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CNG/W10-05-02

May 14, 2010

Mr. David Danner,
Executive Director & Secretary
Washington Utilities & Transportation Commission
1300 S. Evergreen Park Drive SW
Olympia, WA 98504-9022

Dear Mr. Danner:

Cascade Natural Gas Corporation encloses for filing an original and twelve copies of a petition for an Accounting Order authorizing the depreciation accounting treatment of gains associated with the proposed sale of its Seattle general office building and property. The Company has purchased property and is currently constructing a new office facility in Kennewick, Washington and plans to relocate to the new facility in September 2010. Approval of this petition will allow the Company to apply gains from the sale of the Seattle property against the new investment, thereby lowering net ratebase.

In compliance with WAC 480-90-203, Cascade seeks authorization to recognize the gains as profit on sale, as prescribed in the Federal Energy Regulatory Commission's Uniform System of Accounts, and to credit the gains, against the accumulated depreciation reserve balance. Cascade's proposed accounting treatment of gains from the sale of the Seattle facilities is included in Exhibit 1. The proposed approach is consistent with the application of gains associated with the sale of facilities in Wenatchee approved by this Commission in docket UG-050544.

Cascade, under Advice No. W10-05-01, has also filed an application requesting authorization to sell the Company's Seattle general office building and property.

Cascade trusts that the information supplied in this request is sufficient for Staff's purposes. If additional information is required to facilitate Staff's review, please contact Katherine Barnard or myself.

Sincerely,

Jon T. Stoltz
Sr. Vice President
Regulatory & Gas Supply

Enclosure

"In The Community To Serve"

Before the
WASHINGTON UTILITIES & TRANSPORTATION COMMISSION

**APPLICATION FOR DEPRECIATION ACCOUNTING
TREATMENT OF GAINS ON SEATTLE FACILITIES**

Cascade Natural Gas Corporation

May 14, 2010

BEFORE THE WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

In the Matter of the Petition of)
CASCADE NATURAL GAS CORPORATION,) DOCKET NO. UG-_____
Application for an Accounting Order authorizing)
depreciation accounting treatment of gains relating to) PETITION OF
the sale of Seattle facilities.) CASCADE NATURAL GAS
CORPORATION
)
)

In accordance with the provision of WAC 480-90-203, petition is hereby made to the Washington Utilities and Transportation Commission for an Accounting Order as herein described. In support of this petition, Applicant states as follows:

I.

The name of the Applicant is Cascade Natural Gas Corporation (Cascade or Company) a Washington Corporation, whose business address is 222 Fairview Avenue North, Seattle, Washington 98109

The Applicant is a public utility engaged in the distribution of natural gas in Washington and Oregon. Applicant is subject to the jurisdiction of the Washington Utilities and Transportation Commission (WUTC)

II.

STATEMENT OF PURPOSE: Cascade proposes to credit remaining sale gains against the accumulated depreciation reserve balance.

III.

REQUESTED TREATMENT: Applicant requests petition for an Accounting Order authorizing depreciation accounting treatment of gains associated with the sale of its Seattle general office building and that property. The proposed approach is consistent with the accounting treatment granted to the Company by this commission in dockets UG-050544.

IV.

The company respectfully requests that it be allowed to take gains through depreciation.

V.

In summary, Cascade requests the Commission order the following:

- 1) Authorize Cascade Natural Gas Corporation to depreciate the gains associated with the sale of the Seattle General Office building and property.

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Cascade Natural Gas Corporation
Proposed Accounting Treatment of Gains on Sale of Bend Business Office

Journal Entry to Record Sale of Property

	Debit	Credit
1 Cash	1,248,000	
2 Notes Receivable	7,400,000	
3 Utility Plant - Land		696,777
4 Gain on Sale of Land		904,864
5 AP-Tax liability account		2,596,395
6 Accumulated Depreciation - Building		4,449,964

Journal Entry to Record Retirement of Building

	Debit	Credit
7 Buildings & Improvements		6,561,328
8 Accumulated Depreciation - Building	6,561,328	

Journal Entry to Record Deferral of Gain on Sale of Land

	Debit	Credit
9 Gain on Sale of Land	904,864	
10 Accumulated Depreciation		904,864