

BEFORE THE WASHINGTON PUBLIC SERVICE COMMISSION

In the Matter of the Application of)
 WASHINGTON NATURAL GAS COMPANY)
 for a Certificate of Public Convenience)
 and Necessity to Operate a Gas Plant for)
 Hire in the General Areas of Snohomish,)
 King, Pierce, Thurston and Lewis)
 Counties, Washington.)
)

CAUSE NO. U-8839

SUPPLEMENTAL ORDER
 GRANTING APPLICATION
 AS REVISED

Hearings in the above cause were held December 12 and 15, 1955. Subsequent thereto disposition of matters pertaining to applicant's "grandfather rights" was made by the Commission in its order of December 30, 1955 in this cause, except that as to the Tumwater area the part of the certificate of public convenience and necessity pertaining thereto contained restrictive provisions pending further hearing. Such further hearing was held March 7, 1956. At such latter hearing the intervenors in opposition withdrew. At said hearing applicant withdrew that portion of its application pertaining to Monroe and Snohomish in Snohomish County.

The appearances of record are unchanged from those set forth in the initial order herein.

By such initial order Certificate of Public Convenience and Necessity No. 2 was issued to applicant under "grandfather rights" to operate a gas plant for hire in the cities of Everett, Seattle, Renton, Kent and the town of Tukwila and adjacent areas in King County north and south of Seattle and near Bellevue; and in the cities, towns or communities of Tacoma, Olympia, Auburn, Sumner, Puyallup, Pacific City, Ruston, Centralia, Chehalis, Dupont, Fircrest, Lakewood, American Lake, Fort Lewis, Union Mills and Lacey; and within the adjacent areas of Snohomish, King, Pierce, Thurston and Lewis Counties, all as delineated on Exhibits B-1 through B-6 to the application except in so far as they may pertain to the corporate limits of the town of Tumwater as to which a restrictive certificate was issued.

The matter now before the Commission for determination pertains to the inclusion of areas contiguous to or between certain of the foregoing communities to meet the requirements of public convenience and necessity.

It is apparent that applicant's request as now before the Commission comes about as a result of the imminent introduction of natural gas to this state and particularly to the areas proposed to be served by applicant. Indications are that the transmission facilities of the supplier, being the Pacific Northwest Pipeline Corporation, will be in service by the late summer or fall of this year. Washington Natural Gas Company has commitments from the supplier for volumes of gas which, supplemented by applicant's own production facilities, are deemed adequate to meet applicant's anticipated requirements during the initial phase of natural gas availability. It is expected that as additional volumes of natural gas on a firm basis are required by applicant reasonable quantities thereof can be made available by the supplier. Testimony of record is that service to the areas for which a certificate is herein requested was contemplated at the time the commitments between the applicant and the supplier were entered into. Market estimates made at that time formed the basis for the quantities contained in the commitments.

Washington Natural Gas Company, as the surviving corporation following merger of the Seattle Gas Company and the Washington Natural Gas Company (previously Washington Gas & Electric Company), has been in business in this state for many years prior to the turn of the century. It is a well established utility having existing net plant value on an original cost basis in excess of \$15,000,000. To carry out its expansion program occasioned by the introduction of natural gas applicant expects that additional expenditures for capital purposes in excess of that sum will be required over the next five-year period. The present capital structure of applicant is such that it anticipates procurement of such capital under acceptable terms.

The certificate hereinafter to be issued covers areas in Snohomish, King, Pierce, Thurston and Lewis Counties in which applicant now operates or proposes to operate a gas plant for hire. The nucleus of each specific area is the urban development with adjacent areas contiguous thereto or between such communities. As to certain portions thereof applicant has no fixed plans or specific dates determined for the rendition of such service. The entire area, however, is such as to best lend itself to service by applicant at such time as economic feasibility and markets may be demonstrated. Inasmuch as no other gas company has existing plans to serve any portion of the area here in question, the same should be included in applicant's certificate subject, however, to review by the Commission at a reasonable time in the future following the introduction of natural gas. More specific information may then be considered by the Commission to determine at that time the existing requirements of public convenience and necessity and the necessity, if any, for alteration of the certificate boundaries.

