tool Works Inc	ITW	345.7	138.09	47,733	0.2748%	1.88%	8.40%	0.0052%	0.0231%
Ingersoll-Rand PLC	IR	256.0	88.75	22,722	0.1308%	1.80%	10.30%	0.0024%	0.0135%
Foot Locker Inc	FL	131.2	77.34	10,150	0.0584%	1.60%	10.12%	0.0009%	0.0059%
Interpublic Group of Cos Inc/The	IPG	395.1	23.57	9,313	0.0536%	3.05%	9.21%	0.0016%	0.0049%
International Flavors & Fragrances Inc	IFF	79.0	138.59	10,945	0.0630%	1.85%	6.55%	0.0012%	0.0041%
Jacobs Engineering Group Inc	JEC	121.1	54.92	6,649	0.0383%	1.09%	8.49%	0.0004%	0.0032%
Hanesbrands Inc	HBI	372.5	21.81	8,124	0.0468%	2.75%	13.88%	0.0013%	0.0065%
Kellogg Co	K	350.1	71.00	24,854	0.1431%	2.93%	6.82%	0.0042%	0.0098%
Perrigo Co PLC	PRGO	143.4	73.94	10,601	0.0610%	0.87%	5.20%	0.0005%	0.0032%
Kimberly-Clark Corp	KMB	354.9	129.75	46,052	0.2651%	2.99%	6.99%	0.0079%	0.0185%
Kimco Realty Corp	KIM	425.7	20.29	8,637	0.0497%	5.32%	7.66%	0.0026%	0.0038%
Kohl's Corp	KSS	172.4	39.03	6,727	0.0387%	5.64%	5.42%	0.0022%	0.0021%
Oracle Corp	ORCL	4,114.7	44.96	184,996	1.0649%	1.69%	9.22%	0.0180%	0.0982%
Kroger Co/The	KR	914.2	29.65	27,107	0.1560%	1.62%	0.06662	0.0025%	0.0104%
Leggett & Platt Inc	LEG	133.0	52.54	6,987	0.0402%	2.59%	19.00%	0.0010%	0.0076%
Lennar Corp	LEN	203.2	50.50	10,260	0.0591%	0.32%	0.1009	0.0002%	0.0060%
Leucadia National Corp	LUK	359.8	25.39	9,135	0.0526%	0.98%	18.00%	0.0005%	0.0095%
Eli Lilly & Co	LLY	1,103.4	82.06	90,541	0.5212%	2.53%	12.65%	0.0132%	0.0659%
L Brands Inc	LB	284.8	52.81	15,041	0.0866%	4.54%	8.73%	0.0039%	0.0076%
Charter Communications Inc	CHTR	268.9	345.16	92,813	0.0000%	n/a	0.22327	n/a	0.0000%
Lincoln National Corp	LNC	225.5	65.93	14,869	0.0856%	1.76%	9.79%	0.0015%	0.0084%
Loews Corp	L	336.7	46.62	15,696	0.0000%	0.54%	n/a	0.0000%	n/a
Lowe's Cos Inc	LOW	857.3	84.88	72,770	0.4189%	1.65%	14.55%	0.0069%	0.0609%
Host Hotels & Resorts Inc	HST	737.9	17.95	13,246	0.0762%	4.46%	3.40%	0.0034%	0.0026%
Marsh & McLennan Cos Inc	MMC	514.2	74.13	38,115	0.2194%	1.83%	11.78%	0.0040%	0.0258%
Masco Corp	MAS	319.4	37.02	11,823	0.0681%	1.08%	13.68%	0.0007%	0.0093%
Mattel Inc	MAT	342.6	22.42	7,680	0.0442%	6.78%	25.65%	0.0030%	0.0113%
S&P Global Inc	SPGI	257.8	134.19	34,594	0.1991%	1.22%	11.00%	0.0024%	0.0219%
Medtronic PLC	MDT	1,368.9	83.09	113,741	0.6547%	2.07%	6.64%	0.0136%	0.0435%
CVS Health Corp	CVS	1,035.8	82.44	85,391	0.4915%	2.43%	12.09%	0.0119%	0.0594%
Micron Technology Inc	MU	1,106.3	27.67	30,612	0.0000%	n/a	10.00%	n/a	0.0000%
Motorola Solutions Inc	MSI	163.9	85.97	14,090	0.0811%	2.19%	4.65%	0.0018%	0.0038%
Murphy Oil Corp	MUR	172.5	26.18	4,517	0.0000%	3.82%	n/a	0.0000%	n/a
Mylan NV	MYL	535.5	37.35	20,001	0.0000%	n/a	6.47%	n/a	0.0000%
Laboratory Corp of America Holdings	LH	102.3	140.15	14,337	0.0000%	n/a	10.03%	n/a	0.0000%
Newell Brands Inc	NWL	483.1	47.74	23,063	0.1328%	1.59%	11.80%	0.0021%	0.0157%
Newmont Mining Corp	NEM	533.2	33.81	18,029	0.0000%	0.59%	-12.95%	0.0000%	0.0000%
Twenty-First Century Fox Inc	FOXA	1,052.3	30.54	32,138	0.1850%	1.18%	9.84%	0.0022%	0.0182%
NIKE Inc	NKE	1,321.5	55.41	73,225	0.4215%	1.30%	12.13%	0.0055%	0.0511%
NiSource Inc	NI	323.7	24.25	7,850	0.0452%	2.89%	6.38%	0.0013%	0.0029%
Noble Energy Inc	NBL	435.5	32.33	14,079	0.0810%	1.24%	10.62%	0.0010%	0.0086%

