



Years 50 of making warm neighbors

222 FAIRVIEW AVENUE N., SEATTLE, WASHINGTON 98109-5312 206-624-3900  
FACSIMILE 206-654-4039

CNG/W05-04-02

April 5, 2005

Ms. Carole J. Washburn, Executive Secretary  
Washington Utilities &  
Transportation Commission  
1300 S. Evergreen Park Drive SW  
Olympia, WA 98504-9022

RECORDED  
05 APR - 6 AM 9:25  
INDEXED

Dear Ms. Washburn:

Cascade Natural Gas Corporation encloses for filing an original and nineteen copies of a petition for an Accounting Order authorizing the depreciation accounting treatment of gains associated with the sale of its former Wenatchee business office building and property. Originally, the property (acquired in 1966) contained both a business office building and warehouse, which were built in 1969. However, a short plat was performed in 2002 to separate the property into two parcels and thus separate the office building from the warehouse. Cascade remodeled the warehouse in 2003 and has consolidated all Wenatchee personnel and functions into one Operations center at the warehouse. Approval of this petition will allow the Company to apply sale gains 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, after warehouse expansion and remodel costs, against the accumulated depreciation reserve balance. Cascade's proposed accounting treatment of gains from the sale of the Wenatchee facilities is included in Exhibit 1.

Cascade, under Advice No. W05-04-01, has also filed an application requesting authorization to sell the Company's former Wenatchee business 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 efforts, please contact Katherine Barnard or myself.

Sincerely,

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

Enclosure

*We make warm neighbors*

**Before the**  
**WASHINGTON UTILITIES & TRANSPORTATION COMMISSION**

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

**Cascade Natural Gas Corporation**

**April 4, 2005**

**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 ) PETITION OF  
to the sale of Wenatchee 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 former Wenatchee business office building and that property.

**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 former Wenatchee business office building and that property.

Cascade Natural Gas Corporation  
State of Washington  
Proposed Depreciation Accounting Treatment of Gains on sale of Wenatchee  
Business Office Building and Property

Journal Entry to Record Sale of Property

	Debit	Credit
Cash	600,000	
Utility Plant - Land		78,606
Gain on Sale of Land		51,668
Accumulated Depreciation - Building		469,727

Journal Entry to Record Retirement of Building

	Debit	Credit
Buildings & Improvements		283,428
Accumulated Depreciation - Building	283,428	

Journal Entry to Record Deferral of Gain on Sale of Land

	Debit	Credit
Gain on Sale of Land	51,668	
Accumulated Depreciation		51,668