

WASHINGTON PUBLIC SERVICE COMMISSION
CERTIFICATE OF PUBLIC CONVENIENCE AND NECESSITY
TO OPERATE A GAS PLANT FOR HIRE

SPOKANE NATURAL GAS COMPANY

(Name)

SPOKANE, WASHINGTON

(Address)

is hereby authorized

to operate a gas plant for hire in the general area or areas of:

Spokane, Medical Lake and Cheney in Spokane County; Pullman in Whitman County, and areas adjacent to each of the foregoing as more particularly designated on Appendices A-1 through A-4 attached hereto and by this reference made a part hereof, each such appendix consisting of a map and attached legal description.

~~is more particularly designated on "Exhibit A" of certificate holder's application, as "Exhibit A" has been or may be amended. Said "Exhibit A" is on file with the Commission and is open to public inspection.~~

CONDITIONS:

1. Any gas plant operated by virtue of this certificate must be operated in accordance with the Laws of the State of Washington and the Rules and Regulations of this Commission.
2. This certificate must be kept on file at the main office of the gas company except when directed to be transmitted to the Commission, and shall be subject at all times to inspection by the authorized representatives of the Commission.
3. This certificate shall be subject to revocation and cancellation by the Commission upon a showing of procurement by false affidavit or representation.
4. This certificate is subject to the terms, conditions and provisions of the order in Cause No. U-8889, effective October 19, 1956, pursuant to which this certificate is issued.

This certificate is issued upon finding by the Washington Public Service Commission that public convenience and necessity requires or will require such operation in accordance with section 4, chapter 316, Laws of 1955, and

Order No. U-8889 Dated October 19, 1956

Dated at Olympia, Washington, October 19, 1956

WASHINGTON PUBLIC SERVICE COMMISSION

By A. Rotchford Secretary



BEFORE THE WASHINGTON PUBLIC SERVICE COMMISSION

In the Matter of the Application of)
SPOKANE NATURAL GAS COMPANY)
to Amend Its Present Certificate of)
Public Convenience and Necessity to)
Operate a Gas Plant for Hire in the)
General Area of Spokane, to)
Encompass Additional Area in the)
Vicinity of Spokane, and the General)
Areas of Medical Lake, Cheney,)
Pullman, and Colfax, Washington)
.)

CAUSE NO. U-8889

ORDER GRANTING
APPLICATION IN PART

The above entitled matter came on regularly for hearing, pursuant to notice given to all interested parties, at Spokane, Washington, on the 22nd day of August, 1956, before Examiner George Kargianis.

The parties were represented as follows:

- APPLICANT: SPOKANE NATURAL GAS COMPANY, per H. M. HAMBLIN, Attorney, 912 Paulsen Building, Spokane, Washington.
- COMMISSION: WASHINGTON PUBLIC SERVICE COMMISSION, per QUINBY R. BINGHAM, Assistant Attorney General, Temple of Justice, Olympia, Washington.

By application filed with and received by the Washington Public Service Commission on the 31st day of July, 1956, the applicant, Spokane Natural Gas Company, hereinafter referred to as applicant, seeks to amend its present Certificate of Public Convenience and Necessity to operate a gas plant for hire in the general area of Spokane to encompass additional territory and areas in the vicinity of Spokane, and the general areas of Medical Lake, Cheney, Pullman, and Colfax, Washington. The applicant presently serves a portion of the City of Spokane with butane air gas and is in the process of constructing a further and additional distribution system which, when completed, will enable the applicant to distribute natural gas to a larger area including most of the City of Spokane and a portion of the suburban area.

The applicant has already obtained franchises from the municipalities of Medical Lake and Cheney. The Pullman franchise, formerly held by the Whitman Distributing Company, has been assigned to the applicant by said company. The applicant is presently negotiating for a franchise with the City of Colfax. The company intends to make immediate application to Spokane County for county road franchises in the area of the unincorporated town of Marshall, which is immediately adjacent to the City of Spokane.

The applicant has manifested its ability and willingness to serve the requested area. Moreover, said areas are all in the vicinity of and/or reasonably close to the City of Spokane. The record shows that no other gas company is now

serving or has requested to serve the areas in question. Population-wise, said areas merit natural gas service and the applicant is able to undertake construction in these areas within a reasonable length of time.

The record discloses that the applicant has a present and potential natural gas supply to serve the requested areas. Contracts held by the applicant with the Pacific Northwest Pipeline Corporation, together with an allocation of gas made by said company for the City of Colfax, are sufficient to assure an adequate gas supply for the area in question.

Testimony was introduced concerning the construction and financing of the proposed operating facilities. The financing or initial construction has been arranged during the balance of 1956 with the completion tentatively arranged for the year 1957.

Should the instant application be approved, the applicant proposes to offer services to Medical Lake and Pullman this fall; service to Colfax, of course being dependent on obtaining a franchise from said city. However, in any event, it is unlikely that any construction will commence in Colfax this year. Likewise, there are no plans on the part of the applicant to serve Cheney during the year 1956.