**Cascade Natural Gas Corporation**

**Market DCF Calculation as of April 28, 2017**

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Company	Ticker	Shares Outstanding (million)	Price	Market Capitalization (\$million)	Percent of Total Market Capitalization	Current Dividend Yield	Long-Term Growth Estimate	Market Capitalization- Weighted Dividend Yield	Market Capitalization- Weighted Long-Term Growth Estimate
Norfolk Southern Corp	NSC	289.8	117.49	34,047	0.1960%	2.08%	11.67%	0.0041%	0.0229%
Eversource Energy	ES	316.9	59.40	18,823	0.1084%	3.20%	6.00%	0.0035%	0.0065%
Northrop Grumman Corp	NOC	174.6	245.96	42,938	0.2472%	1.46%	5.96%	0.0036%	0.0147%
Wells Fargo & Co	WFC	5,003.9	53.84	269,408	1.5508%	2.82%	11.03%	0.0438%	0.1710%
Nucor Corp	NUE	318.9	61.33	19,558	0.1126%	2.46%	6.63%	0.0028%	0.0075%
PVH Corp	PVH	78.2	101.03	7,901	0.0455%	0.15%	8.31%	0.0001%	0.0038%
Occidental Petroleum Corp	OXY	764.6	61.54	47,052	0.0000%	4.94%	-1.99%	0.0000%	0.0000%
Omnicom Group Inc	OMC	232.9	82.12	19,127	0.1101%	2.68%	7.48%	0.0029%	0.0082%
ONEOK Inc	OKE	210.9	52.61	11,096	0.0639%	4.68%	25.10%	0.0030%	0.0160%
Raymond James Financial Inc	RJF	143.7	74.52	10,707	0.0616%	1.18%	13.50%	0.0007%	0.0083%
PG&E Corp	PCG	510.6	67.05	34,236	0.1971%	2.92%	6.50%	0.0058%	0.0128%
Parker-Hannifin Corp	PH	133.3	160.80	21,434	0.1234%	1.64%	9.81%	0.0020%	0.0121%
PPL Corp	PPL	680.8	38.11	25,945	0.1493%	4.15%	1.70%	0.0062%	0.0025%
PepsiCo Inc	PEP	1,428.5	113.28	161,821	0.9315%	2.66%	6.40%	0.0248%	0.0596%
Exelon Corp	EXC	925.8	34.63	32,059	0.1845%	3.78%	4.33%	0.0070%	0.0080%
ConocoPhillips	COP	1,237.1	47.91	59,267	0.3412%	2.21%	7.00%	0.0075%	0.0239%
PulteGroup Inc	PHM	315.5	22.67	7,152	0.0412%	1.59%	17.05%	0.0007%	0.0070%
Pinnacle West Capital Corp	PNW	111.6	85.09	9,492	0.0546%	3.08%	5.05%	0.0017%	0.0028%
PNC Financial Services Group Inc/The	PNC	486.2	119.75	58,217	0.3351%	1.84%	6.65%	0.0062%	0.0223%
PPG Industries Inc	PPG	256.7	109.84	28,191	0.1623%	1.46%	7.71%	0.0024%	0.0125%
Praxair Inc	PX	285.4	124.98	35,664	0.2053%	2.52%	9.97%	0.0052%	0.0205%
Progressive Corp/The	PGR	580.8	39.72	23,069	0.1328%	1.71%	10.26%	0.0023%	0.0136%
Public Service Enterprise Group Inc	PEG	506.2	44.05	22,299	0.1284%	3.90%	2.37%	0.0050%	0.0030%
Raytheon Co	RTN	291.1	155.21	45,178	0.2601%	2.06%	7.82%	0.0053%	0.0203%
Robert Half International Inc	RHI	127.2	46.05	5,859	0.0337%	2.08%	8.00%	0.0007%	0.0027%
Ryder System Inc	R	53.6	67.91	3,637	0.0209%	2.59%	15.00%	0.0005%	0.0031%
SCANA Corp	SCG	142.9	66.31	9,477	0.0546%	3.69%	5.30%	0.0020%	0.0029%
Edison International	EIX	325.8	79.97	26,055	0.1500%	2.71%	4.76%	0.0041%	0.0071%
Schlumberger Ltd	SLB	1,389.5	72.59	100,862	0.5806%	2.76%	36.05%	0.0160%	0.2093%
Charles Schwab Corp/The	SCHW	1,336.8	38.85	51,934	0.2990%	0.82%	18.17%	0.0025%	0.0543%
Sherwin-Williams Co/The	SHW	93.1	334.68	31,168	0.1794%	1.02%	13.65%	0.0018%	0.0245%
JM Smucker Co/The	SJM	116.4	126.72	14,755	0.0849%	2.37%	5.20%	0.0020%	0.0044%
Snap-on Inc	SNA	57.9	167.53	9,708	0.0559%	1.70%	9.80%	0.0009%	0.0055%
AMETEK Inc	AME	230.0	57.20	13,157	0.0757%	0.63%	9.35%	0.0005%	0.0071%
Southern Co/The	SO	995.2	49.80	49,562	0.2853%	4.66%	4.40%	0.0133%	0.0126%
BB&T Corp	BBT	811.4	43.18	35,035	0.2017%	2.78%	8.41%	0.0056%	0.0170%
Southwest Airlines Co	LUV	614.4	56.22	34,539	0.1988%	0.71%	10.28%	0.0014%	0.0204%
Stanley Black & Decker Inc	SWK	153.0	136.15	20,827	0.1199%	1.70%	11.00%	0.0020%	0.0132%
Public Storage	PSA	173.5	209.38	36,329	0.2091%	3.82%	6.06%	0.0080%	0.0127%
SunTrust Banks Inc	STI	491.4	56.81	27,917	0.1607%	1.83%	8.50%	0.0029%	0.0137%
Sysco Corp	SY	540.2	52.87	28,561	0.1644%	2.50%	8.86%	0.0041%	0.0146%
Tesoro Corp	TSO	117.4	79.71	9,356	0.0539%	2.76%	10.00%	0.0015%	0.0054%
Texas Instruments Inc	TXN	999.6	79.18	79,151	0.4556%	2.53%	10.34%	0.0115%	0.0471%
Textron Inc	TXT	267.7	46.66	12,490	0.0719%	0.17%	9.66%	0.0001%	0.0069%
Thermo Fisher Scientific Inc	TMO	391.2	165.33	64,680	0.3723%	0.36%	11.98%	0.0014%	0.0446%
Tiffany & Co	TIF	124.8	91.65	11,436	0.0658%	1.96%	8.73%	0.0013%	0.0057%
TJX Cos Inc/The	TJX	644.6	78.64	50,688	0.2918%	1.59%	9.62%	0.0046%	0.0281%
Torchmark Corp	TMK	117.9	76.71	9,044	0.0521%	0.78%	7.57%	0.0004%	0.0039%
Total System Services Inc	TSS	183.4	57.31	10,508	0.0605%	0.70%	11.00%	0.0004%	0.0067%
Johnson Controls International plc	JCI	938.7	41.57	39,022	0.2246%	2.41%	10.50%	0.0054%	0.0236%
Ulta Beauty Inc	ULTA	62.1	281.44	17,488	0.0000%	n/a	22.56%	n/a	0.0000%
Union Pacific Corp	UNP	807.4	111.96	90,401	0.5204%	2.16%	9.82%	0.0112%	0.0511%
UnitedHealth Group Inc	UNH	964.1	174.88	168,604	0.9705%	1.43%	12.98%	0.0139%	0.1260%
Unum Group	UNM	228.2	46.33	10,573	0.0609%	1.73%	6.53%	0.0011%	0.0040%
Marathon Oil Corp	MRO	850.2	14.87	12,642	0.0728%	1.35%	8.60%	0.0010%	0.0063%
Varian Medical Systems Inc	VAR	93.5	90.74	8,480	0.0000%	n/a	n/a	n/a	n/a
Ventas Inc	VTR	354.9	64.01	22,714	0.1308%	4.84%	4.17%	0.0063%	0.0054%
VF Corp	VFC	414.5	54.63	22,645	0.1304%	3.08%	8.23%	0.0040%	0.0107%
Vornado Realty Trust	VNO	189.3	96.24	18,217	0.1049%	2.95%	4.32%	0.0031%	0.0045%
Vulcan Materials Co	VMC	132.6	120.88	16,033	0.0923%	0.83%	28.41%	0.0008%	0.0262%

**Cascade Natural Gas Corporation**

**Market DCF Calculation as of April 28, 2017**

	[1]	[2]	[3]	[4]
	Dividend Yield	Dividend Yield x (1 + 0.625g)	Expected Growth Rate (g)	Secondary Market Investor Required Return
<b>S&amp;P 500</b>	<b>2.39%</b>	<b>2.54%</b>	<b>10.00%</b>	<b>12.54%</b>

