



In the Community to Serve®

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March 22, 2024

Oregon Public Utility Commission
P.O. Box 1088
201 High St. SE, Suite 100
Salem, OR 97308-1088

Re: Application of Cascade Natural Gas Corporation for an Order Authorizing Cascade Natural Gas Corporation to Enter into a Revolving Credit Agreement

Enclosed is Cascade Natural Gas Corporation's Application for an order authorizing Cascade Natural Gas Corporation to amend, extend, and increase its current revolving credit agreement.

The following file is electronically submitted as part of this filing:

CNGC UF Revolving Credit Application 03-22-2024

If you have any questions regarding this information, please feel free to contact me at (208) 377-6015.

Sincerely,

/s/ Lori Blattner

Lori A. Blattner
Director, Regulatory Affairs
8113 W. Grandridge Blvd.
Kennewick, WA 99336
Lori.blattner@intgas.com

Attachment

In the Community to Serve®

BEFORE THE PUBLIC UTILITY COMMISSION OF OREGON

DOCKET UF _____

IN THE MATTER OF THE APPLICATION OF)
CASCADE NATURAL GAS CORPORATION FOR) APPLICATION
AN ORDER AUTHORIZING IT TO AMEND,) UF-
EXTEND, AND INCREASE ITS CURRENT)
REVOLVING CREDIT AGREEMENT)

Application is hereby made to the Public Utility Commission of Oregon (“Commission”) for an Order authorizing Cascade Natural Gas Corporation (“the Company” or “Applicant”) to amend, extend, and increase its current revolving credit agreement up to five years and initially in the amount up to \$175,000,000 expandable with an accordion feature of up to \$50,000,000 for a total maximum amount of \$225,000,000 pursuant to provision of O.R.S. 757.400 et. seq. The following general information and specific exhibits are submitted in support thereof, as required by the Rules and Regulations of the Public Utility Commission of the State of Oregon.

1. In accordance with ORS 757.410(1), ORS 757.415(1), and Rule 860-27-030 of the Rules and Regulations of the Commission, Applicant respectfully submits the following:

- a. Name of Applicant

Cascade Natural Gas Corporation
8113 West Grandridge Blvd.
Kennewick, WA 99336-7166

- b. State and Date of Incorporation

Incorporated January 2, 1953, under the laws of the State of Washington; qualified to do business in the State of Oregon.

- c. Name and Address of Person Authorized to Receive Notices and Communications

Lori A. Blattner
Director, Regulatory Affairs
8113 West Grandridge Blvd.
Kennewick, WA 99336-7166
Lori.blattner@intgas.com
(208) 377-6015

d. Names, Titles and Addresses of Applicant’s Principal Officers

Mark A. Chiles	Vice President – Regulatory Affairs and Customer Service	555 South Cole Road Boise, ID 83709
Patrick C. Darras	Vice President – Engineering and Operations Services	400 North Fourth Street Bismarck, ND 58501
Hart Gilchrist	Vice President – Safety, Process Improvement and Operations Systems	555 South Cole Road Boise, ID 83709
Anne M. Jones	Vice President and Chief Human Resources Officer	1200 West Century Avenue Bismarck, ND 58506
Nicole A. Kivisto	Chair of the Board, President and Chief Executive Officer	1200 West Century Avenue Bismarck, ND 58506
Margaret (Peggy) A. Link	Vice President and Chief Information Officer	1200 West Century Avenue Bismarck, ND 58506
Scott W. Madison	Executive Vice President – Business Development and Gas Supply	555 South Cole Road Boise, ID 83709
Eric P. Martuscelli	Vice President – Field Operations	8113 West Grandridge Blvd. Kennewick, WA 99336
Tammy J. Nygard	Controller	400 North Fourth Street Bismarck, ND 58501
Paul R. Sanderson	Chief Legal Officer and Secretary	1200 West Century Avenue Bismarck, ND 58506
Garret Senger	Chief Utilities Officer	400 North Fourth Street Bismarck, ND 58501
Jason L. Vollmer	Vice President, Chief Financial Officer and Treasurer	1200 West Century Avenue Bismarck, ND 58506
Allison R. Waldon	Assistant Secretary	1200 West Century Avenue Bismarck, ND 58506

e. Description of Business and Territory Served

Applicant’s business is the distribution of natural gas, which it sells to residential, commercial and industrial customers in the States of Washington and Oregon.

