

**BEFORE THE WASHINGTON STATE  
UTILITIES AND TRANSPORTATION COMMISSION**

In the Matter of the Application of	)	DOCKET UG-130574
	)	
NORTHWEST NATURAL GAS	)	ORDER 01
COMPANY,	)	
	)	
	)	
For an Order Authorizing the Sale of	)	
the South Center property Located in	)	ORDER GRANTING
Tualatin, Oregon.	)	APPLICATION
.....	)	

**BACKGROUND**

- 1 On April 19, 2013, Northwest Natural Gas Company (Northwest Natural or Company) filed an application seeking an Order under WAC 480-143-180 deeming the real property that formerly served as a regional resource location in Tualatin, Oregon (Tualatin Property or Property) as no longer “necessary or useful” and finding that it may be sold. In the alternative, the Company seeks an Order under WAC 480-143-120 authorizing the sale of the property and finding the sale to be consistent with the public interest pursuant to WAC 480-143-170.
  
- 2 Northwest Natural is located in Portland, Oregon and serves approximately 71,000 customers in Vancouver and surrounding areas of southwest Washington.
  
- 3 The Property is located at 7100 S.W. McEwan Road, Tualatin, Oregon 97035. The property has served as a warehouse, transportation repair and completion shop, meter shop, and fabrication center since 1967. The Company identified two functional business needs that the Company’s existing facilities do not meet without substantial renovation and improvement: a training facility; and backup business continuity center. The Tualatin Property is not large enough to support these functions and repairs needed at the property were estimated at \$10.5 million, which is not cost effective.
  
- 4 This sale of the Tualatin Property is related to the sale of the South Center Property in Docket UG-121105, Order 01 (July 27, 2012). NW Natural plans to consolidate the operations that were conducted at the Tualatin Property and the South Center Property into property purchased in Sherwood, Oregon (Sherwood Property) along with the functional business needs described above. The Company plans to lease the Tualatin

Property until December 31, 2013, while transferring operations to the Sherwood Property.

5 Staff reviewed the supporting data and concluded the property is no longer used and useful and may be sold.

6 In its application related to the South Center Property in Docket UG-121105, the Company requested to hold the small loss incurred on the South Center Property and used it to offset future gains on other Tualatin-area properties. Consistent with the request Docket UG-121105, Order 01 (July 27, 2012), the Company requests approval to offset the small loss incurred on the South Center property with the gain on the Tualatin Property. The sale of the property resulted in a net gain of \$2,819,863 (system-wide), after taxes. Gain on sale of on the Tualatin Property allocated to the Washington operation is \$160,732. The Company requests to record a portion of net gain from the sale of Tualatin Property after the offset of the small loss incurred on the South Center Property into a regulatory deferred account and be refunded to customer through the Company's annual Purchased Gas Adjustment.

### **FINDINGS AND CONCLUSIONS**

7 (1) The Washington Utilities and Transportation Commission is an agency of the State of Washington vested by statute with the authority to regulate rates, rules, regulations, practices, accounts, securities, and transfers of public service companies, including gas companies. RCW 80.01.040; RCW 80.04; RCW 80.08, RCW 80.12, RCW 80.16 and RCW 80.28.

8 (2) Northwest Natural Gas Company is a public service company subject to Commission jurisdiction.

9 (3) WAC 480-143-180 states "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."

10 (4) The Tualatin Property is no longer necessary and useful, and is no longer being used by the Company for public service purposes.

- 11 (5) In this docket, the Commission neither approves nor disapproves the reasonableness of any fees, charges, rates, purchase price, or accounting allocations involved with the proposed arrangement and reserves the right to review those fees, charges, rates, or accounting allocations in a future rate proceeding.
- 12 (6) The application meets the requirements of RCW 80.12 and the rules and regulations of the Commission adopted pursuant thereto. WAC 480-143.
- 13 (7) This matter was brought before the Commission at its regularly scheduled meeting on May 30, 2013.
- 14 (8) After reviewing the application Northwest Natural Gas Company filed in Docket UG-130574 on April 19, 2013, and giving due consideration to all relevant matters and for good cause shown, the Commission finds that the application is consistent with the public interest and should be granted.

**ORDER**

**THE COMMISSION ORDERS:**

- 15 (1) Northwest Natural Gas Company's request for a determination that the real property located in Tualatin, Oregon is no longer "necessary or useful" and authorization to sell the property is granted.
- 16 (2) The 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 (3) The Commission retains jurisdiction over the subject matter and Northwest Natural Gas Company to effectuate the provisions of this Order.

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

DATED at Olympia, Washington, and effective May 30, 2013.

**WASHINGTON STATE UTILITIES AND TRANSPORTATION COMMISSION**

**STEVEN V. KING, Executive Director and Secretary**