

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

In the Matter of the Application of)	DOCKET UG-131554
)	
NORTHWEST NATURAL GAS)	ORDER 01
COMPANY,)	
)	
)	
For an Order Authorizing the Sale of)	
the Central Property Located in)	ORDER GRANTING
Portland, Oregon.)	APPLICATION
.....)	

BACKGROUND

- 1 On August 23, 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 central service dispatch and repair center located in Portland, Oregon (Central 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 904 SE Division St., Portland, Oregon 97202. The property has been in service since 1918 as a central service dispatch and repair center. The Tri-County Metropolitan Transportation District of Oregon (Tri-Met) decided to acquire a portion of the Central Property to construct the Milwaukie Light Rail project. Northwest Natural entered into negotiations with Tri-Met to determine whether both parties can agree on a purchase price for the Property or Tri-Met would condemn the property through eminent domain. Both parties conducted independent appraisals. The difference between the two appraisals was \$323,936. Both parties agreed that Tri-Met will pay Northwest Natural \$2,080,225 (\$50,000 more than Tri-Met’s appraised value). Northwest Natural has moved or will move the operations at the Central Property to the Company’s Sherwood Center. Staff reviewed the supporting data and concluded the property is no longer used and useful and may be sold.

4 The sale of the property resulted in a net gain of \$1,055,434 (system-wide) after taxes.
Gain on the sale of the Central Property allocated to the Washington operation is
\$71,770. The Company requests to record a portion of the net gain from the sale of the
Central Property into a regulatory deferred account and be refunded to customers through
the Company's annual Purchased Gas Adjustment.

FINDINGS AND CONCLUSIONS

- 5 (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.
- 6 (2) Northwest Natural Gas Company is a public service company subject to
Commission jurisdiction.
- 7 (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."
- 8 (4) The Central Property is no longer necessary and useful, and is no longer being
used by the Company for public service purposes.
- 9 (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.
- 10 (6) The application meets the requirements of RCW 80.12 and the rules and
regulations of the Commission adopted pursuant thereto. WAC 480-143.
- 11 (7) This matter was brought before the Commission at its regularly scheduled
meeting on September 26, 2013.

- 12 (8) After reviewing the application Northwest Natural Gas Company filed in Docket UG-131554 on August 23, 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:

- 13 (1) Northwest Natural Gas Company's request for a determination that the real property located in Portland, Oregon is no longer "necessary or useful" and authorization to sell the property is granted.
- 14 (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.
- 15 (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 September 26, 2013.

WASHINGTON STATE UTILITIES AND TRANSPORTATION COMMISSION

STEVEN V. KING, Executive Director and Secretary