

WHATCOM COUNTY COUNCIL AGENDA BILL

NO. 2007-285

Clearances	Initial	Date	Date Received In Council Office	Agenda Date	Assigned To:
Originator:.	DLG	06/29/07		7/10/2007	Introduction
Division Head:				8/07/2007	Hearing
Dept. Head:					
Prosecutor:	DLG DG	06/29/07			
Purchasing/Budget:					
Executive:					

TITLE OF DOCUMENT: Ordinance to continue franchise of Cascade Natural Gas Corporation (originally granted under Ord. 96-019) following Cascade's merger with MDU Resources, Inc.

ATTACHMENTS: Memorandum and proposed Ordinance.

SEPA review required? () Yes (X) NO
 SEPA review completed? () Yes () NO

Should Clerk schedule a hearing? (X) Yes () NO
 Requested Date: August 7, 2007 (per RCW 36.55.040, posting of notice must occur at least 15 days before the hearing and publication of the notice must occur at least twice, the last time not less than 5 days prior to the hearing).

SUMMARY STATEMENT OR LEGAL NOTICE LANGUAGE:

Cascade Natural Gas seeks approval of the County Council for continuation of its franchise under Section 18 of its franchise agreement with Whatcom County, following Cascade's merger with, and sale of its stock to MDU Resources, Inc. Cascade will be a wholly-owned subsidiary of MDU but will continue as an independent corporation, carrying on its present operations on behalf of its customers.

COMMITTEE ACTION:

COUNCIL ACTION:

7/10/2007: Introduced
 8/7/2007: Council Adopted 6-0 Caskey-Schreiber absent Ord. 2007-041

Related County Contract #:

Related File Numbers:

Ordinance or Resolution Number: Ord. 2007-041

Please Note: Once adopted and signed, ordinances and resolutions are available for viewing and printing on the County's website at: www.co.whatcom.wa.us/council.



RETURN DOCUMENT TO:

MARINA ENGELS
WHATCOM COUNTY
COUNCIL OFFICE

DOCUMENT TITLE(S): FRANCHISE

ORDINANCE NO. 2007-041 APPROVING CONTINUATION OF THE FRANCHISE GRANTED TO CASCADE NATURAL GAS CORPORATION UPON MERGER OF CASCADE NATURAL GAS CORPORATION WITH MDU RESOURCES GROUP, INC.

REFERENCE NUMBER(S) OF DOCUMENTS ASSIGNED OR RELEASED:

Ordinance Number: 2007-041

Additional reference numbers found on page _____ of document.

GRANTOR(S):

Whatcom County

Additional grantors found on page _____ of document.

GRANTEE(S):

Cascade Natural Gas-MDU

Additional grantees found on page _____ of document.

ABBREVIATED LEGAL DESCRIPTION (Lot, block, plat, or section, township, range)

All roads and public ways and county property in Whatcom County, Washington.

Additional legal description can be found on page _____ of document.

ASSESSOR'S PARCEL NUMBER:

None - roads

SPONSORED BY: Consent

PROPOSED BY: Executive/Public Works

INTRODUCTION DATE: July 10, 2007

ORDINANCE NO. 2007-041

APPROVING CONTINUATION OF THE FRANCHISE GRANTED TO CASCADE
NATURAL GAS CORPORATION UPON
MERGER OF CASCADE NATURAL GAS CORPORATION
WITH MDU RESOURCES GROUP, INC.

WHEREAS, Cascade Natural Gas Corporation, hereinafter referred to as "Cascade", was granted a non-exclusive franchise dated May 14, 1996, under Ordinance 96-019; and

WHEREAS, the franchise agreement in Section 18 addressed the need for consent in writing from the County Council prior to the sale, transfer, or assignment of any interest in the Franchise;

WHEREAS, Cascade on July 8, 2006 entered into an Agreement and Plan of Merger with MDU Resources Group, Inc., hereinafter referred to as "MDU", which provided that MDU would acquire all the stock of Cascade; and

WHEREAS, MDU is headquartered in Bismarck, North Dakota, has been engaged in distributing natural gas since 1926, and currently through its utility divisions provides natural gas distribution services to about 250,000 customers in 163 communities in North Dakota, Montana, Wyoming, South Dakota, and Minnesota; and

WHEREAS, the companies involved in the transaction applied to the Washington Utilities and Transportation Commission (WUTC) on November 13, 2006, for regulatory approval of the transaction; and

WHEREAS, the application to the WUTC for regulatory approval was approved by the WUTC on June 27, 2007, and closure of the sale of Cascade stock to MDU is scheduled for July 2, 2007; and

WHEREAS, while the Franchise itself is not being sold, transferred, or assigned, the ownership of all of the stock of Cascade, the company which presently holds the Franchise, is being transferred to MDU; and