Detailed testimony was introduced pertaining to the existing and potential market for natural gas within all the requested areas. This testimony, together with the feasibility report prepared on the applicant's behalf by the Fish Service and Management Corporation established the economic feasibility of the proposed operation. The existence of the following prospective commercial users of natural gas would indicate that demand-wise, the operation would be feasible: Eastern State Hospital and Lakeland Village at Medical Lake; Eastern Washington College of Education at Cheney; Washington State College and various industrial users at Pullman; and certain industrial users in Colfax, Washington. In addition thereto, Kyle Pugh, the manager of Utilities for the City of Cheney, stated that the City of Cheney is desirous of obtaining natural gas service. Glover E. Mc Dougall, the mayor of Colfax, stated that the residents of Colfax also desired natural gas and that the pending application of the applicant for a franchise with the City of Colfax would be given favorable attention and consideration. Testimony further showed that various other companies, including the Twin Cities Gas Company and the Whitman Distributing Company had also applied for the city franchise and that a franchise would be granted to the successful applicant within 30 days of the instant hearing. Moreover, Lloyd A. Bury of Pullman, Washington, the president of the Whitman Distributing Company, related that pursuant to an agreement whereby his company's assets were assigned to the applicant, his company's application for the Colfax franchise would be withdrawn.

FINDINGS OF FACT

1. Spokane Natural Gas Company operates a gas plant for hire in this state subject to the jurisdiction of this Commission.
2. Spokane Natural Gas Company seeks to amend its present certificate of public convenience and necessity to operate a gas plant for hire in the general area of Spokane to embrace further and additional territory and areas in the vicinity of Spokane and the general areas of Medical Lake, Cheney, Pullman and Colfax, Washington.

3. The area sought to be incorporated into the present certificate of convenience and necessity is immediately adjacent to and/or reasonably close to the applicant's present service area.

4. At present there is no gas company operating a gas plant for hire in the area sought to be certificated.

5. The area sought to be certificated embraces an area reasonably within the boundaries of the normal growth of applicant's service.

6. The Spokane Natural Gas Company presently holds franchises from the municipalities of Medical Lake and Cheney. The Pullman franchise, formerly held by the Whitman Distributing Company, has been assigned to the Spokane Natural Gas Company.

7. Although the Spokane Natural Gas Company is negotiating for a franchise from the City of Colfax, no such franchise has been obtained by the applicant to date.

8. Spokane Natural Gas Company is capable of installing plant facilities to make service available in the area sought to be certificated.

9. Spokane Natural Gas Company will have available an adequate supply of gas to serve the present and future anticipated demands of the area sought to be certificated.

10. The operation of a gas plant for hire by Spokane Natural Gas Company in the area proposed to be served is or will be required by the public convenience and necessity and a certificate therefor should be issued for the area described and shown in Appendices A-1, A-2, A-3, and A-4.

ORDER

IT IS HEREBY ORDERED That the application of Spokane Natural Gas Company to amend its present Certificate of Public Convenience and Necessity to Operate a Gas Plant for Hire be amended to encompass the following areas:

(a) An area lying immediately adjacent to the company's presently certificated area, lying within the area described as follows:

Beginning at the NE corner of fractional Section 7, T 26 N - R 46 E and running Southerly along the common boundary line between the States of Washington and Idaho along fractional Sections 7, 18, 19, 30 and 31 T 26 N - R 46 E and Sections 6, 7, 18, 19, 30 and 31 T 25 N - R 46 E and Sections 6, 7, 18, 19 and 30 T 24 N - R 46 E to the Southeast corner of fractional Section 30, T 24 N - R 46 E, and thence Westerly on the South line of Section 30, T 24 N - R 46 E and Sections 25, 26, 27, 28, 29 and 30, T 24 N - R 45 E and Sections 25, 26, 27, 28, 29 and 30, T 24 N - R 44 E and Sections 25, 26, 27, 28, 29 and 30, T 24 N - R 43 E and Sections 25, 26, 27, 28 and 29 T 24 N - R 42 E to the Southwest corner of Section 29, T 24 N - R 42 E thence Northerly along the West line of Sections 29, 20, 17 and 8, T 24 N -

R 42 E to the Northwest corner of the NW 1/4 Section 8, T 24 N - R 42 E thence Westerly along the South line of Section 6, T 24 N - R 42 E and Sections 1, 2, 3, 4, 5 and 6, T 24 N - R 41 E to the Southwest corner of the Southwest 1/4 Section 6, T 24 N - R 41 E, thence Northerly on the West line of Section 6, T 24 N - R 41 E and Sections 31, 30, 19, 18, 7 and 6, T 25 N - R 41 E and Sections 31, 30, 19, 18 and 7, T 26 N - R 41 E to the NW corner of the NW 1/4 Section 7, T 26 N - R 41 E thence Easterly on the North line of Sections 7, 8, 9, 10, 11 and 12, T 26 N - R 41 E and Sections 7, 8, 9, 10, 11 and 12, T 26 N - R 42 E and Sections 7, 8, 9, 10, 11 and 12, T 26 N - R 43 E and Sections 7, 8, 9, 10, 11 and 12, T 26 N - R 44 E and Sections 7, 8, 9, 10, 11 and 12 T 26 N - R 45 E and to the NE corner of fractional Section 7, T 26 N - R 46 E which is the point of beginning, Spokane County, Washington.