Applicant has placed in evidence copies of franchises already procured from local governmental bodies. As to those areas in which franchises have not as yet been granted certain negotiations are now underway. It should be noted that delineation of the general areas as are hereinafter certificated makes allowances for contemplated expansion into rural and industrial areas through extensions of existing or planned distribution systems. In the consideration of applicant's tariffs to be applicable to service upon the introduction of natural gas attention will be given to appropriate rules and regulations to be made applicable to such service, including an appropriate line extension policy to meet reasonable service requirements as they develop.

FINDINGS OF FACT

1. Washington Natural Gas Company operates a gas plant for hire in this state subject to the jurisdiction of this Commission.
2. Washington Natural Gas Company has heretofore been issued in this cause Certificate of Public Convenience and Necessity No. 2 to operate a gas plant for hire in the areas within which it was operating in good faith on June 9, 1955, being the cities, towns or communities of Everett, Seattle, Renton, Kent, Tukwila and adjacent areas in King County north and south of Seattle and near Bellevue; Tacoma, Olympia, Auburn, Sumner, Puyallup, Pacific City, Ruston, Centralia, Chehalis, Dupont, Fircrest, Lakewood, American Lake, Fort Lewis, Union Mills and Lacey, and certain adjacent areas contiguous thereto.
3. The imminent introduction of natural gas to the state and more particularly to the area proposed to be served by applicant will require expansion of the service areas enumerated in Finding No. 2 above to meet the requirements of public convenience and necessity.

4. Washington Natural Gas Company is the only gas company operating a gas plant for hire in the areas enumerated in Finding No. 2 above and is the only gas company requesting a certificate for the operation of a gas plant for hire in the areas hereinafter to be certificated.

5. The areas contiguous to the cities, towns and communities within the areas to be hereinafter certificated are reasonably within the boundaries of normal growth of applicant's present or proposed service.

6. Washington Natural Gas Company is capable of installing plant facilities to make service available within the areas hereinafter to be certificated.

7. Washington Natural Gas Company will have available an adequate supply of gas to serve the presently anticipated demands of the areas hereinafter to be certificated.

8. The operation of a gas plant for hire by Washington Natural Gas Company in the areas hereinafter to be certificated is or will be required by the public convenience and necessity.

9. A certificate of public convenience and necessity should be issued to applicant to operate a gas plant for hire in the general areas of Everett and vicinity in Snohomish County; Seattle and vicinity in King and Snohomish Counties; the Valley area of Puyallup, Sumner, Auburn and Kent and vicinity in King and Pierce Counties; Olympia and vicinity in Thurston and Pierce Counties; and Centralia and Chehalis and vicinity in Lewis County; all as set forth in Exhibit A of the application as revised.

10. Following the expiration of 18 months from the effective date of this order the Commission should bring the matter on for further consideration to determine the appropriate alterations to be made in the certificate to conform to the requirements of public convenience and necessity as the same may then be made to appear.

ORDER

1. IT IS HEREBY ORDERED That a certificate of public convenience and necessity be issued to Washington Natural Gas Company to operate a gas plant for hire in the following areas:

A. All of the incorporated cities of Everett and Mukilteo and additional portions of Snohomish County adjacent thereto lying within the area described as follows:

Beginning at the northeast corner of Section 27, Township 29 North, Range 5 East W. M. in Snohomish County, Washington; thence west along the north lines of Sections 27 and 28 in said Township to the westerly line of Deadwater Slough; thence northerly along said westerly line to the southerly line of the Snohomish River; thence north to the Pier Head Line of the westerly line of said Snohomish River; thence northerly and westerly along said Pier Head Line to Gardner Bay in Puget Sound; thence southerly along the Pier Head Line of the easterly line of Puget Sound in Section 7, 18, 19 and 30 in Township 29 North Range 5 East W. M.

and Sections 24, 25, 36, 35, 34, and 33 in Township 29 North, Range 4 East, W.M.; thence southerly along the easterly line of Puget Sound in Sections 4, 8, 9, 17, 20, 29, and 32 in Township 28 North, Range 4 East, W.M.; thence east along the south lines of Sections 32, 33, 34, 35, and 36 in Township 28 North, Range 4 East, W.M., and along the south lines of Sections 31, 32, 33, and 34 in Township 28 North, Range 5 East, W.M., to the southeast corner of Section 34 in said Township; thence north along the east lines of Sections 34, 27, 22, 15, 10, and 3 in Township 28 North, Range 5 East, W.M., and along the east lines of Sections 34, and 27 in Township 29 North, Range 5 East, W.M., to the point of beginning.

As further shown on Appendix A-1 attached hereto and by this reference made a part hereof.