WHEREAS, although Cascade will become a subsidiary of MDU following the transaction, Cascade will continue after the merger to exist as a separate corporate entity with its own corporate assets and liabilities; and

WHEREAS, Cascade has requested written consent from the Whatcom County Council to a continuation of the franchise upon change in control of Cascade from present ownership to MDU; and



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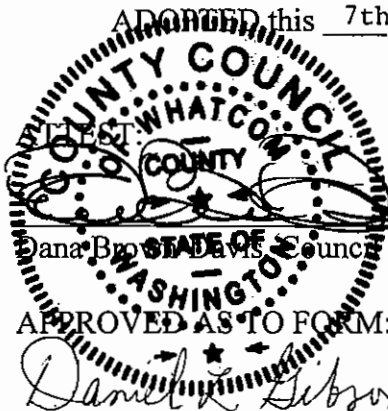
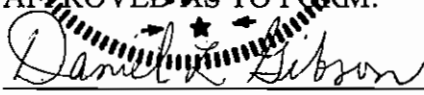
ASSESSOR'S PARCEL NUMBER:

None - roads

WHEREAS, MDU appears, from information provided, to be a corporate entity that has the ability to direct the performance of Cascade according to the terms of the franchise agreement upon assuming ownership of the stock of Cascade;

NOW, THEREFORE, BE IT ORDAINED by the Council of Whatcom County, Washington that the continuation of the franchise granted to Cascade be approved upon the change in ownership of the stock of Cascade to MDU.

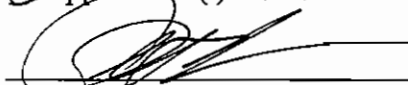
ADOPTED this 7th day of August, 2007.


Dana Brown, Council Clerk
APPROVED AS TO FORM:

Civil Deputy Prosecutor

WHATCOM COUNTY COUNCIL
WHATCOM COUNTY, WASHINGTON


Carl Weimer, Council Chair

Approved Denied


Pete Kremen, County Executive

Date: 8-8-07

Exhibit B

ACCEPTANCE OF FRANCHISE

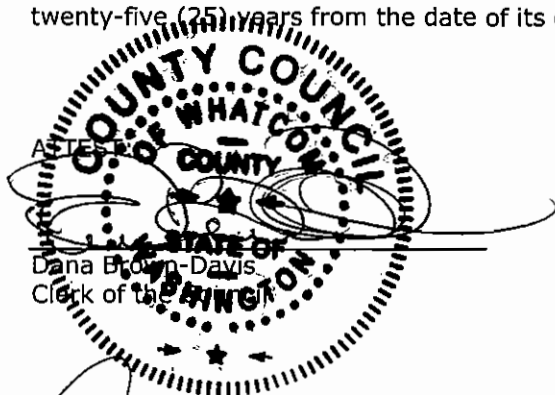
Cascade Natural Gas Corporation

The Whatcom County Council at its meeting of August 7, 2007, adopted Ordinance 2007-041 approving the continuation of the franchise filed by Cascade Natural Gas Corporation. The petition and all related documents are available for review in the Council Office as file number AB2007-285.

Cascade Natural Gas Corporation hereby accepts, subject to all the conditions contained in Ordinance 2007-041, that certain non-exclusive franchise to lay, construct, erect, install, operate, maintain, repair and/or replace telephone, telegraph and other telecommunication lines, equipment, facilities and apparatus, and all necessary appurtenances thereto, along, in, over, under and across certain public roads, streets, highway and rights-of-way, now existing or hereafter established, as follows:

All roads and public ways and county property in Whatcom County, Washington.

Granting of this continuation of franchise becomes official upon receipt from the petitioner of this signed and notarized document. This franchise, when granted, shall be in effect for a period of twenty-five (25) years from the date of its original issuance of May 14, 1996.

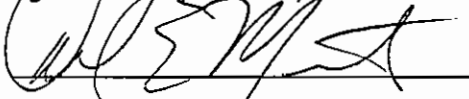


WHATCOM COUNTY COUNCIL
WHATCOM COUNTY, WASHINGTON



Carl Weimer
Council Chair

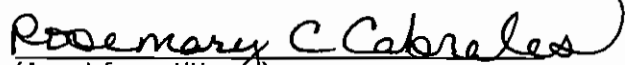
Agent for the petitioner, Cascade Natural Gas Corporation:



Date: August 31, 2007

State of Washington)
) ss.
County of King)

Signed and sworn to before me on this 31 day of August, 2007, by



(Agent for petitioner)



Notary Public in and for the State of Washington, residing at King County

My notary commission expires OCT 6, 2006

Effective Date of this continuation of franchise: September 12, 2007