

**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 Kennewick, Washington</p>	<p>DOCKET UG-230326</p> <p>ORDER 01</p> <p>DETERMINING PROPERTY IS NOT NECESSARY OR USEFUL</p>
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BACKGROUND

- 1 On May 3, 2023, 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 the real property located at 8123 W. Klamath Court in Kennewick, Washington, (Kennewick property) pursuant to WAC 480-143-120. The property is currently an empty lot with a lawn and associated parking area.
- 2 Cascade acquired the Kennewick property adjacent to its general offices in Kennewick, Washington, in 2014 based on an anticipated need for additional office space in five to seven years. In the Application, Cascade explains that fewer employees are now working from the office due to the post-pandemic widespread adoption of telecommuting. The Company seeks to sell the Kennewick property because it no longer needs the additional office space.
- 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.
- 5 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 is surplus and is an unneeded asset for which full value is received.

6 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 \$20,000.00, whichever is greater.¹

7 The market value of the Kennewick property exceeds 0.1 percent of Cascade's currently
approved rate base. The Company commissioned a broker to value the property as part of
the sale process, and the broker estimates the sale proceeds will be \$510,000. Cascade
estimates that the sale of the property will result in a net gain of \$103,308.88 (system-
wide), 75.07 percent of which would be allocated to the Company's Washington
operations. The Company proposes to record the net gain as an offset to accumulated
depreciation to remove the gain and reduce its provision for accumulated depreciation.

8 Staff believes the Company has shown that the Kennewick property is surplus and
unneded, and, therefore, will not be necessary or useful. Staff recommends the
Commission issued an order determining that the property is no longer necessary or
useful under WAC 480-143-180.

DISCUSSION

9 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, unneded, and not necessary or useful to perform its public duties.
We interpret the Company's request accordingly.²

10 Because the Kennewick property listing price of \$510,000 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, unneded,
and not necessary or useful to perform its public duties. In its Application, Cascade lists
transition to telework as a primary reason why the Kennewick property is surplus, thus
rendering it unneded and no longer useful. Accordingly, we determine under WAC 480-
143- 180 that the Kennewick property is surplus, unneded, and not necessary or useful.

¹ WAC 480-143-180.

² Pursuant to WAC 480-07-395(4), the Commission will liberally construe pleadings and motions
with a view to effect justice among the parties. The Commission will consider pleadings and
motions based primarily on the relief they request and will not rely solely on the name of the
document.

The Company, therefore, need not obtain permission from the Commission to transfer the property under WAC 480-143-120.

FINDINGS AND CONCLUSIONS

- 11 (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 of property, and affiliated interests of public service companies, including natural gas companies.
- 12 (2) Cascade is a public service company and a natural gas company subject to Commission jurisdiction.
- 13 (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.
- 14 (4) This matter was brought before the Commission at its regularly scheduled meeting on June 29, 2023.
- 15 (5) After reviewing Cascade’s Application filed in Docket UG-230326 on May 3, 2023, 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 is consistent with the criteria set forth in WAC 480-143-180. Accordingly, the Application should be granted.

ORDER

THE COMMISSION ORDERS:

- 16 (1) Cascade Natural Gas Corporation’s property located at 8123 W. Klamath Court in Kennewick, Washington is surplus, unneeded, and not necessary or useful under the criteria set forth in WAC 480-143-180.
- 17 (2) Cascade Natural Gas Corporation need not receive Commission authorization under WAC 480-143-120 for the transfer of its property located at 8123 W. Klamath Court in Kennewick, Washington.
- 18 (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.

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

20 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 this June 29, 2023.

WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

AMANDA MAXWELL
Executive Director and Secretary