

associated costs not recovered from tariff revenues over the length of the contract. The contract is set to expire on September 30, 2021.

- 4 Cascade records the monthly Facilities Charges as revenue since the revenue is received over the length of the contact with DOE. Typically such contracts closely match the life of the investment, and cover all other operating costs associated with a contract. In this case, the contact is for a much shorter period of time. Hence, Cascade is requesting an accounting order to allow depreciation of the investment from the in-service date until the end of the contract, September 30, 2021, in order to properly match the revenue stream with the costs and the financial investment analysis performed on the project.
- 5 Cascade has simultaneously applied for a Certificate of Public Convenience and Necessity to expand its certificated area to serve the facility.¹ If the Certificate is not issued, the Company will withdraw this Petition as it becomes moot.

FINDINGS AND CONCLUSIONS

- 6 (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](#).
- 7 (2) Cascade is a gas company and a public service company subject to Commission jurisdiction.
- 8 (3) [WAC 480-07-370\(1\)\(b\)](#), allows companies to file petitions including that for which Cascade seeks approval.
- 9 (4) Staff has reviewed the petition in Docket UG-120570 including related work papers.
- 10 (5) Staff believes the proposed accounting order Cascade requests is reasonable and should be granted.

¹ Docket UG-120572

- 11 (6) This matter came before the Commission at its regularly scheduled meeting on June 14, 2012.
- 12 (7) After reviewing Cascade's petition filed in Docket UG-120570 on April 23, 2012 and giving due consideration to all relevant matters and for good cause shown, the Commission finds that the Petition filed should be granted.

O R D E R

THE COMMISSION ORDERS:

- 13 (1) Cascade Natural Gas Corporation's request to record the construction costs of the line extension to a separate transmission main subaccount (Account 367.2); and to depreciate the investment over the approximate seven year life of the contract from the in-service date, expected to be toward the end of 2014, through September 30, 2021, is granted.
- 14 (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.
- 15 (4) The Commission retains jurisdiction over the subject matter and Cascade Natural Gas Corporation to effectuate the provisions of this Order.

The Commissioners, having determined this Order to be consistent with the public interest, directed the Secretary to enter this Order.

DATED at Olympia, Washington, and effective June 14, 2012.

WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

DAVID W. DANNER, Executive Director and Secretary