Company	Ticker	[5] Shares Outstanding (million)	[6] Price	[7] Market Capitalization (\$million)	[8] Percent of Total Market Capitalization	[9] Current Dividend Yield	[10] Long-Term Growth Estimate	[11] Market Capitalization- Weighted Dividend Yield	[12] Market Capitalization- Weighted Long-Term Growth Estimate
Weyerhaeuser Co	WY	751.3	33.87	25,446	0.1465%	3.66%	7.50%	0.0054%	0.0110%
Whirlpool Corp	WHR	74.0	185.68	13,735	0.0791%	2.37%	15.88%	0.0019%	0.0126%
Williams Cos Inc/The	WMB	826.2	30.63	25,307	0.1457%	3.92%	10.00%	0.0057%	0.0146%
WEC Energy Group Inc	WEC	315.6	60.52	19,099	0.1099%	3.44%	6.23%	0.0038%	0.0068%
Xerox Corp	XRX	1,016.6	7.19	7,309	0.0421%	3.48%	1.80%	0.0015%	0.0008%
Adobe Systems Inc	ADBE	494.7	133.74	66,161	0.0000%	n/a	17.48%	n/a	0.0000%
AES Corp/VA	AES	659.3	11.31	7,457	0.0429%	4.24%	4.37%	0.0018%	0.0019%
Amgen Inc	AMGN	735.4	163.32	120,105	0.6914%	2.82%	6.81%	0.0195%	0.0471%
Apple Inc	AAPL	5,246.5	143.65	753,665	4.3384%	1.59%	10.63%	0.0689%	0.4613%
Autodesk Inc	ADSK	220.8	90.07	19,892	0.0000%	n/a	24.33%	n/a	0.0000%
Cintas Corp	CTAS	105.3	122.47	12,899	0.0743%	1.09%	11.15%	0.0008%	0.0083%
Comcast Corp	CMCSA	4,733.5	39.19	185,506	1.0678%	1.61%	10.31%	0.0172%	0.1101%
Molson Coors Brewing Co	TAP	194.7	95.89	18,672	0.1075%	1.71%	16.88%	0.0018%	0.0181%
KLA-Tencor Corp	KLAC	156.8	98.22	15,397	0.0886%	2.20%	4.20%	0.0019%	0.0037%
Marriott International Inc/MD	MAR	382.4	94.42	36,108	0.2079%	1.27%	13.19%	0.0026%	0.0274%
McCormick & Co Inc/MD	MKC	113.2	99.90	11,311	0.0651%	1.88%	7.86%	0.0012%	0.0051%
Nordstrom Inc	JWN	166.9	48.27	8,054	0.0464%	3.07%	7.63%	0.0014%	0.0035%
PACCAR Inc	PCAR	351.3	66.73	23,439	0.1349%	1.50%	6.73%	0.0020%	0.0091%
Costco Wholesale Corp	COST	438.9	177.52	77,921	0.4485%	1.13%	10.40%	0.0051%	0.0466%
Stryker Corp	SYK	373.8	136.37	50,970	0.2934%	1.25%	8.04%	0.0037%	0.0236%
Tyson Foods Inc	TSN	286.9	64.26	18,439	0.1061%	1.40%	6.30%	0.0015%	0.0067%
Applied Materials Inc	AMAT	1,079.8	40.61	43,852	0.2524%	0.99%	15.72%	0.0025%	0.0397%
Time Warner Inc	TWX	775.3	99.27	76,965	0.4430%	1.62%	9.30%	0.0072%	0.0412%
Bed Bath & Beyond Inc	BBBY	145.2	38.75	5,625	0.0324%	1.55%	5.64%	0.0005%	0.0018%
American Airlines Group Inc	AAL	492.6	42.62	20,994	0.0000%	0.94%	-2.71%	0.0000%	0.0000%
Cardinal Health Inc	CAH	315.5	72.59	22,899	0.1318%	2.47%	7.77%	0.0033%	0.0102%
Celgene Corp	CELG	780.8	124.05	96,861	0.0000%	n/a	20.68%	n/a	0.0000%
Cerner Corp	CERN	330.4	64.75	21,395	0.0000%	n/a	12.82%	n/a	0.0000%
Cincinnati Financial Corp	CINF	164.7	72.09	11,872	0.0000%	2.77%	n/a	0.0000%	n/a
DR Horton Inc	DHI	375.6	32.89	12,353	0.0711%	1.22%	11.77%	0.0009%	0.0084%
Flowserve Corp	FLS	130.5	50.87	6,638	0.0382%	1.49%	11.74%	0.0006%	0.0045%
Electronic Arts Inc	EA	308.3	94.82	29,230	0.0000%	n/a	11.27%	n/a	0.0000%
Express Scripts Holding Co	ESRX	593.5	61.34	36,407	0.0000%	n/a	11.99%	n/a	0.0000%
Expeditors International of Washington Inc	EXPD	180.7	56.09	10,135	0.0583%	1.43%	7.85%	0.0008%	0.0046%
Fastenal Co	FAST	289.3	44.68	12,924	0.0744%	2.86%	14.55%	0.0021%	0.0108%
M&T Bank Corp	MTB	153.8	155.41	23,896	0.1376%	1.93%	0.06573	0.0027%	0.0090%
Fiserv Inc	FISV	212.4	119.14	25,303	0.0000%	n/a	10.13%	n/a	0.0000%
Fifth Third Bancorp	FITB	750.6	24.43	18,338	0.1056%	2.29%	2.53%	0.0024%	0.0027%
Gilead Sciences Inc	GILD	1,307.2	68.55	89,611	0.0000%	3.03%	-0.33%	0.0000%	0.0000%
Hasbro Inc	HAS	125.0	99.11	12,389	0.0713%	2.30%	9.45%	0.0016%	0.0067%
Huntington Bancshares Inc/OH	HBAN	1,087.1	12.86	13,980	0.0805%	2.49%	10.35%	0.0020%	0.0083%
Welltower Inc	HCN	363.2	71.44	25,947	0.1494%	4.87%	4.59%	0.0073%	0.0069%
Biogen Inc	BIIB	212.1	271.21	57,528	0.0000%	n/a	7.70%	n/a	0.0000%
Range Resources Corp	RRC	247.6	26.49	6,559	0.0000%	0.30%	-10.13%	0.0000%	0.0000%
Northern Trust Corp	NTRS	229.5	90.00	20,654	0.1189%	1.69%	13.15%	0.0020%	0.0156%
Paychex Inc	PAYX	359.2	59.28	21,296	0.1226%	3.10%	9.00%	0.0038%	0.0110%
People's United Financial Inc	PBCT	343.5	17.47	6,001	0.0345%	3.95%	2.00%	0.0014%	0.0007%
Patterson Cos Inc	PDCO	97.1	44.49	4,321	0.0249%	2.34%	4.76%	0.0006%	0.0012%
QUALCOMM Inc	QCOM	1,477.4	53.74	79,397	0.4570%	4.24%	8.72%	0.0194%	0.0398%
Roper Technologies Inc	ROP	101.9	218.70	22,280	0.1283%	0.64%	12.87%	0.0008%	0.0165%
Ross Stores Inc	ROST	392.0	65.00	25,480	0.1467%	0.98%	12.45%	0.0014%	0.0183%
IDEXX Laboratories Inc	IDXX	88.1	167.73	14,781	0.0000%	n/a	10.42%	n/a	0.0000%
AutoNation Inc	AN	101.3	42.00	4,253	0.0000%	n/a	7.92%	n/a	0.0000%
Starbucks Corp	SBUX	1,457.4	60.06	87,531	0.5039%	1.67%	17.13%	0.0084%	0.0863%
KeyCorp	KEY	1,082.0	18.24	19,736	0.1136%	1.86%	7.42%	0.0021%	0.0084%
Staples Inc	SPLS	653.1	9.77	6,381	0.0367%	4.91%	0.0594	0.0018%	0.0022%
State Street Corp	STT	381.7	83.90	32,021	0.1843%	1.81%	9.70%	0.0033%	0.0179%
US Bancorp	USB	1,693.2	51.28	86,829	0.4998%	2.18%	8.78%	0.0109%	0.0439%
Symantec Corp	SYMC	618.8	31.63	19,574	0.1127%	0.95%	11.63%	0.0011%	0.0131%
T Rowe Price Group Inc	TROW	241.3	70.89	17,103	0.0985%	3.22%	12.15%	0.0032%	0.0120%

**Cascade Natural Gas Corporation**

**Market DCF Calculation as of April 28, 2017**

	[1]	[2]	[3]	[4]
	Dividend Yield	Dividend Yield x (1 + 0.625g)	Expected Growth Rate (g)	Secondary Market Investor Required Return
<b>S&amp;P 500</b>	<b>2.39%</b>	<b>2.54%</b>	<b>10.00%</b>	<b>12.54%</b>