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

(B) A certain locality including the municipality of Medical Lake and an additional portion of Spokane County, Washington, adjacent thereto lying within the area described as follows:

Beginning at the NE corner of the SW 1/4 of Section 7, T 24 N - R 42 E and running Southerly on the North-South half section line of Sections 7, 18, 19 and 30, to the SE corner of the SW 1/4 of Section 30, T 24 N - R 42 E, thence Westerly on the South line of Section 30, T 24 N - R 42 E, Sections 25, 26, 27, 28, 29 and 30, T 24 N - R 41 E and Sections 25 and 26, T 24 N - R 40 E to the SW corner of Section 26, T 24 N - R 40 E, thence Northerly on the West line of Sections 26, 23, 14 and 11, T 24 N - R 40 E to the NW corner of Section 11, T 24 N - R 40 E, thence Easterly on the North line of Sections 11 and 12, to the NE corner of the NW 1/4 of Section 12, thence Southerly on the North-South half section line of Section 12 to the SE corner of the NW 1/4 of Section 12, all in T 24 N - R 40 E, thence Easterly on the East-West half section line of Section 12, T 24 N - R 40 E, Sections 7, 8, 9, 10, 11 and 12, T 24 N - R 41 E, and Sections 7, T 24 N - R 42 E to the NE corner of the SW 1/4 of Section 7, T 24 N - R 42 E which is the point of beginning, Spokane County, Washington.

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

(C) All of the incorporated area comprising the City of Cheney and additional portions of Spokane County, Washington, adjacent thereto lying within the area described as follows:

Beginning at the NE corner of the NW 1/4 of Section 31, T 24 N - R 42 E and running Southerly on the North-South half section line of Section 31, T 24 N - R 42 E and Section 6, T 23 N - R 42 E to the SE corner of the SW 1/4 of Section 6, T 23 N - R 42 E, thence Easterly on the North line of Section 7 to the NE corner of Section 7, T 23 N - R 42 E, thence Southerly on the East line of Sections 7, 18 and 19, to the SE corner of Section 19, T 23 N - R 42 E, thence Westerly on the South line of Section 19, T 23 N - R 42 E and Sections 24, 23 and 22, to the SW corner of Section 22, T 23 N - R 41 E, thence Northerly on the West line of Section 22 to the NW corner of Section 22, thence Westerly on the South line of Section 16 to the SW corner of Section 16, thence Northerly on the West line of Section 16 to the NW corner of Section 16, thence Westerly on the South line of Section 8 to the SW corner of Section 8, thence Northerly on the West line of Section 8 to the NW corner of Section 8, thence Westerly on the South line of Section 6 to the SW corner of Section 6, thence Northerly on the West line of Section 6 to the NW corner of Section 6, T 23 N - R 41E, thence Westerly on the South line to the SW corner of Section 36, thence Northerly on the West line to the NW corner of Section 36, thence Easterly on the North line of Section 36, T 24 N - R 40 E, Sections 31, 32, 33, 34, 35 and 36, T 24 N - R 41 E and Section 31 to the NE corner of the NW 1/4 of Section 31, T 24 N - R 42 E which is the point of beginning, Spokane County, Washington.

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

(D) All of the incorporated area comprising the City of Pullman and additional portions of Whitman County adjacent thereto lying within the area described as follows:

Beginning at the NE corner of fractional Section 29, T 15 N - R 46 E and running in a Southerly direction along the common boundary line between the States of Washington and Idaho to the SE corner of fractional Section 17, T 14 N - R 46 E, thence Westerly to the SW corner of Section 13, T 14 N - R 44 E (this course being and traversing the South line of Sections 17 and 18, T 14 N - R 46 E, Sections 13, 14, 15, 16, 17 and 18, T 14 N - R 45 E and Section 13, T 14 N - R 44 E), thence Northerly to the NW corner of Section 25, T 15 N - R 44 E (this course being and traversing the West line of Sections 13, 12 and 1, T 14 N - R 44 E and Sections 36 and 25, T 15 N - R 44 E), thence Easterly to the NE corner of fractional Section 29, T 15 N - R 46 E, which is the point of beginning (this course being and traversing the North line of Section 25, T 15 N - R 44 E, Sections 30, 29, 28, 27, 26 and 25, T 15 N - R 45 E, and Sections 30 and 29, T 15 N - R 46 E) all being in Whitman County, Washington

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

IT IS FURTHER ORDERED That the application of Spokane Natural Gas Company to amend its present Certificate of Public Convenience and Necessity to Operate a Gas Plant for Hire to encompass the incorporated area of the City of Colfax and the general area of Whitman County adjacent thereto be and the same is hereby denied without prejudice pending definite proof that the applicant has been granted a franchise by the City of Colfax.