f. Statement of Capital Stock as of December 31, 2023:

	Par Value	Authorized Shares	Shares Issued and Outstanding	Stated Value
Common Stock	\$1.00	1,000	1,000	None

None of the above securities is held as re-acquired securities, pledged by Applicant, held by affiliated interests, or held in sinking or other funds.

g. Statement of Long-Term Indebtedness December 31, 2023:

Description	Due Date	Authorized and Outstanding
7.48% Medium-Term Notes	September 15, 2027	\$20,000,000
7.10% Medium-Term Notes	March 16, 2029	\$15,000,000
5.79% Medium-Term Notes	March 8, 2037	\$40,000,000
4.11% Senior Notes	August 23, 2025	\$25,000,000
4.36% Senior Notes	August 23, 2028	\$25,000,000
4.09% Senior Notes	November 24, 2044	\$12,500,000
4.24% Senior Notes	November 24, 2054	\$12,500,000
4.09% Senior Notes	January 15, 2045	\$12,500,000
4.24% Senior Notes	January 15, 2055	\$12,500,000
3.62% Senior Notes	June 13, 2029	\$25,000,000
3.82% Senior Notes	June 13, 2034	\$20,000,000
4.26% Senior Notes	June 13, 2049	\$30,000,000
3.58% Senior Notes	June 15, 2050	\$30,000,000
3.78% Senior Notes	June 15, 2060	\$20,000,000
3.34% Senior Notes	October 30, 2060	\$25,000,000
4.26% Senior Notes	June 15, 2032	\$15,000,000
4.60% Senior Notes	June 15, 2052	\$35,000,000
6.39% Senior Notes	November 30, 2033	\$100,000,000

h. Description of the Securities Proposed to be Issued

Applicant proposes to borrow initial funds up to \$175,000,000 with an expandable accordion feature of up to \$50,000,000 for a total maximum of \$225,000,000 on the revolving credit agreement obligating Applicant to pay interest on a periodic basis based on current interest rates at the time the Applicant borrows. Interest rates are based on SOFR and are determined based on the Applicant's long-term debt ratings.

The interest rate on the amounts borrowed will be determined at the time they are issued. The estimated applicable margins for amounts outstanding under the revolving credit agreement are as follows:

TABLE I

<u>Pricing Level</u>	<u>Prime Rate Advances</u>	<u>SOFR Rate Advances</u>
Pricing Level I	0%	0.875%
Pricing Level II	0%	1.000%
Pricing Level III	0%	1.125%
Pricing Level IV	.075%	1.250%
Pricing Level V	.275%	1.500%

"Pricing Level I" exists at any date if, on such date, Cascade's S&P Rating or Fitch Rating is A+ or better.

"Pricing Level II" exists at any date if, on such date, (i) Cascade has not qualified for Level 1 Status and (ii) Cascade's S&P Rating or Fitch Rating is A or better.

"Pricing Level III" exists at any date if, on such date, (i) Cascade has not qualified for Level 1 Status or Level 2 Status and (ii) Cascade's S&P Rating or Fitch Rating is A- or better.

"Pricing Level IV" exists at any date if, on such date, (i) Cascade has not qualified for Level 1 Status, Level 2 Status or Level 3 Status and (ii) Cascade's S&P Rating or Fitch Rating is BBB+ or better.

"Pricing Level V" exists at any date if, on such date, Cascade has not qualified for Level 1 Status through Level 4 Status.

i. Description of the Proposed Transaction

A. Description of the proposed method of issuing and selling the securities

The Applicant will amend, extend, and increase its existing revolving credit agreement with U.S. Bank National Association, a national banking association, as co-lead Arranger and Administrative agent for the Lenders. The loan agreement will also include Wells Fargo Securities, LCC as the Syndication Agent and co-lead Arranger for the Lenders. Other lenders may enter into the syndication from time to time as needed. The amended revolving credit agreement will have a term of up to 5 years.

B. Whether securities are to be issued pro-rata, etc.

The Company will borrow under the revolving credit agreement as needed.

C. Statement showing why it is in Applicant's interest to issue proposed securities and why the proposed method of sale was adopted.

The Applicant requires an increase to its existing revolving credit agreement to

fund capital expenditures, meet working capital needs, and provide credit support for carbon compliance obligations. The revolving credit agreement is also important to the Applicant as it provides Letters of Credit as needed.

