

BEFORE THE WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

In the Matter of the Application)
of CASCADE NATURAL GAS CORPORATION)
for a Certificate of Public Con-)
venience and Necessity to Operate)
a Gas Plant for Hire in the)
general area or areas of Othello.)
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In the Matter of the Application)
of CASCADE NATURAL GAS CORPORATION)
for a Certificate of Public Con-)
venience and Necessity to Operate)
a Gas Plant for Hire in the)
general area or areas of Shelton,)
Port Orchard, Bremerton, Silver-)
dale, Bangor and Poulsbo.)
.)
con)

CAUSE NO. U-9394
ORDER GRANTING
APPLICATION

CAUSE NO. U-9407
ORDER GRANTING
APPLICATION

The Cascade Natural Gas Corporation, a Washington corporation, filed with the Commission on September 12, 1962, in Cause No. U-9394, an application to amend its Certificate of Public Convenience and Necessity to Operate a Gas Plant for Hire No. 4 amended, to include the City of Othello and adjacent area in Adams County, Washington. Before the Commission issued its order in Cause No. U-9394, Cascade filed on October 18, 1962, in Cause No. U-9407, an application to amend its Certificate of Public Convenience to include the towns of Port Orchard and Poulsbo and adjacent area in Kitsap County and also additional area between Belfair and the company's presently certificated area adjacent to the City of Shelton in Mason County. Since the subject in both Causes covers the matter of amending Cascade's Certificate of Public Convenience and Necessity to Operate a Gas Plant for Hire, Cause Nos. U-9394 and U-9407 will be consolidated and considered in one order.

Cascade Natural Gas Corporation is presently certificated for and provides natural gas service in Moses Lake and vicinity, about 20 miles from Othello. Based on the 1960 census Othello has a population of approximately 2,700. It is located on the Milwaukee railroad and is a trading center for a large section of the Columbia Basin Irrigation Project. There are no large industrial plants in the area, but the prospects of providing gas heating service to a substantial number of the residences and commercial establishments in the area appears to be good. While the economic feasibility of providing gas service to Othello for the first few years is questionable, the gas pipeline transmission company has agreed to install some 5 miles or about half of the proposed lateral pipeline that will be necessary to provide gas service. Construction of part of the lateral pipeline by the natural gas supplier will reduce Cascade's investment in the project and improve the feasibility of providing

natural gas service in Othello. Cascade presently holds a franchise issued by the Town Council to operate a gas distribution system in Othello. The Commission notified other gas distributing companies of Cascade's application for a gas certificate encompassing the Othello area, but no one has submitted any objection to Cascade's application.

Cascade's application to amend its certificate to include additional area in the vicinity of Shelton and Bremerton is primarily based on a tentative proposal of its natural gas supplier to extend the Olympia pipeline lateral to Shelton and McCleary. With the extension of the Olympia lateral to the cities noted above, Cascade plans on constructing pipelines from Shelton to the Bremerton area and from McCleary to the Grays Harbor area. The company has been previously certificated for the area to be served by the proposed pipeline from McCleary to Grays Harbor.

As part of the application, Cascade submitted an economic feasibility report on both the Grays Harbor and Bremerton projects. The report was prepared by a Vancouver, British Columbia firm of consulting engineers and it shows a rate of return of over 7% for both projects during the fifth year of operation. Based on the engineering report both projects appear to be economically feasible.

At the time Cascade filed its application to be certificated for the additional area adjacent to Bremerton, Magna Pipe Line Company Limited held a Certificate of Public Convenience and Necessity to Operate a Gas Plant for Hire which included some of the area requested by Cascade. Magna's certification was based on its proposed plan to construct a natural gas transmission pipeline from Gorst, near Bremerton, to Port Angeles and Port Townsend as well as Bremerton. Subsequent to the receipt of Cascade's application in this cause Magna requested its certificate be cancelled as it had abandoned its plan to construct the pipeline. By its First Supplementary Order in Cause No. U-9328, dated November 5, 1962, the Commission ordered the cancellation of Magna's certificate.

Public convenience and necessity require that Cascade Natural Gas Corporation be certificated to operate a gas plant for hire in the areas encompassed by the company's application in Cause Nos. U-9394 and U-9407.