B. All of the incorporated cities of Seattle, Edmonds, Montlake Terrace, Beaux Arts Village, Bothell, Kirkland, Houghton, Redmond, Bellevue, Clyde Hill, Renton, Issaquah, Tukwila, the communities of Alderwood Manor, Richmond Beach, Kenmore, Woodinville, and additional portions of King County and Snohomish County adjacent thereto lying within the area described as follows:

Beginning at the northeast corner of Section 4 in Township 27 North, Range 5 East, W.M.; thence west along the north line of Sections 4, 5, and 6 in said Township and Range, and Sections 1, 2, 3, 4, and 5 in Township 27 North, Range 4 East to the easterly line of Puget Sound; thence southerly following the line of Puget Sound and its bays and estuaries through Townships 27, 26, 25, 24, and 23 to the south line of Section 31 in Township 23 North, Range 4 East, W.M.; thence east along the south line of Sections 31, 32, 33, 34, 35, and 36 in Township 23 North, Range 4 East, W.M. and along the south lines of Sections 31, 32, 33, 34, 35 and 36 in Township 23 North, Range 5 East, W.M. to the southeast corner of said Section 36; thence north along the east line of said Section 36 and Sections 25, 24, 13, 12 and 1 in said Township and Range to the northeast corner of said Section 1 and the southwest corner of Section 31 in Township 24 North, Range 6 East, W.M.; thence east along the south line of said Section 31 and the south lines of Sections 32, 33 and 34 in Township 24 North, Range 6, East W.M., to the southeast corner of said Section 34; thence north along the east line of said Section 34 and the east lines of Sections 27, 22, 15, 10 and 3 of said Township and Range to the northeast corner of said Section 3; thence north along the east lines of Sections 34, 27, 22, 15, 10 and 3 of Township 25 North, Range 6 East, W.M., to the northeast corner of said Section 3; thence west along the north line of said Section 3 and the north lines of Sections 4, 5, and 6 in said Township and Range to the northwest corner of said Section 6 and the southeast corner of Section 36 in Township 26 North, Range 5, East W.M.; thence north along said east line of Section 36 and the east lines of Sections 25, 24, 13, 12 and 1 in said Township and Range to the northeast corner of said Section 1; thence west along the north line of said Section 1 and the north lines of Sections 2, and 3 in said Township and Range to the northwest corner of said Section 3 and the southeast corner of Section 33, Township 27 North, Range 5, East W.M.; thence north along the east line of said Section 33 and the east lines of Sections 28, 21, 16, 9 and 4 in Township 27 North, Range 5, East W.M., to the point of beginning.

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As further shown on Appendix A-2 attached hereto and by this reference made a part hereof.

C. All of the incorporated cities of Kent, Auburn, Pacific, Milton, Sumner, Puyallup, the communities of Des Moines, Federal Way, and Midway, and additional portions of King County and Pierce County adjacent thereto lying within the area described as follows:

Beginning at the northeast corner of Section 5, Township 22 North, Range 5 East, W. M.; thence west along the north lines of Sections 5 and 6 in said Township and Range, and Sections 1, 2, 3, 4, 5, and 6 in Township 22 North, Range 4 East, to the easterly line of Puget Sound; thence southerly along this line to its intersection with the west line of Section 6, Township 21 North, Range 4 East, W. M.; thence south along the west lines of Sections 6, 7, 18, 19, 30, and 31 in said Township and Range, and along the west lines Sections 6, 7, 18, 19, 30, and 31 in Township 20 North, Range 4 East, W. M., and Section 6 in Township 19 North, Range 4 East, W. M. to the southwest corner of said Section 6; thence east along the south lines of Section 6, 5, and 4 Township 19 North, Range 4 East, W. M. to the southeast corner of said Section 4; thence north along the east line of said Section 4 to the northeast corner thereof and the south boundary of the city of Puyallup; thence east along the south line of Sections 34, 35 and 36 in Township 20 North, Range 4 East, W. M., and the south line of Section 31, T. 20 North Range 5 East, W. M., to the southeast corner of said Section 31; thence north along the east line of Sections 31, 30, 19, 18, 7 and 6 in Township 20 North, Range 5 East, W. M., and the east lines of Sections 31 and 30 in Township 21 North, Range 5 East, W. M., to the northeast corner of said Section 30; thence east along the south line of Section 20 in Township 21 North, Range 5 East, W. M., to the southeast corner thereof; thence north along the east line of said Section 20 and the east lines of Sections 17, 8 and 5 in said Township and Range and the east lines of Sections 32, 29, 20, 17, 8 and 5 in Township 22 North, Range 5 East, W. M., to the point of beginning.