D. The Company has not requested an exemption from the competitive bidding requirements of any Federal or other state regulatory body.

j. Name and Address of any person receiving any fee for services rendered in connection with the negotiations and consummation of the sale of securities

The Applicant will pay the Agent (U.S. Bank National Association) a quarterly facility fee in an amount determined by applying the per annum Applicable Fee Percentage to the average daily revolving commitment amount of such Lenders for the period from the closing date to the termination date.

"Applicable Fee Percentage" means, with respect to the revolving credit agreement fees, at all times during which the applicable Pricing Level set forth below is in effect, the annual percentage set forth below next to such Estimated Pricing Level for the applicable type of revolving credit fee, subject to the provisions set forth below:

<u>Pricing Level</u>	<u>Estimated Facility Fee</u>
Pricing Level I	0.075%
Pricing Level II	0.100%
Pricing Level III	0.125%
Pricing Level IV	0.175%
Pricing Level V	0.225%

k. A statement showing total amount, underwriting commissions and net proceeds

The estimated fees at closing of the revolving credit agreement will include a \$100,000 arrangement fee to U.S. Bank National Association and a \$50,000 syndication fee to Wells Fargo Securities, LLC as the Syndication Agent. An estimated upfront fee of \$175,000 (17.5 bps) will also be paid to the participating banks for new money and \$100,000 (10.0 bps) for old money, based upon commitment levels. Estimated annual administration fees of \$15,000 will be paid to U.S. Bank National Association. Estimated legal fees will also be incurred up to \$150,000.

l. Purpose for which the Securities are to be issued

The Applicant requires an increase to its existing revolving credit agreement to fund capital expenditures, meet working capital needs, and provide credit support for carbon compliance obligations.

m. Statement whether or not any application or registration statement is required to be filed with any other regulatory body

A notification with the Washington Utilities and Transportation Commission will be filed.

n. Facts relied upon by Applicant to show that the issue

A. is for some lawful object within the corporate purposes of the Applicant

Applicant is a corporation authorized to do business within the State of Oregon. Applicant's Restated By-Laws give it the legal power to issue promissory notes.

B. is compatible with the public interest

Applicant is a public utility with a duty to provide natural gas service wherever economically feasible. The proceeds of this financing will provide funds that allow the Company to provide that service.

C. is necessary or appropriate for or consistent with the proper performance by the Applicant of service as a public utility

The Applicant requires an increase to its existing revolving credit agreement to fund capital expenditures, meet working capital needs, and provide credit support for carbon compliance obligations.

D. will not impair Applicant's ability to perform service

Funds borrowed will strengthen Applicant and its ability to perform service over the long term.

E. is reasonably necessary or appropriate for such purposes

The Applicant requires an increase to its existing revolving credit agreement to fund capital expenditures, meet working capital needs, and provide credit support for carbon compliance obligations. The revolving credit agreement is

also important to the Applicant as it provides Letters of Credit as needed.

F. Not applicable.

o. Statement of all rights to be a corporation, franchise, permits, etc., included as assets of the Applicant

None included as assets.

2. Exhibits

The following exhibits are made a part of this application:

Exhibit	Description	Reference
Exhibit A	Articles of Incorporation	On file
Exhibit B	Bylaws, as amended	On file
Exhibit C	Board of Directors Resolution	Attached
Exhibit D	Indentures, security, etc.	Not applicable
Exhibit E	Balance Sheets	Attached
Exhibit F	Statement of Contingent Liabilities	None
Exhibit G	Income Statement	Attached
Exhibit H	Analysis of Surplus	Attached
Exhibit I	Registration Statement	Not applicable
Exhibit J	Proposed invitation, proposals, etc.	Not applicable
Exhibit K	Stock certificates, notes, etc.	Not applicable

WHEREFORE, Applicant respectfully requests that the Commission enter an appropriate Order authorizing issuance of the securities as herein set forth.

CASCADE NATURAL GAS CORPORATION

/s/ Lori Blattner

Director, Regulatory Affairs

EXHIBIT “A”

Articles of Incorporation on file.

EXHIBIT “A”

EXHIBIT “B”

By-laws on file.