Company	Ticker	[5] Shares Outstanding (million)	[6] Price	[7] Market Capitalization (\$million)	[8] Percent of Total Market Capitalization	[9] Current Dividend Yield	[10] Long-Term Growth Estimate	[11] Market Capitalization- Weighted Dividend Yield	[12] Market Capitalization- Weighted Long-Term Growth Estimate
Waste Management Inc	WM	441.9	72.78	32,164	0.1852%	2.34%	10.77%	0.0043%	0.0199%
CBS Corp	CBS	370.0	66.56	24,626	0.1418%	1.08%	12.64%	0.0015%	0.0179%
Allergan PLC	AGN	335.5	243.86	81,814	0.4710%	1.15%	12.73%	0.0054%	0.0599%
Whole Foods Market Inc	WFM	318.6	36.37	11,586	0.0667%	1.54%	3.17%	0.0010%	0.0021%
Constellation Brands Inc	STZ	171.4	172.54	29,581	0.1703%	1.21%	17.83%	0.0021%	0.0304%
Xilinx Inc	XLNX	248.9	63.11	15,710	0.0904%	2.22%	8.84%	0.0020%	0.0080%
DENTSPLY SIRONA Inc	XRAY	230.2	63.24	14,557	0.0838%	0.55%	9.47%	0.0005%	0.0079%
Zions Bancorporation	ZION	202.4	40.03	8,103	0.0466%	0.80%	9.00%	0.0004%	0.0042%
Alaska Air Group Inc	ALK	123.7	85.09	10,525	0.0606%	1.41%	10.66%	0.0009%	0.0065%
Invesco Ltd	IVZ	406.9	32.94	13,402	0.0771%	3.52%	10.79%	0.0027%	0.0083%
Intuit Inc	INTU	255.8	125.21	32,027	0.1844%	1.09%	14.78%	0.0020%	0.0272%
Morgan Stanley	MS	1,852.4	43.37	80,337	0.4625%	1.84%	14.87%	0.0085%	0.0688%
Microchip Technology Inc	MCHP	216.4	75.58	16,358	0.0942%	1.91%	17.52%	0.0018%	0.0165%
Chubb Ltd	CB	465.8	137.25	63,928	0.3680%	2.01%	10.63%	0.0074%	0.0391%
Hologic Inc	HOLX	279.3	45.15	12,610	0.0000%	n/a	10.22%	n/a	0.0000%
Chesapeake Energy Corp	CHK	908.0	5.26	4,776	0.0000%	n/a	-0.57%	n/a	0.0000%
Citizens Financial Group Inc	CFG	509.3	36.71	18,697	0.1076%	1.53%	19.13%	0.0016%	0.0206%
O'Reilly Automotive Inc	ORLY	91.6	248.15	22,742	0.0000%	n/a	15.50%	n/a	0.0000%
Allstate Corp/The	ALL	365.2	81.29	29,687	0.1709%	1.82%	9.70%	0.0031%	0.0166%
FLIR Systems Inc	FLIR	136.4	36.73	5,009	0.0000%	1.63%	n/a	0.0000%	n/a
Equity Residential	EQR	367.1	64.58	23,710	0.1365%	3.12%	9.04%	0.0043%	0.0123%
BorgWarner Inc	BWA	212.2	42.28	8,973	0.0516%	1.32%	6.13%	0.0007%	0.0032%
Newfield Exploration Co	NFX	199.0	34.62	6,888	0.0000%	n/a	20.39%	n/a	0.0000%
Incyte Corp	INCY	204.6	124.28	25,426	0.0000%	n/a	42.38%	n/a	0.0000%
Simon Property Group Inc	SPG	312.3	165.26	51,616	0.2971%	4.24%	7.87%	0.0126%	0.0234%
Eastman Chemical Co	EMN	145.8	79.75	11,630	0.0669%	2.56%	7.25%	0.0017%	0.0049%
AvalonBay Communities Inc	AVB	137.5	189.84	26,099	0.1502%	2.99%	6.96%	0.0045%	0.0105%
Prudential Financial Inc	PRU	430.4	107.03	46,063	0.2652%	2.80%	9.70%	0.0074%	0.0257%
United Parcel Service Inc	UPS	689.2	107.46	74,064	0.4263%	3.09%	8.50%	0.0132%	0.0362%
Apartment Investment & Management Co	AIV	157.0	43.74	6,868	0.0395%	3.29%	25.40%	0.0013%	0.0100%
Walgreens Boots Alliance Inc	WBA	1,081.0	86.54	93,545	0.5385%	1.73%	10.65%	0.0093%	0.0573%
McKesson Corp	MCK	212.1	138.29	29,325	0.1688%	0.81%	7.18%	0.0014%	0.0121%
Lockheed Martin Corp	LMT	289.4	269.45	77,990	0.4489%	2.70%	7.35%	0.0121%	0.0330%
AmerisourceBergen Corp	ABC	217.3	82.05	17,828	0.1026%	1.78%	9.46%	0.0018%	0.0097%
Capital One Financial Corp	COF	482.7	80.38	38,800	0.2233%	1.99%	4.52%	0.0044%	0.0101%
Waters Corp	WAT	80.1	169.89	13,604	0.0000%	n/a	7.51%	n/a	0.0000%
Dollar Tree Inc	DLTR	236.3	82.77	19,558	0.0000%	n/a	15.23%	n/a	0.0000%
Darden Restaurants Inc	DRI	124.3	85.19	10,592	0.0610%	2.63%	9.69%	0.0016%	0.0059%
NetApp Inc	NTAP	271.0	39.85	10,797	0.0622%	1.91%	10.16%	0.0012%	0.0063%
Citrix Systems Inc	CTXS	151.2	80.94	12,237	0.0000%	n/a	10.34%	n/a	0.0000%
Goodyear Tire & Rubber Co/The	GT	251.8	36.23	9,122	0.0000%	1.10%	n/a	0.0000%	n/a
DXC Technology Co	DXC	283.6	75.34	21,368	0.0000%	n/a	n/a	n/a	n/a
DaVita Inc	DVA	194.6	69.01	13,429	0.0000%	n/a	8.84%	n/a	0.0000%
Hartford Financial Services Group Inc/The	HIG	367.4	48.36	17,766	0.1023%	1.90%	9.50%	0.0019%	0.0097%
Iron Mountain Inc	IRM	264.1	34.76	9,181	0.0528%	6.33%	11.45%	0.0033%	0.0061%
Estee Lauder Cos Inc/The	EL	222.2	87.14	19,366	0.1115%	1.56%	10.82%	0.0017%	0.0121%
Yahoo! Inc	YHOO	958.1	48.21	46,191	0.0000%	n/a	10.37%	n/a	0.0000%
Principal Financial Group Inc	PFG	288.3	65.13	18,778	0.1081%	2.83%	9.53%	0.0031%	0.0103%
Stericycle Inc	SRCL	85.3	85.34	7,276	0.0000%	n/a	9.95%	n/a	0.0000%
Universal Health Services Inc	UHS	89.4	120.76	10,793	0.0621%	0.33%	9.49%	0.0002%	0.0059%
E*TRADE Financial Corp	ETFC	274.7	34.55	9,491	0.0000%	n/a	16.17%	n/a	0.0000%
Skyworks Solutions Inc	SWKS	184.5	99.74	18,401	0.1059%	1.12%	14.35%	0.0012%	0.0152%
National Oilwell Varco Inc	NOV	380.0	34.97	13,290	0.0000%	0.57%	n/a	0.0000%	n/a
Quest Diagnostics Inc	DGX	136.8	105.51	14,437	0.0831%	1.71%	8.51%	0.0014%	0.0071%
Activision Blizzard Inc	ATVI	753.6	52.25	39,374	0.2267%	0.57%	9.46%	0.0013%	0.0214%
Rockwell Automation Inc	ROK	128.6	157.35	20,235	0.1165%	1.93%	10.99%	0.0023%	0.0128%
Kraft Heinz Co/The	KHC	1,217.1	90.39	110,017	0.6333%	2.66%	10.03%	0.0168%	0.0635%
American Tower Corp	AMT	425.0	125.94	53,526	0.3081%	1.97%	17.98%	0.0061%	0.0554%
Regeneron Pharmaceuticals Inc	REGN	104.4	388.49	40,550	0.0000%	n/a	19.27%	n/a	0.0000%
Amazon.com Inc	AMZN	478.0	924.99	442,122	0.0000%	n/a	35.49%	n/a	0.0000%