As further shown on Appendix A-3 attached hereto and by this reference made a part hereof.

D. All of the incorporated cities of Tacoma, Ruston, Fircrest, Steilacoom, the communities of Lakeview, Brookdale and Parkland, and additional portions of King County and Pierce County adjacent thereto lying within the area described as follows:

Beginning at a point where the easterly line of Puget Sound intersects the east line of Section 1, Township 21 North, Range 3 East, W. M.; thence following the easterly line of Puget Sound and its bays and estuaries through Townships 21 and 20, and into Township 19 to the intersection of the south line of the town of Steilacoom with the east line of Cormorant Passage and the northerly boundary line of Fort Lewis Army Post in Pierce County, Washington; thence easterly, northerly, easterly and southerly along said boundary line to its intersection with the north line of American Lake; thence following the northerly and easterly line of American Lake thru Sections 16,

15, 10, 21, 20 and 29 in Township 19 North, Range 2 East, W.M., and the southerly and westerly line of said American Lake thru Sections 30 and 29 in said Township and Range to the north line of said Section 29; thence west along the north lines of said Sections 29 and 30 to the easterly line of Sequalitchew Lake; thence along the easterly and southerly line of Sequalitchew Lake thru said Section 30 and Section 25 Township 19 North, Range 1 East, W.M. to the north line of said Section 25; thence west along the north line of said Section 25 to the southerly line of Sequalitchew Lake; thence along the southerly and westerly line of Sequalitchew Lake to said north line of Section 25; thence west along the north lines of Sections 25 and 26 in said Township and Range to the northwest corner of said Section 26; thence south along the west line of said Section 26 and Section 35 in said Township 19 North, Range 1 East, W.M., to the southwest corner of said Section 35; thence east along the south line of said Section 35 and Section 36 in said Township and the south lines of Sections 31, 32, 33, 34 and 35 and the west half of Section 36 in Township 19 North, Range 2 East, W.M., to the south quarter corner of said Section 36; thence north along the center line of said Section 36 and the center lines of Sections 25 and 24 to the north line of said Section 24 and the south quarter corner of Section 13 in said Township; thence east along the south line of said Section 13 in said Township and the south line of Section 18 in Township 19 North, Range 3 East, W.M. to the Military Road; thence southeasterly along said Military Road to the south line of the W.P. Melville Donation Claim produced west; thence east along said produced line and the south line of said claim to 'C' Street in Brookdale; thence south to the north line of Spanaway Park in Section 20 in said Township 19 North, Range 3 East, W.M.; thence east to the National Park Highway; thence south along said highway to the center line of Section 21 in said Township and Range; thence east along the center line of said Section 21 and Sections 22 and 23 in said Township and Range to the east line of said Section 23; thence north along the east lines of said Sections 23, 14 and 11 in said Township to the northeast corner of said Section 11; thence east along the south line of Section 1 in said Township and Range to the southeast corner of said Section 1; thence north along the east line of said Section 1, and along the east lines of Sections 36, 25, 24, 13, 12, and 1 in Township 20 North, Range 3 East, W.M., and along the east lines of Sections 36, 25, 24, 13, 12, and 1 in Township 21 North, Range 3 East, W.M. to the point of beginning.

As further shown on Appendix A-4 attached hereto and by this reference made a part hereof.

E. All of the incorporated cities of Olympia, and Tumwater, the communities of Nisqually and Lacey, and additional portions of Thurston County adjacent thereto lying within the area described as follows:

Beginning at the intersection of the centerline of U.S. 99 and the east line of Section 34, Township 19 North, Range 1 East, W.M., in Pierce County, Washington; thence westerly along said centerline to the intersection of the centerline of the Old Pacific Highway; thence westerly and southerly along the centerline of said Old Pacific Highway to the westerly boundary of the Fort Lewis Army Post in the Northeast 1/4 of the southwest 1/4 of Section 4, Township 18 North, Range 1 East, W.M.,

and including the area 200 feet north and south of the described centerline.