FINDINGS OF FACT

1. Cascade Natural Gas Corporation, a Washington corporation, operates a gas plant for hire in this state and is subject to the jurisdiction of this Commission.

2. Cascade Natural Gas Corporation has heretofore been issued Certificate of Public Convenience and Necessity to Operate a Gas Plant for Hire No. 4 amended.

3. Cascade Natural Gas Corporation filed an application that its Certificate of Public Convenience and Necessity to Operate

a Gas Plant for Hire be amended to encompass the City of Othello and adjacent areas in Adams and Grant County, Washington.

4. Cascade Natural Gas Corporation filed an application that its Certificate of Public Convenience and Necessity to Operate a Gas Plant for Hire be amended to encompass the towns of Port Orchard and Poulsbo and adjacent areas in Kitsap County as well as additional area in Mason County between Shelton and Belfair.

5. Cascade Natural Gas Corporation has submitted studies that show it will be economically feasible to provide natural gas service in the requested areas.

6. Cascade Natural Gas Corporation is fully qualified to finance and operate gas facilities in the additional areas for which it has applied.

7. The operation of a gas plant for hire in the additional areas requested by the Cascade Natural Gas Corporation is required by public convenience and necessity.

8. The Certificate of Public Convenience and Necessity to Operate a Gas Plant for Hire presently held by the Cascade Natural Gas Corporation should be amended to encompass the additional areas applied for in these causes.

O R D E R

1. IT IS HEREBY ORDERED That the applications of the Cascade Natural Gas Corporation to amend its Certificate of Public Convenience and Necessity to Operate a Gas Plant for Hire to encompass additional areas in Kitsap and Mason Counties and also the city of Othello and adjacent area in Adams and Grant Counties is approved and the company's present Certificate of Public Convenience and Necessity to Operate a Gas Plant for Hire be amended to encompass the additional areas delineated as follows:

(a) All of the incorporated area comprising the cities of Bremerton, Port Orchard and Poulsbo and additional portions of Kitsap County lying within the area described as follows:

Beginning at a point where the north line of Sec. 7, T. 26 N., R. 1 E.W.M., intersects the easterly meander line of Hood Canal; thence southerly to a point where said meander line intersects the west line of Sec. 12, T. 25 N., R. 1 W.; thence south along the west lines of Secs. 12, 13, 24, 25 and 36, T. 25 N., R. 1 W., and along the west lines of Secs. 1, 12, 13, 24 and 25, T. 24 N., R. 1 W., to the southwest corner of said Sec. 25; thence west along the north lines of Secs. 35 and 34, T. 24 N., R. 1 W., to the northwest corner of said Sec. 34; thence south along the west line of said Sec. 34, and along the west lines of Secs. 3, 10, 15, 22, 27 and 34, T. 23 N., R. 1 W., to the southwest corner

of said Sec. 34; thence ^{east} west along the south lines of Sec. 34 and 35, T. 23 N., R. 1 W., to the southeast corner of said Sec. 35; thence northeast through Sec. 36, T. 23 N., R. 1 W., and through Secs. 30, 20, 16 and 10, T. 23 N., R. 1 E., to the northeast corner of said Sec. 10; thence east along the south lines of Secs. 2 and 1, T. 23 N., R. 1 E., and along the south line of Sec. 6, T. 23 N., R. 2 E., to the southeast corner of said Sec. 6; thence north along the east lines of said Sec. 6, and of Secs. 31 and 30, T. 24 N., R. 2 E., to the northeast corner of said Sec. 30; thence west along the north line of said Sec. 30 to its intersection with the southerly meander line of Sinclair Inlet; thence southwesterly, northeasterly, northerly, northwesterly and southeasterly along the meander line of Sinclair Inlet, Port Orchard and Liberty Bay to a point where said meander line intersects the east line of Sec. 26, T. 26 N., R. 1 E.; thence north along the east lines of Secs. 26, 23, 14 and 11, T. 26 N., R. 1 E., to the northeast corner of said Sec. 11; thence west along the north lines of Secs. 11, 10, 9, 8 and 7, T. 26 N., R. 1 E., to a point where the north line of said Sec. 7 intersects the easterly meander line of Hood Canal, the point of beginning,

and as further shown on Appendix A-4 (amended) attached hereto and by this reference made a part hereof.