**Cascade Natural Gas Corporation**

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	Dividend Yield	Dividend Yield x (1 + 0.625g)	Expected Growth Rate (g)	Secondary Market Investor Required Return
<b>S&amp;P 500</b>	<b>2.39%</b>	<b>2.54%</b>	<b>10.00%</b>	<b>12.54%</b>

Company	Ticker	[5] Shares Outstanding (million)	[6] Price	[7] Market Capitalization (\$million)	[8] Percent of Total Market Capitalization	[9] Current Dividend Yield	[10] Long-Term Growth Estimate	[11] Market Capitalization- Weighted Dividend Yield	[12] Market Capitalization- Weighted Long-Term Growth Estimate
Ralph Lauren Corp	RL	56.3	80.72	4,547	0.0262%	2.48%	1.46%	0.0006%	0.0004%
Boston Properties Inc	BXP	153.8	126.60	19,477	0.1121%	2.37%	5.36%	0.0027%	0.0060%
Amphenol Corp	APH	305.4	72.31	22,083	0.1271%	0.89%	10.03%	0.0011%	0.0127%
Arconic Inc	ARNC	440.6	27.33	12,043	0.0693%	0.88%	13.10%	0.0006%	0.0091%
Pioneer Natural Resources Co	PXD	170.2	172.99	29,439	0.1695%	0.05%	20.00%	0.0001%	0.0339%
Valero Energy Corp	VLO	448.7	64.61	28,993	0.1669%	4.33%	13.15%	0.0072%	0.0219%
Synopsys Inc	SNPS	150.5	73.70	11,092	0.0000%	n/a	9.36%	n/a	0.0000%
L3 Technologies Inc	LLL	77.9	171.77	13,377	0.0770%	1.75%	9.77%	0.0013%	0.0075%
Western Union Co/The	WU	476.2	19.86	9,458	0.0544%	3.52%	5.70%	0.0019%	0.0031%
CH Robinson Worldwide Inc	CHRW	141.8	72.70	10,307	0.0593%	2.48%	9.28%	0.0015%	0.0055%
Accenture PLC	ACN	620.1	121.30	75,216	0.4330%	2.00%	10.07%	0.0086%	0.0436%
TransDigm Group Inc	TDG	52.8	246.73	13,038	0.0000%	n/a	9.39%	n/a	0.0000%
Yum! Brands Inc	YUM	352.3	65.75	23,162	0.1333%	1.83%	13.27%	0.0024%	0.0177%
Prologis Inc	PLD	529.6	54.41	28,813	0.1659%	3.23%	5.09%	0.0054%	0.0084%
FirstEnergy Corp	FE	443.7	29.94	13,286	0.0000%	4.81%	-0.30%	0.0000%	0.0000%
VeriSign Inc	VRSN	101.5	88.92	9,023	0.0000%	n/a	9.30%	n/a	0.0000%
Quanta Services Inc	PWR	148.6	35.44	5,265	0.0000%	n/a	16.80%	n/a	0.0000%
Henry Schein Inc	HSIC	79.7	173.80	13,856	0.0000%	n/a	10.09%	n/a	0.0000%
Ameren Corp	AEE	242.6	54.69	13,270	0.0764%	3.22%	6.00%	0.0025%	0.0046%
Scripps Networks Interactive Inc	SNI	95.9	74.72	7,163	0.0412%	1.61%	7.56%	0.0007%	0.0031%
NVIDIA Corp	NVDA	594.5	104.30	62,010	0.3570%	0.54%	9.40%	0.0019%	0.0336%
Sealed Air Corp	SEE	195.3	44.02	8,598	0.0495%	1.45%	3.47%	0.0007%	0.0017%
Cognizant Technology Solutions Corp	CTSH	589.0	60.23	35,475	0.2042%	1.00%	13.78%	0.0020%	0.0281%
Intuitive Surgical Inc	ISRG	36.8	835.87	30,794	0.0000%	n/a	9.73%	n/a	0.0000%
Affiliated Managers Group Inc	AMG	56.6	165.59	9,370	0.0539%	0.48%	14.31%	0.0003%	0.0077%
Aetna Inc	AET	331.7	135.07	44,806	0.2579%	1.48%	11.72%	0.0038%	0.0302%
Republic Services Inc	RSG	338.1	62.99	21,296	0.1226%	2.03%	9.48%	0.0025%	0.0116%
eBay Inc	EBAY	1,082.3	33.41	36,161	0.0000%	n/a	9.52%	n/a	0.0000%
Goldman Sachs Group Inc/The	GS	397.8	223.80	89,025	0.5125%	1.34%	7.16%	0.0069%	0.0367%
Sempra Energy	SRE	250.6	113.02	28,323	0.1630%	2.91%	7.32%	0.0047%	0.0119%
Moody's Corp	MCO	191.0	118.32	22,601	0.1301%	1.28%	8.00%	0.0017%	0.0104%
Priceline Group Inc/The	PCLN	49.2	1,846.82	90,777	0.0000%	n/a	16.83%	n/a	0.0000%
F5 Networks Inc	FFIV	64.8	129.13	8,366	0.0000%	n/a	12.21%	n/a	0.0000%
Akamai Technologies Inc	AKAM	172.9	60.94	10,538	0.0000%	n/a	14.18%	n/a	0.0000%
Reynolds American Inc	RAI	1,425.9	64.50	91,973	0.5294%	3.16%	8.09%	0.0167%	0.0428%
Devon Energy Corp	DVN	525.7	39.49	20,758	0.1195%	0.61%	18.53%	0.0007%	0.0221%
Alphabet Inc	GOOGL	297.6	924.52	275,151	0.0000%	n/a	16.26%	n/a	0.0000%
Red Hat Inc	RHT	177.8	88.08	15,659	0.0000%	n/a	14.90%	n/a	0.0000%
Allegion PLC	ALLE	95.3	78.64	7,493	0.0431%	0.81%	13.02%	0.0004%	0.0056%
Netflix Inc	NFLX	431.0	152.20	65,599	0.0000%	n/a	36.35%	n/a	0.0000%
Agilent Technologies Inc	A	322.3	55.05	17,743	0.1021%	0.96%	8.88%	0.0010%	0.0091%
Anthem Inc	ANTM	265.0	177.89	47,138	0.2713%	1.46%	8.29%	0.0040%	0.0225%
CME Group Inc	CME	339.8	116.19	39,480	0.2273%	2.27%	9.84%	0.0052%	0.0224%
Juniper Networks Inc	JNPR	382.5	30.07	11,501	0.0662%	1.33%	9.32%	0.0009%	0.0062%
BlackRock Inc	BLK	161.8	384.57	62,223	0.3582%	2.60%	13.87%	0.0093%	0.0497%
DTE Energy Co	DTE	179.4	104.59	18,762	0.1080%	3.16%	5.50%	0.0034%	0.0059%
Nasdaq Inc	NDAQ	166.1	68.87	11,442	0.0659%	2.21%	8.35%	0.0015%	0.0055%
Philip Morris International Inc	PM	1,553.1	110.84	172,150	0.9910%	3.75%	9.47%	0.0372%	0.0938%
salesforce.com Inc	CRM	711.3	86.12	61,260	0.0000%	n/a	25.53%	n/a	0.0000%
MetLife Inc	MET	1,080.4	51.81	55,978	0.3222%	3.09%	7.04%	0.0100%	0.0227%
Under Armour Inc	UA	220.2	19.41	4,275	0.0000%	n/a	11.28%	n/a	0.0000%
Monsanto Co	MON	438.8	116.61	51,169	0.2945%	1.85%	10.10%	0.0055%	0.0297%
Coach Inc	COH	280.6	39.39	11,053	0.0636%	3.43%	11.00%	0.0022%	0.0070%
Fluor Corp	FLR	139.7	51.32	7,171	0.0413%	1.64%	16.85%	0.0007%	0.0070%
CSX Corp	CSX	922.6	50.84	46,906	0.2700%	1.57%	9.90%	0.0042%	0.0267%
Edwards Lifesciences Corp	EW	209.8	109.67	23,009	0.0000%	n/a	16.68%	n/a	0.0000%
Ameriprise Financial Inc	AMP	153.9	127.85	19,672	0.1132%	2.60%	10.40%	0.0029%	0.0118%
Xcel Energy Inc	XEL	507.8	45.05	22,875	0.1317%	3.20%	6.10%	0.0042%	0.0080%
Rockwell Collins Inc	COL	162.4	104.09	16,902	0.0973%	1.27%	9.57%	0.0012%	0.0093%
TechnipFMC PLC	FTI	466.6	30.13	14,058	0.0000%	n/a	-6.85%	n/a	0.0000%