IT IS FURTHER ORDERED That the Certificate of Public Convenience and Necessity issued pursuant to Order paragraph No. 1 above supersedes and cancels Certificate of Public Convenience and Necessity No. 6 issued to the Spokane Natural Gas Company on the 28th day of December, 1955. Said certificate of December 28, 1955, should be forthwith returned to the Commission.

IT IS FURTHER ORDERED That following the expiration of eighteen months from the effective date of this order, the Commission shall bring the matter for further consideration and 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.

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 19th day of October, 1956.

WASHINGTON PUBLIC SERVICE COMMISSION

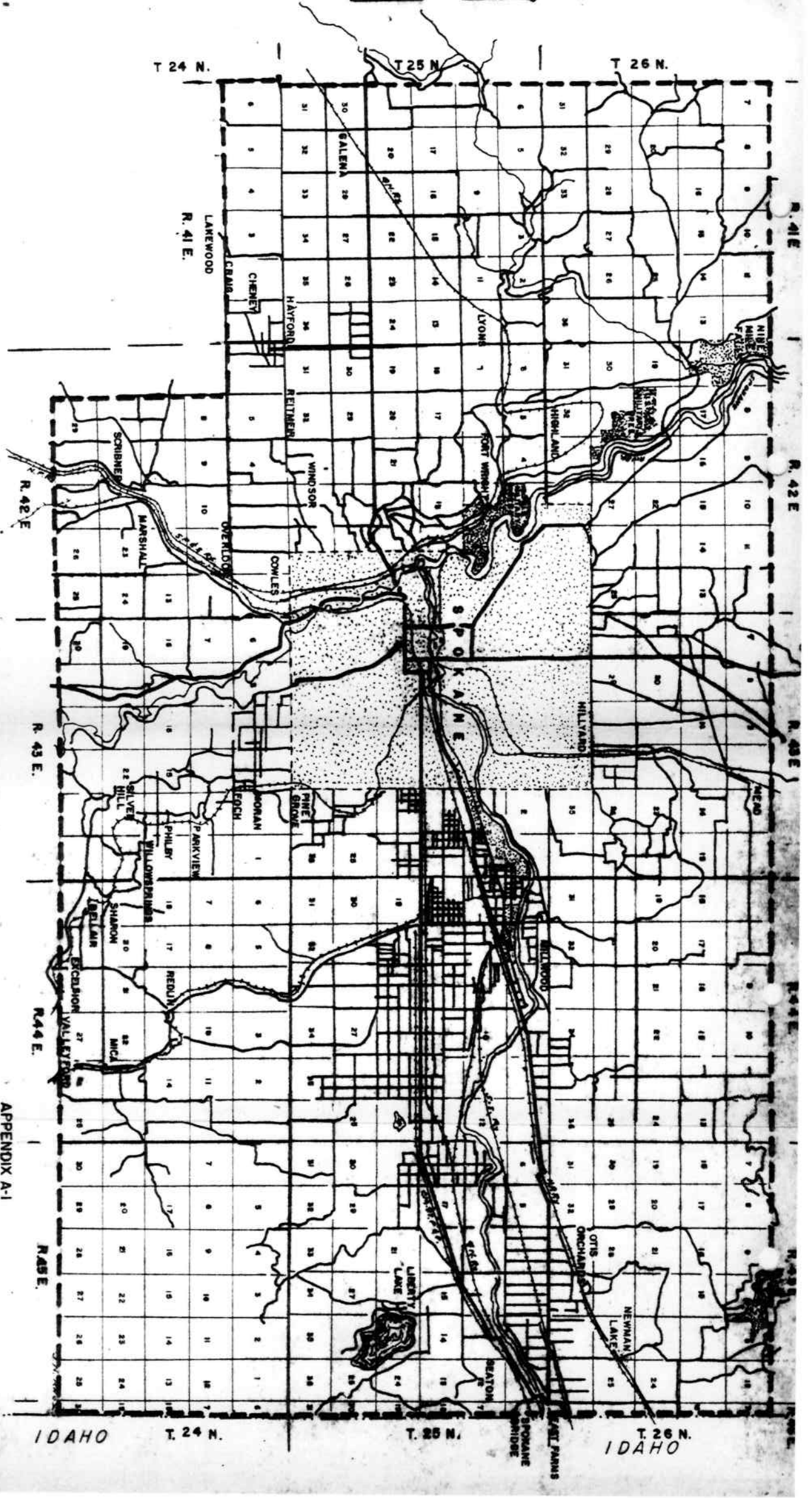
RALPH DAVIS, Chairman

JOSEPH STARIN, Commissioner

APPENDIX A-1. LEGAL DESCRIPTION - SPOKANE AND VICINITY -
SPOKANE COUNTY

All of the incorporated area comprising the City of Spokane and additional portions of Spokane County adjacent thereto lying within the area described as follows:

Beginning at the NE corner of fractional Section 7, T 26 N - R 46 E and running Southerly along the common boundary line between the States of Washington and Idaho along fractional Sections 7, 18, 19, 30 and 31 T 26 N - R 46 E and Sections 6, 7, 18, 19, 30 and 31 T 25 N - R 46 E and Sections 6, 7, 18, 19 and 30 T 24 N - R 46 E to the Southeast corner of fractional Section 30, T 24 N - R 46 E, and thence Westerly on the South line of Section 30, T 24 N - R 46 E and Sections 25, 26, 27, 28, 29 and 30, T 24 N - R 45 E and Sections 25, 26, 27, 28, 29 and 30, T 24 N - R 44 E and Sections 25, 26, 27, 28, 29 and 30, T 24 N - R 43 E and Sections 25, 26, 27, 28, and 29, T 24 N - R 42 E to the Southwest corner of Section 29, T 24 N - R 42 E thence Northerly along the West line of Sections 29, 20, 17 and 8, T 24 N - R 42 E to the Northwest corner of the NW 1/4 Section 8, T 24 N - R 42 E thence Westerly along the South line of Section 6, T 24 N - R 42 E and Sections 1, 2, 3, 4, 5 and 6, T 24 N - R 41 E to the Southwest corner of the Southwest 1/4 Section 6, T 24 N - R 41 E thence Northerly on the West line of Section 6, T 24 N - R 41 E and Sections 31, 30, 19, 18, 7 and 6, T 25 N - R 41 E and Sections 31, 30, 19, 18 and 7, T 26 N - R 41 E to the NW corner of the NW 1/4 Section 7, T 26 N - R 41 E thence Easterly on the North line of Sections 7, 8, 9, 10, 11 and 12, T 26 N - R 41 E and Sections 7, 8, 9, 10, 11 and 12, T 26 N - R 42 E and Sections 7, 8, 9, 10, 11 and 12, T 26 N - R 43 E and Sections 7, 8, 9, 10, 11 and 12, T 26 N - R 44 E and Sections 7, 8, 9, 10, 11 and 12, T 26 N - R 45 E and to the NE corner of fractional Section 7, T 26 N - R 46 E which is the point of beginning, Spokane County, Washington



APPENDIX A-1
 ORDER NO. U-8889
 SPOKANE NATURAL GAS CO.
 BOUNDARY OF SERVICE AREA

WASHINGTON PUBLIC SERVICE COMMISSION
 DATE: 10-9-56
 CHECKED: A.F.G.
 BY: J.K.