Then beginning at the intersection between the westerly boundary of Fort Lewis Army Post and the east-west centerline of Section 5, Township 18 North, Range 1 East, W.M.; thence south along said westerly boundary line to the easterly line of the Nisqually River; thence south along said westerly line to the south line of Section 16, Township 18 North, Range 1 East, W.M., in Thurston County, Washington; thence west along the south line of said Section 16 and the south line of Section 17 in said Township to the southwest corner of said Section 17; thence south along the east line of Section 19 in said Township to the southeast corner of said Section 19; thence west along the south line of said Section 19 and the south lines of Sections 24 and 23 in Township 18 North, Range 1 West, W.M., to Holmes Island in Long Lake; thence south and along the east line of Section 27 in said Township to the southeast corner thereof; thence west along the south line of said Section 27 and along the south lines of Sections 28, 29 and 30 in said Township and along the south line of Section 25 in Township 18 North, Range 2 West, W.M., to the southwest corner thereof; thence south along the east line of Section 35 in said Township and along the east line of Section 2 in Township 17 North, Range 2 West, W.M., to the southeast corner thereof; thence west along the south lines of said Section 2 and Section 3 in said Township to the southwest corner of said Section 3; thence north along the west line of said Section 3 and the west lines of Sections 34 and 27 in Township 18 North, Range 2 West, W.M., to the northwest corner of said Section 27; thence west along the south line of Section 21 in said Township to the south quarter corner thereof; thence north along the center line of said Section 21 and the center lines of Sections 16 and 9 in said Township to the north line of said Section 9; thence east along the north line of said Section 9 and the north line of Section 10 in said Township to Budd Inlet; thence crossing Budd Inlet northeasterly to the north city boundary line of Olympia; thence east, north, east and south along said city boundary line to the south line of Section 1 in said Township; thence east along said south line of Section 1 and the south lines of Sections 6, 5, 4, 3, 2 and 1 of Township 18 North, Range 1 West, W.M., and Sections 6 and 5 of Township 18 North, Range 1 East, W.M., to the south quarter corner of Section 5 in said Township; thence north along the center line to the east and west center line of said Section 5; thence east along said east and west center line to the point of beginning.

As further shown on Appendix A-5 attached hereto and by this reference made a part hereof.

F. All of the incorporated cities of Centralia and Chehalis, and additional portions of Lewis County adjacent thereto lying within the area described as follows:

Beginning at the southeast corner of Section 4 in Township 13 North, Range 2 West, W.M., in Lewis County, Washington; thence west along the south line of said Section 4 and the south line of Sections 5 and 6 in said Township and the south line of Section 1 in Township 13 North, Range 3 West, W.M., to the center line of said Section 1; thence north

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along said center line of Section 1 and the center lines of Sections 36, 25, 24, 13, 12 and 1 in Township 14 North, Range 3 West, W.M., and the center line of Sections 36 and 25 in Township 15 North, Range 3 West, W.M., to the north line of said Section 25; thence east along said north line of Section 25 and the north lines of Sections 30, 29 and 28 in Township 15 North, Range 2 West, W.M., to the northeast corner of said Section 28; thence south along the east line of said Section 28 and Section 33 in said Township 15 and the east lines of Sections 4, 9, 16, 21, 28 and 33 in Township 14 North, Range 2 West, W.M., and the east line of Section 4 in Township 13 North, Range 2 West, W.M., to the point of beginning.

As further shown on Appendix A-6 attached hereto and by this reference made a part hereof.

2. IT IS FURTHER ORDERED That the certificate of public convenience and necessity issued pursuant to Order Paragraph 1 above supersedes and cancels Certificate of Public Convenience and Necessity No. 2 issued to Washington Natural Gas Company December 30, 1955. Said certificate of December 30, 1955 shall be forthwith returned to this Commission.

3. IT IS FURTHER ORDERED That following the expiration of 18 months from the effective date of this order the Commission shall bring the matter on for further consideration to determine the appropriate alterations, if any, to be made to the certificate issued pursuant to Order Paragraph No. 1 above to conform to the requirements of public convenience and necessity as the same may then be made to appear.

4. IT IS FURTHER ORDERED That jurisdiction over this cause is retained to effectuate the provisions of this order.

DATED at Olympia, Washington, and effective, this 2nd day of May, 1956.

WASHINGTON PUBLIC SERVICE COMMISSION

Ralph Davis
RALPH DAVIS, Chairman

Joseph Starin
JOSEPH STARIN, Commissioner

Robert D. Yeomans
ROBERT D. YEOMANS, Commissioner