

BEFORE THE WASHINGTON UTILITIES AND TRANSPORTATION
COMMISSION

In the Matter of the Application of)	
)	DOCKET NO. UG-001119
CASCADE NATURAL GAS)	
CORPORATION,)	
)	ORDER ACCEPTING
for a Certificate of Public Convenience and)	SETTLEMENT AGREEMENTS;
Necessity to Operate a Gas Plant for Hire in)	GRANTING REVISED
the General Area of Grant County)	APPLICATION
.....)	

- 1 **SYNOPSIS:** Cascade Natural Gas (“Cascade”) applied for authority to expand its service area to include an eight square mile area in Grant County. Cascade has now filed a revised application reducing the geographical area of the proposed certificate to right of way that contains Basin Frozen Foods’ (“Basin”) natural gas pipeline, and to restrict services allowed under the certificate to Basin. In this order the Commission approves the revised application.

- 2 **PARTIES:** The parties were present as follows: Cascade by John West, attorney at law, Seattle; Avista Corporation (“Avista”) by Tom DeBoer, Paine, Hamblen, Coffin, Brooke & Miller LLP, Spokane; Northwest Industrial Gas Users (“NWIGU”) by Edward A. Finklea, Energy Advocates LLP, Portland; and the Washington Utilities & Transportation Commission and its staff (“Commission Staff”) by Robert D. Cedarbaum, Senior Counsel, Olympia.

- 3 **PROCEDURAL BACKGROUND:** On July 17, 2000, Cascade filed an application with the Washington Utilities and Transportation (the “Commission”) for a Certificate of Convenience and Necessity (“Certificate”) to operate gas plant for hire in Grant County (the “Original Application”). Cascade limited the scope of its application to offering services contained in its Rate Schedule 700 (“Schedule 700”).

- 4 A prehearing conference was held on October 26, 2000, before Administrative Law Judge Marjorie R. Schaer. At the conference Avista and NWIGU were granted permission to intervene. Pursuant to stipulation among Commission Staff, Cascade, Avista, and NWIGU, the parties submitted petitions to the Commission for summary determination. The Commission denied the petitions by order entered January 19, 2001.

- 5 A second prehearing conference was held on January 30, 2001, at which the parties agreed on a hearing schedule for the remainder of this proceeding. Under that schedule, Cascade was to prefile testimony and exhibits on February 27, 2001.
- 6 Following the second conference, the parties engaged in negotiations with a view towards settlement. On February 27, 2001, Cascade filed with the Commission a letter revising its application and limiting the original certificate request to confine the requested service area to the right of way that contains Basin's natural gas pipeline and to restrict services allowed under the certificate to Basin. Accompanying the letter were a revised Map of Service Area Boundary, a revised Legal Description, and an affidavit of Kevin Weber, president of Basin. Also on February 27, 2001, the parties filed with the Commission a Settlement Agreement and Petition. The petition asks the Commission to enter an order accepting the terms and conditions agreed upon in the Settlement Agreement and Petition, and granting the revised application.
- 7 **BACKGROUND FACTS:** Both Cascade and Avista are engaged in the business of furnishing gas service within the state of Washington as public service companies. Avista currently holds a certificate for gas service in a portion of Grant County. In its application, Cascade seeks to provide the services described in its Schedule 700 in a territory that overlaps Avista's service territory. Avista has held this authority since 1960.
- 8 The origin of this controversy was a decision by Basin to construct its own bypass line to the Williams interstate gas pipeline. Avista has provided gas sales service to Basin under a filed tariff since December 1999, and will continue to do so until Basin's pipeline is completed. Cascade has overseen the construction of Basin's bypass pipeline, and Basin has asked Cascade to maintain and operate the line once construction is complete. This original application was not limited to service to Basin. Rather, Cascade asked the Commission for authority to serve any customers in an eight-square-mile territory of Grant County adjacent to the city of Warden. The Williams interstate gas pipeline bisects the area.
- 9 Cascade seeks to provide, and will limit itself to providing, the services outlined in its Tariff Schedule 700. Those services are:
- Design piping system
 - Construct piping system
 - Operation and maintenance of customer-owned piping system
 - Design cathodic protection system
 - Install cathodic protection system
 - Operation and maintenance of cathodic protection system
 - Perform leak surveys Repair leaks

- Locating Services
- Odorization Testing
- Preparation of required reports to WUTC & other Agencies, as required. Such reports may include Operation and Maintenance Plans, Written Emergency Plans, other compliance reports.

10 **THE STIPULATION AND AGREEMENTS:** The parties stipulate and agree to the following:

- The geographical area to be served by Cascade under the Certificate defined by the revised application is appropriate and in the public interest.
- The affidavit of Kevin Weber, president of Basin, shows that customer's need for service by Cascade; granting the revised application is required by the public convenience and necessity.
- This settlement pertains only to the facts set forth in the settlement agreement and petition, and does not create any blanket authority for Cascade to serve customers anywhere outside its certificated areas in the state of Washington.
- The settlement agreement and petition and the revised application, and its attachments, represent an integrated agreement among the parties; there are no other agreements or understandings which modify any part of the settlement.
- The parties agree that the settlement agreement and petition represent a negotiated settlement in the public interest for the sole purpose of settlement. The parties do not waive any right to assert any position in any other proceeding before the Commission.
- The parties ask the Commission to notify the parties of any modification of the settlement and agree that if any party gives written notice to the others that it does not agree with the modification then all parties request that the matter be sent back for further proceedings and the record reopened for the purpose of receiving additional testimony from the parties, with cross-examination.

11 Based on these agreements, the parties ask the Commission to enter an order accepting the terms and conditions agreed on in the settlement agreement, and granting Cascade's revised application.

12 **COMMISSION DISCUSSION AND DECISION:** The Commission has reviewed the revised application, and agrees that an extension of Cascade's service territory to allow it to serve Basin under its Schedule 700 is appropriate and in the public interest.

13 Basin has shown a need, and granting Cascade the authority to meet that need is required by the public convenience and necessity. The Commission commends the parties for working cooperatively to resolve their disputes.

ORDER

- 14 The Commission accepts the terms and conditions agreed upon in the Settlement Agreement and Petition that is attached to this order, and incorporated by this reference.
- 15 The Commission grants Cascade's revised application.

DATED at Olympia, Washington, this day of March, 2001.

WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

MARILYN SHOWALTER, Chairwoman

RICHARD HEMSTAD, Commissioner

NOTICE TO PARTIES: This is a final Order of the Commission. In addition to judicial review, administrative relief may be available through a petition for reconsideration, filed within 10 days of the service of this Order pursuant to RCW 34.05.470 and WAC 480-09-810, or a petition for rehearing pursuant to RCW 80.04.200 or RCW 81.04.200 and WAC 480-09-820(1).