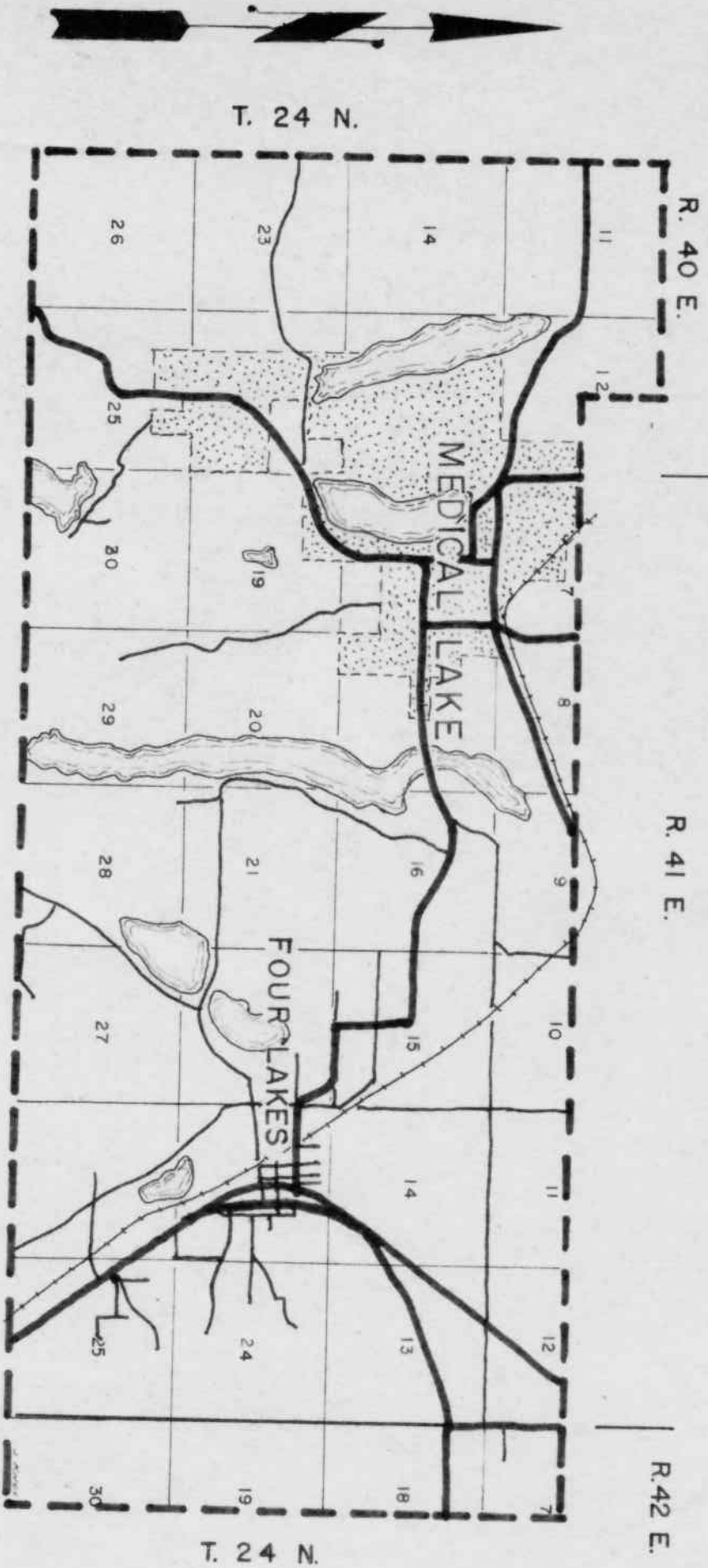
IDAHO T. 24 N. T. 25 N. T. 26 N. IDAHO

APPENDIX A-2 LEGAL DESCRIPTION - MEDICAL LAKE AND
VICINITY - SPOKANE COUNTY

All of the incorporated area comprising the Town of Medical Lake and additional portions of Spokane County adjacent thereto lying within the area described as follows:

Beginning at the NE corner of the SW 1/4 of Section 7, T 24 N - R 42 E and running Southerly on the North-South half section line of Sections 7, 18, 19 and 30, to the SE corner of the SW 1/4 of Section 30, T 24 N - R 42 E, thence Westerly on the South line of Section 30, T 24 N - R 42 E, Sections 25, 26, 27, 28, 29 and 30, T 24 N - R 41 E and Sections 25 and 26, T 24 N - R 40 E to the SW corner of Section 26, T 24 N - R 40 E, thence Northerly on the West line of Sections 26, 23, 14 and 11, T 24 N - R 40 E to the NW corner of Section 11, T 24 N - R 40 E, thence Easterly on the North line of Sections 11 and 12, to the NE corner of the NW 1/4 of Section 12, thence Southerly on the North-South half section line of Section 12 to the SE corner of the NW 1/4 of Section 12, all in T 24 N - R 40 E, thence Easterly on the East-West half section line of Section 12, T 24 N - R 40 E, Sections 7, 8, 9, 10, 11 and 12, T 24 N - R 41 E, and Sections 7, T 24 N - R 42 E to the NE corner of the SW 1/4 of Section 7, T 24 N - R 42 E which is the point of beginning, Spokane County, Washington.

SPokane County



APPENDIX A-2
CAUSE NO. U-8889
SPOKANE NATURAL GAS CO.
BOUNDARY OF SERVICE AREA

WASHINGTON PUBLIC SERVICE COMMISSION
DATE: 10-10-56
BY J. K.
CHECKED: A.F.G.

APPENDIX A-3 LEGAL DESCRIPTION - CHENEY AND VICINITY -
SPOKANE COUNTY

All of the incorporated area comprising the City of Cheney and additional portions of Spokane County adjacent thereto lying within the area described as follows:

Beginning at the NE corner of the NW 1/4 of Section 31, T 24 N - R 42 E and running Southerly on the North-South half section line of Section 31, T 24 N - R 42 E and Section 6, T 23 N - R 42 E to the SE corner of the SW 1/4 of Section 6, T 23 N - R 42 E, thence Easterly on the North line of Section 7 to the NE corner of Section 7, T 23 N - R 42 E, thence Southerly on the East line of Sections 7, 18, and 19, to the SE corner of Section 19, T 23 N - R 42 E, thence Westerly on the South line of Section 19, T 23 N - R 42 E and Sections 24, 23 and 22, to the SW corner of Section 22, T 23 N - R 41 E, thence Northerly on the West line of Section 22 to the NW corner of Section 22, thence Westerly on the South line of Section 16 to the SW corner of Section 16, thence Northerly on the West line of Section 16 to the NW corner of Section 16, thence Westerly on the South line of Section 8 to the SW corner of Section 8, thence Northerly on the West line of Section 8 to the NW corner of Section 8, thence Westerly on the South line of Section 6 to the SW corner of Section 6, thence Northerly on the West line of Section 6 to the NW corner of Section 6, T 23 N - R 41 E, thence Westerly on the South line to the SW corner of Section 36, thence Northerly on the West line to the NW corner of Section 36, thence Easterly on the North line of Section 36, T 24 N - R 40 E, Sections 31, 32, 33, 34, 35 and 36, T 24 N - R 41 E and Section 31 to the NE corner of the NW 1/4 of Section 31, T 24 N - R 42 E which is the point of beginning, Spokane County, Washington.