EXHIBIT “B”

EXHIBIT "C"

Board of Directors Resolution

CERTIFICATE

I, Allison R. Waldon, hereby certify that I am the duly elected and qualified Assistant Secretary of Cascade Natural Gas Corporation, a Washington corporation; that the following is a true and correct copy of resolutions adopted by Written Consent of the Board of Directors dated March 19, 2024; and that said resolutions have not been modified or amended and are presently in full force and effect:

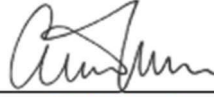
WHEREAS, the Board of Directors of Cascade Natural Gas Corporation (the "Company") has determined that it is desirable for the Company to amend the Third Amended and Restated Credit (the "Agreement") dated as of November 30, 2022, by and among the Company and other lenders, under which the lenders would make revolving loans to the Company, from time to time, in amounts up to an aggregate principal amount of up to \$175,000,000 for a period not to exceed five years;

NOW, THEREFORE, BE IT RESOLVED, that the Chair of the Board, Chief Executive Officer, President, any Vice President, Chief Legal Officer, Treasurer, or any other officer who performs a policy-making function (such as administration, operations, accounting, or finance) of the Company (the "Authorized Officers") be, and each of them hereby is, authorized to (i) negotiate, execute and deliver the Agreement, with such terms and provisions as the Authorized Officer executing the Agreement on behalf of the Company shall deem proper, and (ii) in connection with such Agreement execute and deliver promissory notes in an aggregate principal amount up to \$175,000,000 payable to the order of the Banks, with such terms as the Authorized Officers executing the same shall deem proper (the "Notes"), such execution by the Authorized Officers of the Agreement and the Notes to be conclusive evidence of the Authorized Officer's authority granted herein and the approval thereof by the Board of Directors;

FURTHER RESOLVED, that each and every officer of the Company be, and hereby is, authorized and empowered, in the name and on behalf of the Company from time to time, to take such actions and to execute and deliver such agreements, certificates, instruments, notices and documents as may be required or as such officer may deem necessary, advisable, or proper in order to carry out and perform the obligations of the Company under the Agreement and other agreements executed by the Company pursuant to these resolutions; and all such actions to be performed in such manner, and all such agreements, certificates, instruments, notices, and documents to be executed and delivered in such form as the officer performing or executing the same shall approve, the performance or execution thereof by such officer to be evidence that such officer deems all of the terms and provisions thereof to be proper; and

FURTHER RESOLVED, that all lawful actions previously taken in good faith by any officer of the Company in anticipation of, or in connection with, the foregoing are hereby approved, ratified and confirmed in all respects as if such actions had been presented to the Board of Directors for its approval prior to such actions being taken.

IN WITNESS WHEREOF, I have hereunto set my hand on March 20, 2024.



Allison R. Waldon, Assistant Secretary

EXHIBIT "C"

EXHIBIT “D”

Copy of mortgage, indenture, etc.

Not applicable

EXHIBIT “D”

EXHIBIT "E"

Balance Sheet

Year Ending December 31, 2023

ASSETS

CURRENT ASSETS

Cash and Cash Equivalents	5,125,992.88
Net Accounts Receivable Intercompany	467,254.46
Net Accounts Receivable	33,172,615.25
Allowance for Doubtful Accounts	(671,889.93)
Accrued Unbilled Revenue	46,544,076.64
Inventories	3,127,696.69
Natural Gas Cost Recoverable Through Rate Adj	97,619,772.79
Current Regulatory Asset	24,905,465.36
Environmental Compliance	28,686,780.00
Prepayments and Other Current Assets	10,126,280.94
Total Current Assets	249,104,045.08

INVESTMENTS AND OTHER ASSETS

General Investments	8,908,635.86
Total Investments And Other Assets	8,908,635.86

PLANT

Utility Plant Including CWIP	1,528,524,516.90
Less Accumulated Depreciation	(452,111,334.78)
Total Utility Net Plant	1,076,413,182.12
Nonutility Plant Including CWIP	197,964.51
Total Nonutility Net Plant	197,964.51
Total Net Plant	1,076,611,146.63

DEFERRED CHARGES AND OTHER ASSETS

NonCurrent Regulatory Assets	161,041,387.85
Environmental Compliance	43,984,404.70
Operating Lease Right of Use Assets	405,412.27
Natural Gas Costs Recoverable Through Rate Adj	55,493,468.49
Other	20,145,362.97
Total Deferred Charges & Other Assets	281,070,036.28