(b) All of the incorporated area comprising the city of Shelton and additional parts of Mason County lying within the area described as follows:

Beginning at the northeast corner of Sec. 4, T. 23 N., R. 1 W.; thence west along the north lines of Secs. 4 and 5, T. 23 N., R. 1 W., to the northwest corner of said Sec. 5; thence south along the west lines of Secs. 5, 8, 17, 20, 29 and 32, T. 23 N., R. 1 W., to a point where the west line of said Sec. 32 intersects the easterly meander line of Lynch Cove (Hood Canal); thence southwesterly along said meander line to its intersection with the west line of Sec. 22, T. 22 N., R. 2 W.; thence south along the west lines of Secs. 22, 27 and 34, T. 22 N., R. 2 W., to a point where the west line of said Sec. 34 intersects the southerly meander line of Mason Lake; thence southwesterly along said meander line to its intersection with the west line of Sec. 8, T. 21 N., R. 2 W.; thence south along the west line of said Sec. 8 to its southwest corner; thence west along the north line of Sec. 18, T. 21 N., R. 2 W., to the northwest corner of said Sec. 18; thence west southwesterly through Secs. 13, 14, 15, 21, 20 and 19, T. 21 N., R. 3 W., to the northwest corner of Sec. 30, T. 21 N., R. 3 W.; thence south along the west lines of Secs. 30 and 31, T. 21 N., R. 3 W., to the southwest corner of said Sec. 31; thence west along the north lines of Secs. 1, 2 and 3, T. 20 N.,

R. 4 W., to the northwest corner of said Sec. 3; thence south along the west lines of Secs. 3, 10, 15, 22 and 27, T. 20 N., R. 4 W., to the southwest corner of said Sec. 27; thence east along the south lines of Secs. 27, 26 and 25, T. 20 N., R. 4 W., and of Secs. 30, 29 and 28, T. 20 N., R. 3 W., to the southeast corner of said Sec. 28; thence north along the east lines of Secs. 28 and 21, T. 20 N., R. 3 W., to a point where the east line of said Sec. 21 intersects the southerly meander line of Hammersly Inlet; thence westerly and northeasterly along the meander line of Hammersly Inlet and Oakland Bay to a point where said meander line intersects the south line of Sec. 35, T. 21 N., R. 3 W.; thence east along the south line of said Sec. 36, and along the south lines of Secs. 31, 32, 33 and 34, T. 21 N., R. 2 W., to a point where the south line of said Sec. 34 intersects the meander line of Pickering Passage; thence northerly and northeasterly along the meander line of Pickering Passage and of Case Inlet to a point where said meander line intersects the south line of Sec. 9 T. 22 N., R. 1 W.; thence ^{east} west along the south line of said Sec. 9 to its southeast corner; thence north along the east lines of Secs. 9 and 4, T. 22 N., R. 1 W., and along the east lines of Secs. 33, 28, 21, 16, 9 and 4, T. 23 N., R. 1 W., to the northeast corner of said Sec. 4, the point of beginning,

and as further shown on Appendix A-5 (amended) attached hereto and by this reference made a part hereof.

(c) All of the incorporated area of the city of Othello and additional portions of Adams and Grant Counties described as follows:

Beginning at the southwest corner of Sec. 9, T. 15 N., R. 29 E., Adams County; thence north along the west lines of Secs. 9 and 4, T. 15 N., R. 29 E., and along the west lines of Secs. 33 and 28, T. 16 N., R. 29 E., to the northwest corner of said Sec. 28; thence east along the north lines of Secs. 28 and 27, T. 16 N., R. 29 E., to the northeast corner of said Sec. 27; thence north along the west line of Sec. 23, T. 16 N., R. 29 E., to the northwest corner of said Sec. 23; thence east along the north lines of Secs. 23 and 24, T. 16 N., R. 29 E., to the northeast corner of said Sec. 24; thence north along the west line of Sec. 18, T. 16 N., R. 30 E., to the northwest corner of said Sec. 18; thence east along the north line of said Sec. 18, to the southwest corner of Sec. 8, T. 16 N., R. 30 E.; thence north along the west line of said Sec. 8 to its northwest corner; thence east along the north line of said Sec. 8 to the southwest corner of Sec. 4, T. 16 N., R. 30 E.; thence north along the west line of said Sec. 4, and along the west line of Sec. 33, T. 17 N., R. 30 E., Grant County, to the northwest corner of said Sec. 33; thence east along the