SPokane County

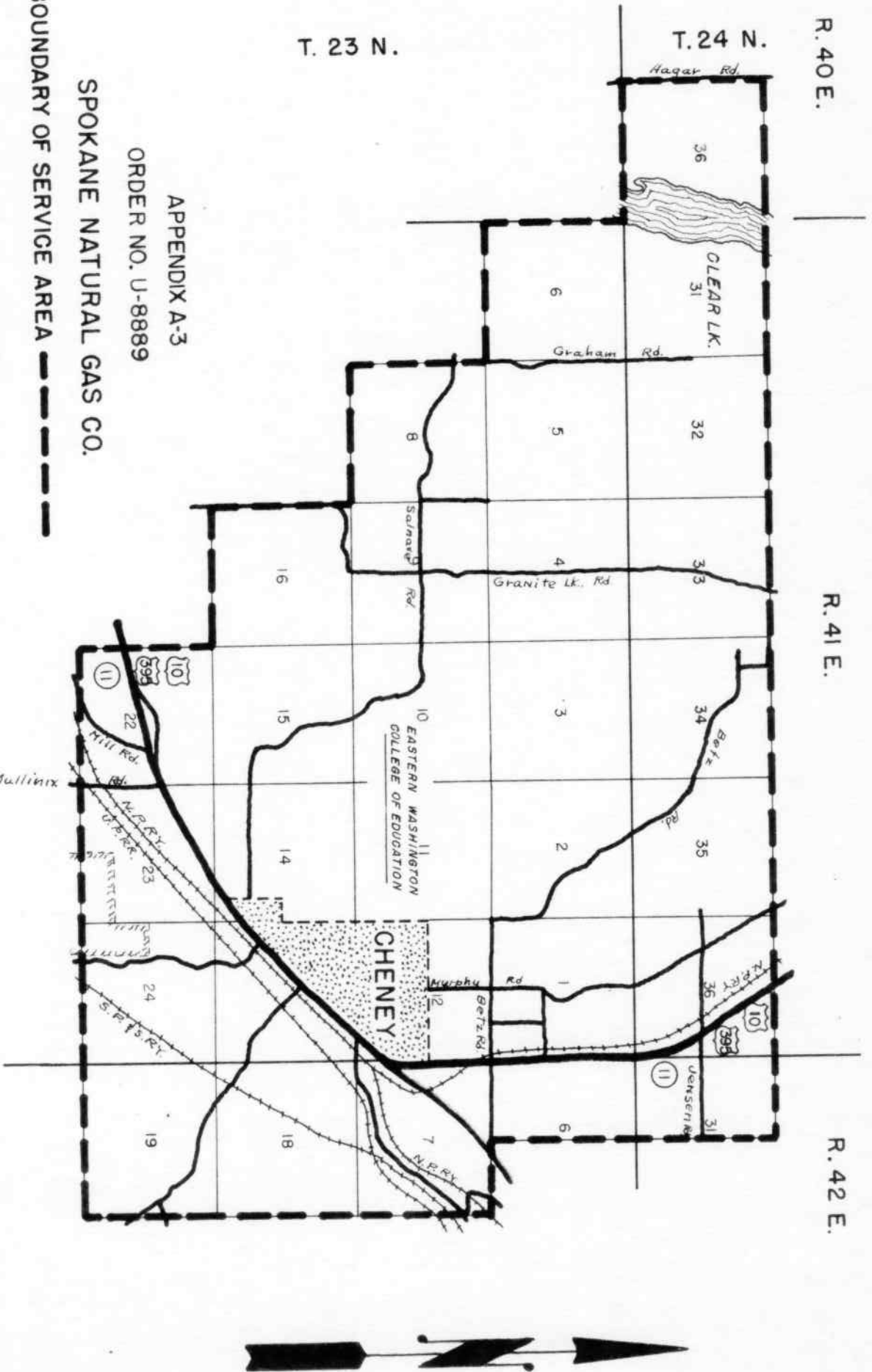
R. 40 E.

R. 41 E.

R. 42 E.

T. 23 N.

T. 24 N.



APPENDIX A-3
ORDER NO. U-8889

SPokane Natural Gas Co.

BOUNDARY OF SERVICE AREA

WASHINGTON PUBLIC SERVICE COMMISSION

DATE: 9-10-56

BY: D.H.