TOTAL ASSETS

\$1,615,693,863.85

CAPITALIZATION AND LIABILITIES**CURRENT AND ACCRUED LIABILITIES**

Current Notes Payable	50,000,000.00
Accounts Payable Intercompany	794,872.88
Accounts Payable Intracompany	2,008,779.22
Accounts Payable	57,160,657.56
Other Taxes Payable	10,893,019.18
Income Taxes Payable	2,339,977.92
Dividends Payable	3,255,000.00
Current Regulatory Liabilities	3,436,149.23
Environmental Compliance	28,686,780.00
Accrued Compensation	3,162,193.25
Operating Lease Current Liability	111,741.15
Accrued Liabilities - Other	19,697,132.50
Total Current Liabilities	181,546,302.89
Long Term Debt	488,769,282.68
Long Term Debt Intercompany	0.00
Total Long Term Debt	488,769,282.68

DEFERRED CREDITS AND OTHER LIABILITIES

Accumulated Deferred Income Tax Liability	107,522,420.63
Accumulated Deferred Investment Tax Credit	33,834.20
Regulatory Liabilities Noncurrent	216,127,263.94
Environmental Compliance	38,118,806.49
Customer Advances For Construction	227,387.62
Pension and Post Retirement	5,310,992.49
Asset Retirement Obligations	79,429,000.60
Operating Lease Liability Obligations	293,671.12
Other	21,283,485.68
Deferred Credits and Other Liabilities	468,346,862.77

CAPITALIZATION

Common Stock	1,000.00
Additional Paid-In Capital	403,117,553.21
Retained Earnings	74,667,883.56
Accumulated Other Comprehensive Income	(755,021.26)
Total Stockholder's Equity	477,031,415.51

TOTAL LIABILITIES AND EQUITY **\$1,615,693,863.85**

EXHIBIT "E"

EXHIBIT “F”

Statement of contingent liabilities

None

EXHIBIT “F”

EXHIBIT “G”

Statement of Income

Year Ending December 31, 2023

	December 2023
Operating Revenues:	
Retail sales incld unbilled rev	452,611,257.85
Reserve for Refunds	1,787,552.78
Sales for Resale	0.00
Margin Sharing Adjustment	0.00
Transportation	34,801,305.18
Other Revenue	1,695,645.34
Total Operating Revenues	<u>490,895,761.15</u>
Operating Expenses:	
Total Purchased Natural Gas	281,496,717.46
Total Operations and Maintenance	82,715,220.82
Depreciation Depletion and Amortization	41,189,467.12
Taxes, Other Than Income	46,602,883.89
Total Operating Expense	<u>452,004,289.29</u>
Utility Operating Income	<u>38,891,471.86</u>
Other Income & (Deductions) :	
Total Interest Income	14,486,296.75
Miscellaneous	1,551,775.92
AFUDC Equity	0.00
Total Other Income & (Deductions)	<u>16,038,072.67</u>
Interest Expense:	
Interest Expense On LT Debt	18,253,459.79
Amortization of Debt Disc. Exp & Prem	250,960.98
Interest - Other	9,735,268.47
AFUDC Borrowed/Capitalized Interest	(1,708,711.77)
Total Interest Expense	<u>26,530,977.47</u>
Income Taxes:	
Utility Income Taxes	672,232.32
Nonregulated Income Taxes	3,263,199.04
Investment Tax Credit	(42,018.96)
Accrued Tax Interest	1,852.00
Total Income Tax Expense (Benefit)	<u>3,895,264.40</u>
Net Income (Loss)	<u>24,503,302.66</u>

EXHIBIT “G”

EXHIBIT “H”

Analysis of Surplus

Year Ending December 31, 2023

CONSOLIDATING STATEMENT OF RETAINED EARNINGS

Beginning Retained Earnings	64,009,787.86
Current Period Retained Earnings	24,503,302.66
Adjustments to Retained Earnings:	
Dividend Equivalents / Other	(903,206.96)
Dividend appropriation of surplus:	
Common Stock	(12,942,000.00)
Retained Earnings	<u><u>74,667,883.56</u></u>

EXHIBIT “H”

EXHIBIT “I”

Copy of registration statement

Not applicable

EXHIBIT “I”

EXHIBIT “J”

Copies of proposed invitation, proposals, etc.

Not applicable

EXHIBIT “J”

EXHIBIT “K”

Copies of the stock certificates, notes, etc.

Not applicable

EXHIBIT “K”