

**BEFORE THE WASHINGTON
UTILITIES AND TRANSPORTATION COMMISSION**

<p>In the Matter of the Application of</p> <p>CASCADE NATURAL GAS CORPORATION</p> <p>For an Order Authorizing the Sale of Property Located in Aberdeen, Washington</p>	<p>DOCKET UG-220633</p> <p>ORDER 01</p> <p>DETERMINING PROPERTY IS NOT NECESSARY OR USEFUL</p>
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BACKGROUND

- 1 On August 23, 2022, Cascade Natural Gas Corporation (Cascade or Company) filed with the Washington Utilities and Transportation Commission (Commission) an application (Application) seeking approval of the sale of property located at 713 W. Wishkah Street in Aberdeen, Washington, (Aberdeen Property) pursuant to WAC 480-143-120. The property includes two buildings and a parking lot.
- 2 Cascade acquired the Aberdeen Property in 1978. Until 2019, the Aberdeen Property served as Cascade’s district office. On December 6, 2019, Cascade relocated its district office to Elma, Washington. In its Application, Cascade cites issues with the age and condition of the office, as well as a need for additional space and a more centralized location to serve customers as its primary reasons to dispose of the Aberdeen property. Cascade also cites increased property damage, concerns for employee safety, and an inability to adequately store construction equipment and materials.
- 3 Commission staff (Staff) reviewed the Company’s Application and interprets it, in the alternative, as a request for a Commission determination that the property being sold is not necessary or useful pursuant to WAC 480-143-180.
- 4 Staff observes that public service companies require authorization from the Commission for the transfer or disposal of property only when that property is necessary or useful to perform its public duties. If the property meets one or more of the exceptions in WAC 480-143-180 and is shown not to be necessary or useful, a public service company may dispose of such property without Commission authorization under WAC 480-143-120. As relevant to this matter, the exceptions in WAC 480-143-180 include property that has been substituted or replaced by property of equal or greater value or usefulness.

5 In such circumstances, a company must file an Application for a Commission
determination that the property is not necessary or useful prior to disposing of such
property when the value of the property is equal to or greater than 0.1 percent of the
Company's rate base or \$20,000, whichever is greater.¹

6 Staff believes Cascade has shown that the Aberdeen property is surplus and unneeded,
and, therefore, is no longer necessary or useful. Staff recommends the Commission
determine that the property is no longer necessary or useful under WAC 480-143-180,
and that it is unnecessary for the Company to receive Commission authorization to
complete the sale under WAC 480-143-120.

DISCUSSION

7 The Commission agrees with Staff's recommendation. Although Cascade's Application
seeks authorization for the transfer of property, we understand the substance of the
Company's request is to seek a determination under WAC 480-143-180 that the property
to be sold is surplus, unneeded, and not necessary or useful to perform its public duties.
We interpret the Company's request accordingly.²

8 Because the Aberdeen property listing price of \$517,148 exceeds 0.1 percent of the
Cascade's rate base, the Company must seek a determination from the Commission that
the property is not necessary or useful prior to the sale. We find that the Company has
satisfactorily demonstrated that the property it intends to transfer is surplus, unneeded,
and not necessary or useful to perform its public duties. In its Application, Cascade lists
multiple reasons why the Aberdeen property is no longer desirable, and explains that the
Aberdeen property has since been replaced by a new property in Elma that better suits the
Company's needs. The Elma location replaced the Aberdeen location, thus rendering the
latter unneeded and no longer useful. Accordingly, we determine under WAC 480-143-
180 that the Aberdeen property is surplus, unneeded, and not necessary or useful. The
Company, therefore, need not obtain permission from the Commission to transfer the
property under WAC 480-143-120.

¹ WAC 480-143-180.

² The Commission construes pleadings liberally to effect just results. *See* WAC 480-07-395(4).

FINDINGS AND CONCLUSIONS

- 9 (1) The Commission is an agency of the State of Washington vested by statute with the authority to regulate rates, rules, regulations, practices, accounts, securities, transfers property and affiliated interests of public service companies, including natural gas companies.
- 10 (2) Cascade is a public service company subject to Commission jurisdiction.
- 11 (3) WAC 480-143-180 requires that a public service company must not dispose of any property necessary or useful to perform its public duties unless it first applies for, and obtains, written authority from the Commission.
- 12 (4) This matter was brought before the Commission at its regularly scheduled meeting on October 27, 2022.
- 13 (5) After reviewing Cascade's Application filed in Docket UG-200102 on August 23, 2022, and giving due consideration to all relevant matters and for good cause shown, the Commission finds that the Company's Application for a determination that property is surplus, unneeded, and not necessary or useful consistent with the criteria set forth in WAC 480-143-180. Accordingly, the Application should be granted.

ORDER

THE COMMISSION ORDERS:

- 14 (1) Cascade Natural Gas Corporation's property located at 713 W. Wishkah Street in Aberdeen, Washington is surplus, unneeded, and not necessary or useful under the criteria set forth in WAC 480-143-180.
- 15 (2) Cascade Natural Gas Corporation need not receive Commission authorization under WAC 480-143-120 for the transfer of its property located at 713 W. Wishkah Street in Aberdeen, Washington.
- 16 (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 Application be construed as an agreement or determination of costs, or valuation of property claimed or asserted.

17 (4) The Commission retains jurisdiction over the subject matter and Cascade Natural Gas Corporation to effectuate the provisions of this Order.

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

DATED at Lacey, Washington, and effective October 27, 2022.

WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

AMANDA MAXWELL
Executive Director and Secretary