**Cascade Natural Gas Corporation**

**Market DCF Calculation as of April 28, 2017**

		[1]	[2]	[3]	[4]				
		Dividend Yield	Dividend Yield x (1 + 0.625g)	Expected Growth Rate (g)	Secondary Market Investor Required Return				
<b>S&amp;P 500</b>		<b>2.39%</b>	<b>2.54%</b>	<b>10.00%</b>	<b>12.54%</b>				
		[5]	[6]	[7]	[8]	[9]	[10]	[11]	[12]
Company	Ticker	Shares Outstanding (million)	Price	Market Capitalization (\$million)	Percent of Total Market Capitalization	Current Dividend Yield	Long-Term Growth Estimate	Market Capitalization- Weighted Dividend Yield	Market Capitalization- Weighted Long-Term Growth Estimate
Zimmer Biomet Holdings Inc	ZBH	201.2	119.65	24,076	0.1386%	0.80%	8.38%	0.0011%	0.0116%
CBRE Group Inc	CBG	337.9	35.81	12,099	0.0000%	n/a	10.23%	n/a	0.0000%
Mastercard Inc	MA	1,053.9	116.32	122,592	0.7057%	0.76%	15.87%	0.0053%	0.1120%
Signet Jewelers Ltd	SIG	68.3	65.84	4,497	0.0259%	1.88%	5.63%	0.0005%	0.0015%
CarMax Inc	KMX	185.7	58.50	10,864	0.0000%	n/a	12.32%	n/a	0.0000%
Intercontinental Exchange Inc	ICE	593.5	60.20	35,726	0.2057%	1.33%	11.30%	0.0027%	0.0232%
Fidelity National Information Services Inc	FIS	329.7	84.19	27,759	0.1598%	1.38%	11.10%	0.0022%	0.0177%
Chipotle Mexican Grill Inc	CMG	28.7	474.47	13,600	0.0000%	n/a	20.00%	n/a	0.0000%
Wynn Resorts Ltd	WYNN	101.9	123.01	12,537	0.0722%	1.63%	17.20%	0.0012%	0.0124%
Assurant Inc	AIZ	55.4	96.24	5,329	0.0307%	2.20%	21.41%	0.0007%	0.0066%
NRG Energy Inc	NRG	316.1	16.90	5,342	0.0000%	0.71%	n/a	0.0000%	n/a
Regions Financial Corp	RF	1,205.3	13.75	16,572	0.0954%	2.04%	8.95%	0.0019%	0.0085%
Monster Beverage Corp	MNST	567.8	45.38	25,767	0.0000%	n/a	19.30%	n/a	0.0000%
Teradata Corp	TDC	130.9	29.18	3,819	0.0000%	n/a	4.76%	n/a	0.0000%
Mosaic Co/The	MOS	351.0	26.93	9,453	0.0544%	4.08%	17.50%	0.0022%	0.0095%
Expedia Inc	EXPE	138.1	133.72	18,473	0.1063%	0.84%	19.18%	0.0009%	0.0204%
Discovery Communications Inc	DISCA	153.5	28.78	4,418	0.0000%	n/a	14.07%	n/a	0.0000%
CF Industries Holdings Inc	CF	233.2	26.74	6,235	0.0000%	4.49%	-0.05%	0.0000%	0.0000%
Viacom Inc	VIAB	347.5	42.56	14,788	0.0851%	1.88%	1.59%	0.0016%	0.0014%
Wyndham Worldwide Corp	WYN	104.4	95.31	9,946	0.0573%	2.43%	12.90%	0.0014%	0.0074%
Alphabet Inc	GOOG	347.0	905.96	314,336	0.0000%	n/a	16.26%	n/a	0.0000%
Mead Johnson Nutrition Co	MJN	183.6	88.72	16,293	0.0938%	1.86%	4.93%	0.0017%	0.0046%
Cooper Cos Inc/The	COO	48.9	200.33	9,803	0.0564%	0.03%	11.64%	0.0000%	0.0066%
TE Connectivity Ltd	TEL	355.0	77.37	27,468	0.1581%	1.91%	6.75%	0.0030%	0.0107%
Discover Financial Services	DFS	383.9	62.59	24,028	0.1383%	1.92%	6.91%	0.0027%	0.0096%
TripAdvisor Inc	TRIP	128.4	45.01	5,780	0.0000%	n/a	15.53%	n/a	0.0000%
Dr Pepper Snapple Group Inc	DPS	183.8	91.65	16,847	0.0970%	2.53%	8.58%	0.0025%	0.0083%
Visa Inc	V	1,846.3	91.22	168,415	0.9695%	0.72%	17.43%	0.0070%	0.1690%
Mid-America Apartment Communities Inc	MAA	113.6	99.21	11,268	0.0000%	3.51%	n/a	0.0000%	n/a
Xylem Inc/NY	XYL	179.7	51.41	9,238	0.0532%	1.40%	15.00%	0.0007%	0.0080%
Marathon Petroleum Corp	MPC	527.9	50.94	26,890	0.1548%	2.83%	16.55%	0.0044%	0.0256%
Level 3 Communications Inc	LVL3	361.3	60.76	21,955	0.0000%	n/a	5.00%	n/a	0.0000%
Tractor Supply Co	TSKO	129.9	61.91	8,043	0.0463%	1.55%	13.80%	0.0007%	0.0064%
Mettler-Toledo International Inc	MTD	25.9	513.42	13,301	0.0000%	n/a	11.78%	n/a	0.0000%
Albemarle Corp	ALB	110.8	108.91	12,062	0.0694%	1.18%	11.60%	0.0008%	0.0081%
Transocean Ltd	RIG	390.9	11.03	4,312	0.0000%	n/a	-29.00%	n/a	0.0000%
Essex Property Trust Inc	ESS	65.6	244.47	16,027	0.0923%	2.86%	6.95%	0.0026%	0.0064%
GGP Inc	GGP	883.4	21.61	19,091	0.1099%	4.07%	5.90%	0.0045%	0.0065%
Realty Income Corp	O	273.1	58.35	15,933	0.0917%	4.34%	5.07%	0.0040%	0.0046%
Seagate Technology PLC	STX	296.6	42.13	12,497	0.0719%	5.98%	12.45%	0.0043%	0.0090%
WestRock Co	WRK	250.4	53.56	13,412	0.0772%	2.99%	7.31%	0.0023%	0.0056%
Western Digital Corp	WDC	288.1	89.07	25,658	0.1477%	2.25%	13.69%	0.0033%	0.0202%
Church & Dwight Co Inc	CHD	254.0	49.53	12,582	0.0724%	1.53%	9.02%	0.0011%	0.0065%
Federal Realty Investment Trust	FRT	72.2	130.89	9,447	0.0544%	2.99%	6.26%	0.0016%	0.0034%
Twenty-First Century Fox Inc	FOX	798.5	29.86	23,844	0.1373%	1.21%	9.84%	0.0017%	0.0135%
Alliant Energy Corp	LNT	227.8	39.32	8,958	0.0516%	3.20%	6.40%	0.0017%	0.0033%
JB Hunt Transport Services Inc	JBHT	110.0	89.66	9,861	0.0568%	1.03%	13.43%	0.0006%	0.0076%
Lam Research Corp	LRCX	161.3	144.85	23,366	0.1345%	1.24%	11.74%	0.0017%	0.0158%
Mohawk Industries Inc	MHK	74.3	234.79	17,445	0.0000%	n/a	7.01%	n/a	0.0000%
Pentair PLC	PNR	182.2	64.51	11,757	0.0677%	2.14%	5.96%	0.0014%	0.0040%
Vertex Pharmaceuticals Inc	VRTX	249.0	118.30	29,462	0.0000%	n/a	74.91%	n/a	0.0000%
Facebook Inc	FB	2,363.7	150.25	355,151	0.0000%	n/a	25.04%	n/a	0.0000%
United Rentals Inc	URI	84.5	109.66	9,268	0.0000%	n/a	15.17%	n/a	0.0000%
Alexandria Real Estate Equities Inc	ARE	91.1	112.51	10,247	0.0590%	2.95%	6.97%	0.0017%	0.0041%
United Continental Holdings Inc	UAL	314.5	70.21	22,082	0.0000%	n/a	1.90%	n/a	0.0000%
Delta Air Lines Inc	DAL	735.5	45.44	33,422	0.1924%	1.78%	11.44%	0.0034%	0.0220%
Navient Corp	NAVI	284.9	15.20	4,331	0.0249%	4.21%	8.00%	0.0010%	0.0020%
Mallinckrodt PLC	MNK	104.7	46.92	4,912	0.0000%	n/a	6.33%	n/a	0.0000%
News Corp	NWS	199.6	13.00	2,595	0.0149%	1.54%	10.73%	0.0002%	0.0016%
Centene Corp	CNC	172.3	74.40	12,817	0.0000%	n/a	13.22%	n/a	0.0000%



