

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

In the Matter of the Petition of	)	DOCKET UG-150762
	)	
CASCADE NATURAL GAS	)	ORDER 01
CORPORATION	)	
	)	ORDER GRANTING ACCOUNTING
Petitioner,	)	PETITION
	)	
For An Accounting Order Authorizing a	)	
Revision to Depreciation Rates	)	
.....	)	

**BACKGROUND**

- 1 On May 8, 2015, Cascade Natural Gas Corporation (Cascade or Company) filed with the Utilities and Transportation Commission (Commission) a petition seeking to revise its Depreciation Rates for Gas Plant under WAC 480-07-370(1)(b) (Petition). On November 3, 2015, Cascade revised its Petition to reflect depreciation rates consistent with those approved in Oregon.<sup>1</sup> The revised depreciation rates filed by the Company would result in an increase in Washington annual depreciation expense of approximately \$27,000. The proposed effective date for the revised depreciation rates is January 1, 2016.
- 2 Cascade filed with the Petition an updated Depreciation Study (Study) based on gas plant balances as of December 31, 2013. Cascade last performed a comparable study approximately 16 years ago in Docket UG-991923. Commission staff (Staff) reviewed the filing and found that the Study filed with the Petition supports a change to the Company’s existing depreciation rates.
- 3 Cascade seeks approval of consistent depreciation rates for transmission, distribution, and general gas plant in each jurisdiction in which it operates because those plant categories are allocated system-wide for ratemaking purposes. Staff found that Cascade applied the appropriate approved rate to each plant account to determine the depreciation expense proposed in the Petition.

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<sup>1</sup>Cascade also filed a petition in Oregon requesting a revision of its existing depreciation rates in that state. On November 3, 2015, Cascade filed a revised summary of survivor curves, net salvage, original cost, book reserve, and calculated annual depreciation accruals related to gas plant at December 31, 2013, reducing depreciation charges by \$1,964,203 million system-wide from its original filing; those revisions were accepted in Oregon by Commission Order in Docket UM 1727 on October 14, 2015.

4 Staff concludes that the depreciation parameters and resulting rates for transmission,  
distribution, and general gas plant are reasonable and should be authorized by the  
Commission.

### **FINDINGS AND CONCLUSIONS**

- 5 (1) The Washington Utilities and Transportation Commission is an agency of the  
State of Washington vested by statute with the authority to regulate the rates,  
rules, regulations, practices, accounts, securities, transfers of property and  
affiliated interests of public service companies, including gas companies. RCW  
80.01.040, RCW 80.04, RCW 80.08, RCW 80.12, RCW 80.16 and RCW 80.28.
- 6 (2) Cascade is a gas company and a public service company subject to Commission  
jurisdiction.
- 7 (3) WAC 480-07-370(1)(b), allows companies to file petitions including that for  
which Cascade seeks approval.
- 8 (4) Staff has reviewed the Petition filed in this docket, including related work papers.
- 9 (5) Staff finds that Cascade's Petition should be approved, and the depreciation rates  
set forth in Attachment 1 to this Order should be adopted. Staff further finds that  
the rates are reasonable and should be granted.
- 10 (6) This matter came before the Commission at its regularly scheduled meeting on  
November 25, 2015.
- 11 (7) After review of Cascade's petition filed in Docket UG-150762 on May 8, 2015,  
and revised on November 3, 2015, and giving due consideration to all relevant  
matters and for good cause shown, the Commission finds that Cascade's Petition  
should be approved, and the depreciation rates set forth in Attachment 1 to this  
Order should be granted.

**ORDER**

**THE COMMISSION ORDERS:**

- 12 (1) Cascade Natural Gas Corporation's Petition to revise its depreciation rates as set forth in Attachment 1 to this Order is granted. The rates will become effective on January 1, 2016.
- 13 (2) 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 the Petition be construed as an agreement to any estimate or determination of costs, or any valuation of property claimed or asserted.
- 14 (3) The Commission retains jurisdiction over the subject matter and Cascade Natural Gas Corporation to effectuate the provisions of this Order.

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

DATED at Olympia, Washington, and effective November 25, 2015.

WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

STEVEN V. KING  
Executive Director and Secretary