

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

In the Matter of the Petition of)	DOCKET UG-100847
)	
CASCADE NATURAL GAS)	ORDER 01
CORPORATION,)	
)	
For An Accounting Order authorizing)	
the depreciation treatment of gains)	ORDER GRANTING ACCOUNTING
associated with the sale of property.)	PETITION
.....)	

BACKGROUND

1 On May 14, 2010, Cascade Natural Gas Corporation, (Cascade or Company) filed with the Washington Utilities and Transportation Commission (Commission) a petition seeking an Accounting Order under WAC 480-07-370(1)(b) authorizing depreciation accounting treatment of gains associated with the proposed sale of the Company’s Seattle general office building and land. On the same day, Cascade filed a petition for approval of this sale in Docket UG-100860. In this accounting petition, Cascade requests authority to recognize the gains from the sale by crediting accumulated depreciation. It will record the sale of the property, retirement of the building, and deferral for the gain for the sale of the land with the following journal entries:

Account	Debit	Credit
Cash	1,248,000	
Notes Receivable	7,400,000	
Utility Plant – Land		696,777
Gain on Sale of Land		904,864
Accounts Payable - Tax Liability		2,596,395
Accumulated Depreciation – Building		4,449,964
Buildings & Improvements		6,561,328
Accumulated Depreciation – Building	6,561,328	
Gain on Sale of Land	904,864	
Accumulated Depreciation		904,864

2 This accounting treatment reduces the Company’s rate base and will not affect the Company’s net operating income for 2010. Accordingly, staff recommends approval of this accounting treatment in conjunction with approval of Cascade’s petition in Docket UG-100860.

FINDINGS AND CONCLUSIONS

- 3 (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.*
- 4 (2) Cascade is a gas company and a public service company subject to Commission jurisdiction.
- 5 (3) *WAC 480-07-370(1)(b)*, allows companies to file petitions including that for which Cascade seeks approval.
- 6 (4) Staff has reviewed the petition in Docket UG-100847 including related work papers.
- 7 (5) Staff believes the accounting order Cascade requests is reasonable and should be granted in conjunction with approval of the transfer of property request by order in Docket UG-100860.
- 8 (6) This matter came before the Commission at its regularly scheduled meeting on July 15, 2010.
- 9 (7) After reviewing Cascade's petition filed in Docket UG-100847 on July 15, 2010, and giving due consideration to all relevant matters and for good cause shown, the Commission finds that the Petition filed should be granted. The proposed accounting treatment in the accounting petition reduces the Company's rate base by crediting gains on the sale to accumulated depreciation.

ORDER

THE COMMISSION ORDERS:

- 10 (1) Cascade's request to use depreciation accounting treatment of gains associated with the proposed sale of the Company's Seattle general office building is granted.
- 11 (2) This authorization is provided in conjunction with an order authorizing Cascade's general office building sale in Docket UG-100860.
- 12 (3) 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 Petition be construed as an agreement to any estimate or determination of costs, or any valuation of property claimed or asserted.
- 13 (4) The Commission retains jurisdiction over the subject matter and Cascade to effectuate the provisions of this Order.

DATED at Olympia, Washington, and effective July 15, 2010.

WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

JEFFREY D. GOLTZ, Chairman

PATRICK J. OSHIE, Commissioner

PHILIP B. JONES, Commissioner