

**BEFORE THE WASHINGTON STATE
UTILITIES AND TRANSPORTATION COMMISSION**

In the Matter of the Application of

CASCADE NATURAL GAS
CORPORATION,

For an Order Authorizing the Sale of
Property Located in Longview,
Washington.

DOCKET UG-200102

ORDER 01

DETERMINING PROPERTY IS
NOT NECESSARY OR USEFUL

BACKGROUND

- 1 On February 13, 2020, Cascade Natural Gas Corporation (Cascade or Company) filed with the Washington Utilities and Transportation Commission (Commission) an application (Application) seeking approval of the sale of property located at 1332 Vandercook Way in Longview, Washington, (Longview Property) pursuant to WAC 480-143-120. The property includes an office building and two parking lots.
- 2 Cascade acquired the Longview Property in 1962 following a merger with Pacific Natural Gas Company. Until early 2019, the Longview Property served as Cascade's district office. On March 20, 2019, Cascade relocated its district office to Kelso, Washington. In its Application, Cascade cites issues with property damage, employee safety, and an inability to adequately store construction equipment and materials as its reasons to dispose of the Longview property.
- 3 Commission staff (Staff) reviewed the Company's Application and interprets it, in the alternative, as a request for a Commission determination that the property being sold is not necessary or useful pursuant to WAC 480-143-180.
- 4 Staff observes that public service companies require authorization from the Commission for the transfer or disposal of property only when that property is necessary or useful to perform its public duties. If the property meets one or more of the exceptions in WAC 480-143-180 and is shown not to be necessary or useful, a public service company may dispose of such property without Commission authorization under WAC 480-143-120. As relevant to this matter, the exceptions in WAC 480-143-180 include property that has been substituted or replaced by property of equal or greater value or usefulness.

5 In such circumstances, a company must file an Application for a Commission
determination that the property is not necessary or useful prior to disposing of such
property when the value of the property is equal to or greater than 0.1 percent of the
Company's rate base or \$20,000, whichever is greater.¹

6 Staff believes the Company has shown that the Longview property is surplus and
unneded, and, therefore, will not be necessary or useful. Staff recommends the
Commission issue an order determining that the property is no longer necessary or useful
under WAC 480-143-180, and that it is unnecessary for the Company to receive
Commission authorization to complete the sale under WAC 480-143-120.

DISCUSSION

7 The Commission agrees with Staff's recommendation. Although Cascade's Application
seeks authorization for the transfer of property, we understand the substance of the
Company's request is to seek a determination under WAC 480-143-180 that the property
to be sold is surplus, unneded, and not necessary or useful to perform its public duties.
We interpret the Company's request accordingly.²

8 Because the Longview property listing price exceeds \$20,000, the Company must seek a
determination from the Commission that the property is not necessary or useful prior to
the sale. We find that the Company has satisfactorily demonstrated that the property it
intends to transfer is surplus, unneded, and not necessary or useful to perform its public
duties. In its Application, Cascade lists multiple reasons why the Longview property is no
longer desirable, and explains that the Longview property has since been replaced by a
new property in Kelso that better suits the Company's needs. The Kelso location replaced
the Longview location, thus rendering the latter unneded and unuseful. Accordingly, we
determine under WAC 480-143-180 that the Longview property is surplus, unneded,
and not necessary or useful. The Company, therefore, need not obtain permission from
the Commission to transfer the property under WAC 480-143-120.

¹ WAC 480-143-180.

² The Commission construes pleadings liberally to effect just results. *See* WAC 480-07-395(4).

FINDINGS AND CONCLUSIONS

- 9 (1) The Commission is an agency of the State of Washington vested by statute with the authority to regulate rates, rules, regulations, practices, accounts, securities, transfers property and affiliated interests of public service companies, including natural gas companies.
- 10 (2) Cascade is a public service company subject to Commission jurisdiction.
- 11 (3) WAC 480-143-180 states “A public service company must not dispose of any property necessary or useful to perform its public duties unless it first applies for, and obtains, written authority from the commission.”
- 12 (4) This matter was brought before the Commission at its regularly scheduled meeting on March 26, 2020.
- 13 (5) After reviewing Cascade’s Application filed in Docket UG-200102 on February 13, 2020, and giving due consideration to all relevant matters and for good cause shown, the Commission finds that the Company’s Application for a determination that property is surplus, unneeded, and not necessary or useful consistent with the criteria set forth in WAC 480-143-180. Accordingly, the Application should be granted.

ORDER

THE COMMISSION ORDERS:

- 14 (1) Cascade Natural Gas Corporation’s property located property located at 1332 Vandercook Way in Longview, Washington is surplus, unneeded, not necessary or useful under the criteria set forth in WAC 480-143-180.
- 15 (2) Cascade Natural Gas Corporation need not receive Commission authorization under WAC 480-143-120 for the transfer of its property located at 1332 Vandercook Way in Longview, Washington.
- 16 (3) This Order shall not affect the Commission’s authority over rates, services, accounts, valuations, estimates, or determination of costs on any matters that may

come before it. Nor shall this Order Granting Application be construed as an agreement or determination of costs, or valuation of property claimed or asserted.

17 (4) The Commission retains jurisdiction over the subject matter and Cascade Natural Gas Corporation to effectuate the provisions of this Order.

18 The Commissioners, having determined this Order to be consistent with the public interest, directed the Secretary to enter this Order.

DATED at Lacey, Washington, and effective March 26, 2020.

WASHINGTON STATE UTILITIES AND TRANSPORTATION COMMISSION

/s/ Mark L. Johnson

MARK L. JOHNSON,
Executive Director and Secretary