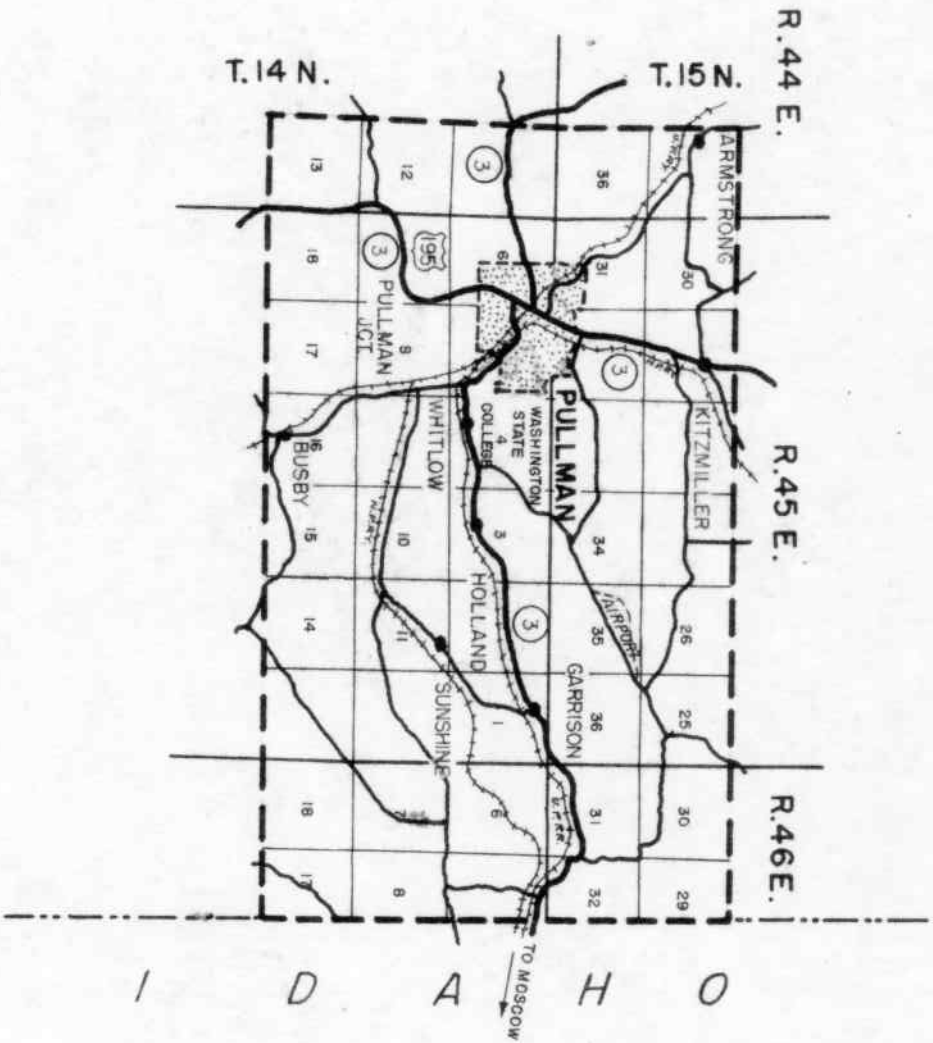
CHECKED BY: A.F.G.

APPENDIX A-4 LEGAL DESCRIPTION - PULLMAN AND VICINITY-
WHITMAN COUNTY

All of the incorporated area comprising the City of Pullman and additional portions of Whitman County adjacent thereto lying within the area described as follows:

Beginning at the NE corner of fractional Section 29, T 15 N - R 46 E and running in a Southerly direction along the common boundary line between the States of Washington and Idaho to the SE corner of fractional Section 17, T 14 N - R 46 E, thence Westerly to the SW corner of Section 13, T 14 N - R 44 E (this course being and traversing the South line of Sections 17 and 18, T 14 N - R 46 E, Sections 13, 14, 15, 16, 17 and 18, T 14 N - R 45 E and Section 13, T 14 N - R 44 E), thence Northerly to the NW corner of Section 25, T 15 N - R 44 E (this course being and traversing the West line of Sections 13, 12 and 1, T 14 N - R 44 E and Sections 36 and 25, T 15 N - R 44 E), thence Easterly to the NE corner of fractional Section 29, T 15 N - R 46 E, which is the point of beginning (this course being and traversing the North line of Section 25, T 15 N - R 44 E, Sections 30, 29, 28, 27, 26 and 25, T 15 N - R 45 E and Sections 30 and 29, T 15 N - R 46 E) all being in Whitman County, Washington

WHITMAN COUNTY



APPENDIX A-4
ORDER NO. U-8889
SPOKANE NATURAL GAS CO.
BOUNDARY OF SERVICE AREA - - - - -

WASHINGTON PUBLIC SERVICE COMMISSION
FIELD ENGINEERING
DATE: 9-10-56
CHECKED: A.F.G.
BY: D.H.