**Cascade Natural Gas Corporation**

**Market DCF Calculation as of April 28, 2017**

	[1]	[2]	[3]	[4]
	Dividend Yield	Dividend Yield x (1 + 0.625g)	Expected Growth Rate (g)	Secondary Market Investor Required Return
<b>S&amp;P 500</b>	<b>2.39%</b>	<b>2.54%</b>	<b>10.00%</b>	<b>12.54%</b>

Company	Ticker	[5] Shares Outstanding (million)	[6] Price	[7] Market Capitalization (\$million)	[8] Percent of Total Market Capitalization	[9] Current Dividend Yield	[10] Long-Term Growth Estimate	[11] Market Capitalization- Weighted Dividend Yield	[12] Market Capitalization- Weighted Long-Term Growth Estimate
Regency Centers Corp	REG	169.8	63.18	10,730	0.0618%	3.23%	8.57%	0.0020%	0.0053%
Macerich Co/The	MAC	142.4	62.43	8,889	0.0512%	4.55%	8.51%	0.0023%	0.0044%
Martin Marietta Materials Inc	MLM	62.6	220.19	13,791	0.0794%	0.76%	0.22906	0.0006%	0.0182%
Envision Healthcare Corp	EVHC	117.5	56.03	6,585	0.0000%	n/a	9.99%	n/a	0.0000%
PayPal Holdings Inc	PYPL	1,201.3	47.72	57,324	0.0000%	n/a	17.58%	n/a	0.0000%
Coty Inc	COTY	747.1	17.85	13,336	0.0768%	2.80%	1.89%	0.0022%	0.0015%
DISH Network Corp	DISH	227.0	64.44	14,625	0.0000%	n/a	2.99%	n/a	0.0000%
Alexion Pharmaceuticals Inc	ALXN	224.6	127.78	28,694	0.0000%	n/a	21.77%	n/a	0.0000%
News Corp	NWSA	381.9	12.72	4,857	0.0280%	1.57%	10.73%	0.0004%	0.0030%
Global Payments Inc	GPX	152.5	81.76	12,468	0.0718%	0.05%	0.12	0.0000%	0.0086%
Crown Castle International Corp	CCI	366.1	94.60	34,634	0.1994%	4.02%	19.97%	0.0080%	0.0398%
Delphi Automotive PLC	DLPH	269.3	80.40	21,651	0.1246%	1.44%	11.76%	0.0018%	0.0147%
Advance Auto Parts Inc	AAP	73.8	142.14	10,493	0.0604%	0.17%	13.56%	0.0001%	0.0082%
Michael Kors Holdings Ltd	KORS	162.4	37.33	6,064	0.0000%	n/a	0.74%	n/a	0.0000%
Illumina Inc	ILMN	146.0	184.86	26,990	0.0000%	n/a	14.61%	n/a	0.0000%
Acuity Brands Inc	AYI	44.1	176.10	7,765	0.0447%	0.30%	20.00%	0.0001%	0.0089%
Alliance Data Systems Corp	ADS	55.9	249.63	13,949	0.0803%	0.83%	14.50%	0.0007%	0.0116%
LKQ Corp	LKQ	308.2	31.24	9,629	0.0000%	n/a	15.00%	n/a	0.0000%
Nielsen Holdings PLC	NLSN	357.3	41.13	14,696	0.0846%	3.31%	10.67%	0.0028%	0.0090%
Garmin Ltd	GRMN	188.1	50.84	9,562	0.0550%	4.01%	2.45%	0.0022%	0.0013%
Cimarex Energy Co	XEC	95.1	116.68	11,098	0.0639%	0.27%	77.89%	0.0002%	0.0498%
Zoetis Inc	ZTS	491.6	56.11	27,585	0.1588%	0.75%	12.25%	0.0012%	0.0195%
Digital Realty Trust Inc	DLR	159,458	114.84	18,312	0.1054%	3.24%	5.10%	0.0034%	0.0054%
Equinix Inc	EQIX	77,912	417.7	32,544	0.1873%	1.92%	24.61%	0.0036%	0.0461%
Discovery Communications Inc	DISCK	228,764	27.98	6,401	0.0000%	n/a	14.07%	n/a	0.0000%

**Average for Companies Paying Dividends with Positive Best Long-Term Growth Estimates** **2.24%** **10.07%**

Notes:

- [1] Equals sum of Column [11]
- [2] Equals Column [1] x (1 + 0.625 x Column [3])
- [3] Equals sum of Column [12]
- [4] Equals Column [2] + Column [3]
- [5] Source: Bloomberg Finance L.P.
- [6] Source: Bloomberg Finance L.P.
- [7] Equals Column [5] x Column [6]
- [8] Equals percent of sum of Column [7] if Current Dividend Yield does not equal "n/a" and BEst Long-Term Growth Estimate does not equal "n/a" and is greater than 0%
- [9] Source: Bloomberg Finance L.P.
- [10] Source: Bloomberg Finance L.P.
- [11] Equals Column [8] x Column [9]
- [12] Equals Column [8] x Column [10]

**Cascade Natural Gas Corporation**  
**Beta**  
**As of April 28, 2017**

Company	Ticker	Value Line
Atmos Energy Corporation	ATO	0.70
New Jersey Resources Corporation	NJR	0.80
NiSource Inc.	NI	NMF
Northwest Natural Gas Company	NWN	0.65
South Jersey Industries, Inc.	SJI	0.80
Southwest Gas Corporation	SWX	0.75
Spire Inc.	SR	0.70
Mean		0.73