north lines of Secs. 33, 34 and 35, T. 17 N., R. 30 E., to the northeast corner of said Sec. 35; thence south along the east line of said Sec. 35, and along the east lines of Secs. 2, 11 and 14, T. 16 N., R. 30 E., Adams County, to the southeast corner of said Sec. 14; thence west along the south line of said Sec. 14 to its southwest corner; thence south along the east line of Sec. 22, T. 16 N., R. 30 E., to the southeast corner of said Sec. 22; thence west along the south lines of Secs. 22 and 21, T. 16 N., R. 30 E., to the southwest corner of said Sec. 21; thence south along the east line of Sec. 29, T. 16 N., R. 30 E., to the southeast corner of said Sec. 29; thence west along the south line of said Sec. 29, to its southwest corner; thence south along the east line of Sec. 31, T. 16 N., R. 30 E., to the southeast corner of said Sec. 31; thence west along the south line of said Sec. 31, and along the south line of Sec. 36, T. 16 N., R. 29 E., to the southwest corner of said Sec. 36; thence south along the east lines of Secs. 2 and 11, T. 15 N., R. 29 E., to the southeast corner of said Sec. 11; thence west along the south lines of Secs. 11, 10 and 9, T. 15 N., R. 29 E., to the point of beginning,

and as further shown on Appendix A-16 attached hereto and by this reference made a part hereof.

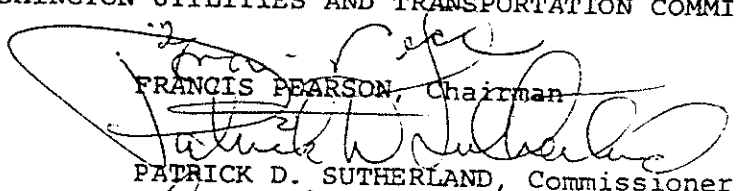
2. IT IS FURTHER ORDERED That the Certificate of Public Convenience and Necessity to Operate a Gas Plant for Hire issued pursuant to Order Paragraph No. 1 above, supersedes and cancels Certificate of Public Convenience and Necessity to Operate a Gas Plant for Hire No. 4, as amended and issued to Cascade Natural Gas Corporation on September 19, 1962, in Cause No. U-9360. Said Certificate of September 19, 1962, should be forthwith returned to this Commission.

3. IT IS FURTHER ORDERED That the Certificate issued pursuant to Order Paragraph No. 1 above, is subject to the terms, conditions and provisions of the Orders in Cause Nos. U-8841, U-8843, U-8937, U-9047, U-9052, U-9194, U-9238, U-9239, U-9263, U-9264, U-9360 and U-9388, pursuant to which Cascade Natural Gas Corporation was issued its present Certificate.


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 30th day of November, 1962.

WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION


FRANCIS PEARSON, Chairman

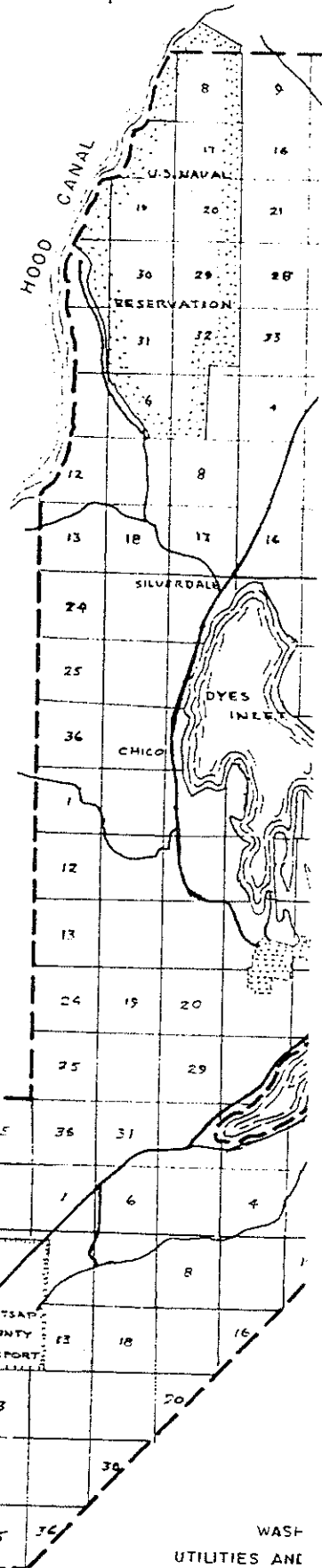

PATRICK D. SUTHERLAND, Commissioner


DAYTON A. WITTEN, Commissioner

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APPENDIX A-4 AMENDED
 CAUSE NO. U-9407
 CASCADE NATURAL GAS CORPORATION
 BOUNDARY OF SERVICE AREA IN
 KITSAP COUNTY

