Cascade Natural Gas Corporation State of Washington Sale of Longview Office Building Property

			Accumulated	Net	Estimated	2\ Estimated
Ln		Original	Depreciation	Book	Sale	Proceeds
#	Description	Cost	Reserve	Value	Proceeds 1\	Less Costs
	(a)	(b)	(c)	(d)	(e)	(f)
1	Land	41,821	0	41,821	193,830	152,009
2	Buildings & Improvements	169,218	113,947	55,272	256,170	200,898
3	TOTAL	211,040	113,947	97,093	450,000	352,907

- 1\ Sales price of \$450,000 allocated to land & building based on ratio of Original Costs
- 2\ Recognize as profit on sale & apply against Accumulated Depreciation reserve to offset costs associated with new facility

Cascade Natural Gas Corporation State of Washington Proposed Accounting Treatment of Gains on Sale of Longview Office

Ln#

Journal Entry to Record Sale of Property

		Debit	Credit	FERC Acct
1	Cash	450,000		131
2	Utility Plant - Land		41,821	101
3	Gain on Sale of Land		152,009	421.1
4	Accumulated Depreciation - Building		256,170	108

Journal Entry to Record Retirement of Building

	Debit	Credit	
Buildings & Improvements Accumulated Depreciation - Building	169,218	169,218	101 108

Journal Entry to Record Deferral of Gain on Sale of Land

	Debit	Credit	
7 Gain on Sale of Land 8 Accumulated Depreciation - Building	152,009	152,009	421.1 108

Summary of Balance Sheet Impacts:

131 Cash	450,000
101 Plant In Service	(211,040)
108 Accumulated Depreciation Reserve	(238,960)

Balance sheet Impact 0

Summary of Income Statement Impacts:

421 Gain On Sale of Land 0

Net Income Statement Impact 0