Source: Value Line; dated March 3, 2017

## Cascade Natural Gas Corporation

### Adjusted CAPM Return As of April 28, 2017

		[1]	[2]	[3]	[4]	[5]	[6]	[7]	[8]	[9]
Company	Ticker	S&P Current Market DCF Return	Near-term projected T- Bond Yield	Market Risk Premium	Value Line Beta	B*RP	Plus: Projected T- Bond Yield	Biased CAPM Return	Ibbotson CAPM Adjustment	Unbiased CAPM
Atmos Energy Corporation	ATO	12.54%	3.52%	9.02%	0.70	6.31%	3.52%	9.83%	0.89%	10.72%
New Jersey Resources Corporation	NJR	12.54%	3.52%	9.02%	0.80	7.22%	3.52%	10.73%	1.51%	12.24%
NiSource Inc.	NI	12.54%	3.52%	9.02%	NMF	6.61%	3.52%	10.13%	0.89%	11.02%
Northwest Natural Gas Company	NWN	12.54%	3.52%	9.02%	0.65	5.86%	3.52%	9.38%	1.66%	11.04%
South Jersey Industries, Inc.	SJI	12.54%	3.52%	9.02%	0.80	7.22%	3.52%	10.73%	1.51%	12.24%
Southwest Gas Corporation	SWX	12.54%	3.52%	9.02%	0.75	6.76%	3.52%	10.28%	0.98%	11.26%
Spire Inc.	SR	12.54%	3.52%	9.02%	0.70	6.31%	3.52%	9.83%	1.51%	11.34%
								<b>10.73%</b>		<b>12.24%</b>
								<b>10.13%</b>		<b>11.26%</b>
								<b>9.38%</b>		<b>10.72%</b>

**High**

[1] S&P 500 Market Return as of 4/28/2017; dividend yield adjustment factor sets at (1+0.625g); excludes companies with zero dividend and negative growth rate.

[2] Near-term projected 30-year U.S. Treasury bond yield (Q2 2017 - Q3 2018); Blue Chip Financial Forecasts, Vol.36, No.4, April 1, 2017 at 2.

[3] = [1] - [2]

[4] Value Line; dated March 3, 2017

[5] = [3] x [4] (For NI, use average Value Line Beta)

[6] = [2]

[7] = [5] + [6]

[8] See Schedule 8 page 2

[9] = [7] + [8]

**Median**

**Low**

## Cascade Natural Gas Corporation

### Adjusted CAPM Return As of April 28, 2017

Company	Ticker	[10]	[11]	[12]	[13]	[14]
		Shares (million)	Price/Share	Market Capitalization	Size Decile	Ibbotson CAPM Size Adjustment
Atmos Energy Corporation	ATO	105.18	\$ 81.02	\$ 8,521	3	0.89%
New Jersey Resources Corporation	NJR	86.31	\$ 40.35	\$ 3,483	5	1.51%
NiSource Inc.	NI	323.70	\$ 24.25	\$ 7,850	3	0.89%
Northwest Natural Gas Company	NWN	28.64	\$ 59.60	\$ 1,707	6	1.66%
South Jersey Industries, Inc.	SJI	79.52	\$ 37.52	\$ 2,983	5	1.51%
Southwest Gas Corporation	SWX	47.55	\$ 83.76	\$ 3,983	4	0.98%
Spire Inc.	SR	45.74	\$ 68.55	\$ 3,135	5	1.51%
<b>Average</b>						<b>1.28%</b>

#### Notes

[10] Bloomberg; dated April 28, 2017.

[11] Bloomberg; dated April 28, 2017.

[12] = [10] x [11]

[13] Duff & Phelps 2017 Valuation Hand Book – U.S. Guide to Cost of Capital Exhibit 7.2.

[14] Duff & Phelps 2017 Valuation Hand Book – U.S. Guide to Cost of Capital Exhibit 4.7.

## Cascade Gas Corporation

### Selected Natural Gas Distribution Companies Non-Volumetric Rate Design

Company	Ticker	Utility	State	Revenue Decoupling Mechanism	Formula Rate Plan	Straight Fixed-Variable Rate Design	Non-Volumetric Rate Design
				[1]	[1]	[1]	[2]
Atmos Energy Corporation	ATO	Atmos Energy Corporation	CO	N	N	N	N
		Atmos Energy Corporation	KS	N	N	N	N
		Atmos Energy Corporation	KY	N	N	N	N
		Atmos Energy Corporation	LA	N	Y	N	Y
		Atmos Energy Corporation	MS	N	Y	N	Y
		Atmos Energy Corporation	TN	N	Y	N	Y
		Atmos Energy Corporation (Mid-Tex)	TX	N	Y	N	Y
		Atmos Energy Corporation	VA	N	N	N	N
New Jersey Resources Corporation	NJR	New Jersey Natural Gas Company	NJ	Y	N	N	Y
NiSource Inc.	NI	Northern Indiana Public Service	IN	N	N	N	N
		Columbia Gas of Kentucky	KY	N	N	N	N
		Columbia Gas of Maryland	MD	Y	N	N	Y
		Columbia Gas of Massachusetts	MA	Y	N	N	Y
		Columbia Gas of Ohio	OH	N	N	Y	Y
		Columbia Gas of Pennsylvania	PA	N	N	N	N
		Columbia Gas of Virginia	VA	Y	N	N	Y
Northwest Natural Gas Company	NWN	Northwest Natural Gas Company	OR	Y	N	N	Y
		Northwest Natural Gas Company	WA	N	N	N	N
South Jersey Industries, Inc.	SJI	South Jersey Gas Company	NJ	Y	N	N	Y
Southwest Gas Corporation	SWX	Southwest Gas Corporation	AZ	Y	N	N	Y
		Southwest Gas Corporation	CA	Y	N	N	Y
		Southwest Gas Corporation	NV	Y	N	N	Y
Spire, Inc.	SR	Alabama Gas Company	AL	N	Y	N	Y
		Laclede Gas Company	MO	N	N	Y	Y
		Missouri Gas Energy	MO	N	N	Y	Y
		Mobile Gas Service Corporation	AL	N	Y	N	Y
		Willmut Gas & Oil Company	MS	N	N	N	N
<b>Total Number of Jurisdictions (Y)</b>							18
<b>Total Number of Jurisdictions</b>							27
<b>Percent of Jurisdictions</b>							66.7%

Notes:

[1] Source: American Gas Association, Innovative Rates, Non-Volumetric Rates, and Tracking Mechanisms: Current List, December 2016.

[2] Identifies companies with either a formula rate plan, revenue decoupling mechanism or straight fixed-variable rate design.

## Cascade Natural Gas Corporation

### Selected Natural Gas Distribution Companies Capital Structures as of March 31, 2017

*\$ millions*

Company	Ticker	Short-Term Debt	%	Long-Term Debt	%	Preferred Stock	%	Common Equity	%	Total Capital
Atmos Energy Corporation	ATO	\$ 670.6	9.49%	\$ 2,564.6	36.27%	-	0.00%	\$ 3,834.9	54.24%	\$ 7,070 1/
New Jersey Resources Corporation	NJR	237.9	9.12%	1,084.7	41.58%	-	0.00%	1,286.3	49.30%	\$ 2,609 1/
NiSource Inc.	NI	1,514.2	12.51%	6,400.0	52.87%	-	0.00%	4,191.1	34.62%	\$ 12,105 1/
Northwest Natural Gas Company	NWN	-	0.00%	719.7	45.14%	-	0.00%	874.6	54.86%	\$ 1,594 1/
South Jersey Industries, Inc.	SJI	205.1	7.82%	1,111.2	42.34%	-	0.00%	1,307.9	49.84%	\$ 2,624 1/
Southwest Gas Corporation	SWX	-	0.00%	1,590.2	48.11%	-	0.00%	1,715.4	51.89%	\$ 3,306 1/
Spire Inc.	SR	567.4	12.97%	1,925.3	44.00%	-	0.00%	1,883.0	43.03%	\$ 4,376 1/
<b>Median</b>			<b>9.12%</b>		<b>44.00%</b>		<b>0.00%</b>		<b>49.84%</b>	
Cascade Natural Gas Company			0.00%		50.00%		0.00%		50.00%	2/

1/ Source: SNL Financial; quarterly data as of March 31, 2017.

2/ Source: Cascade Natural Gas Corp. - Washington Natural Gas Operations