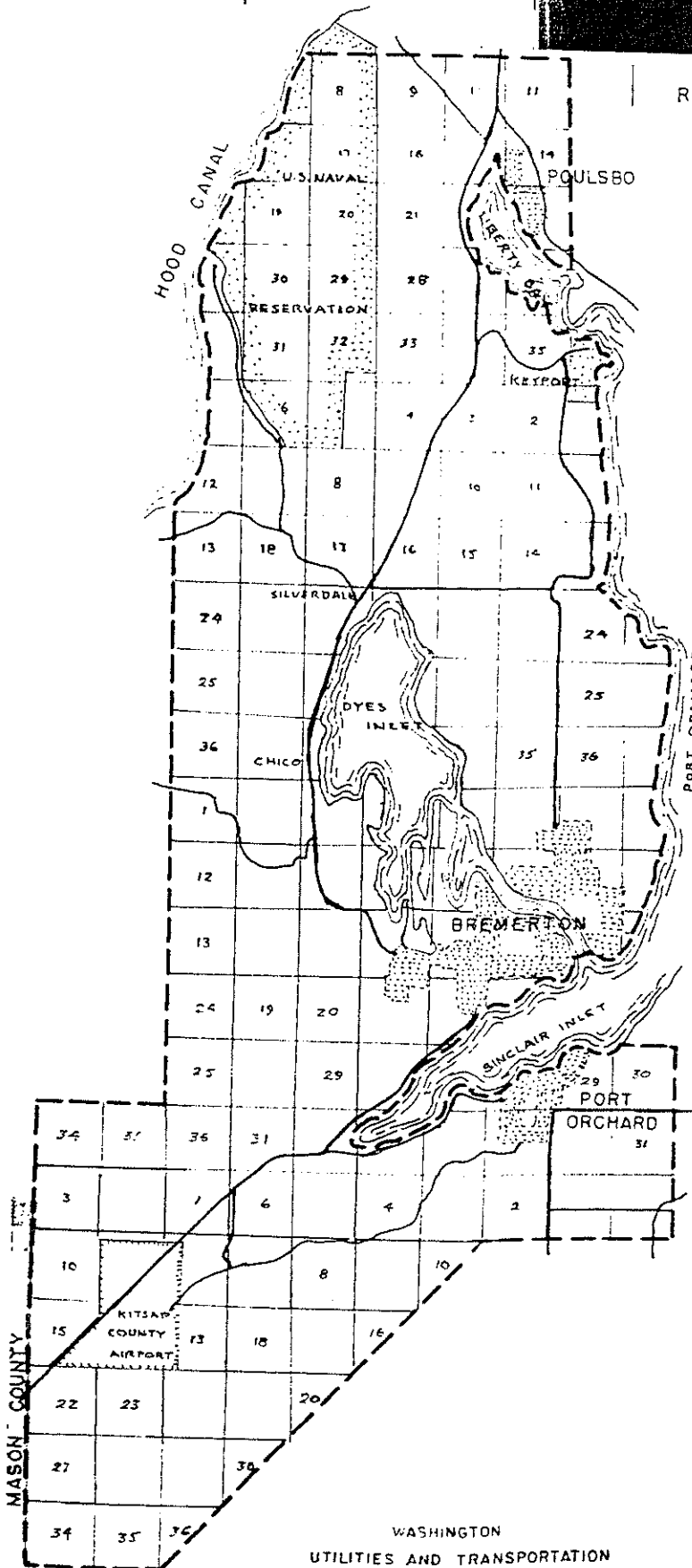
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AMENDED
 U-9407
 GAS CORPORATION
 AREA IN

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 COMMISSION

DATE: NOV. 26, 1962

BY: TW