

File Cop
7/24/6.

In the Matter of the Application of
NORTHWEST NATURAL GAS COMPANY for a
Certificate of Public Convenience and
Necessity to Operate a Gas Plant for Hire
in the general areas of BATTLE GROUND and
RIDGEFIELD, CLATSOP COUNTY, WASHINGTON

Cause No. 0-9471

BEFORE THE WASHINGTON PUBLIC SERVICE COMMISSION

EX

7/19/61
U-9471

In the Matter of the Application of
NORTHWEST NATURAL GAS COMPANY

for a Certificate of Public Convenience and Necessity to Operate a Gas Plant for Hire in the general area or areas of Battle Ground and Ridgefield, in Clark County, Washington

Received by..... EX
Date.....
Application No.....
Amount \$.....

(LEAVE ABOVE LINES BLANK)

NORTHWEST NATURAL GAS COMPANY, hereby
(Name of applicant)

makes application to the Washington Public Service Commission for a Certificate of Public Convenience and Necessity to Operate a Gas Plant for Hire as provided in section 4, chapter 316, Laws of 1955.

APPLICATION

- Name under which applicant's business is or will be conducted
NORTHWEST NATURAL GAS COMPANY
- Address, main office 735 S. W. Morrison Street, Portland 5, Oregon
- Address, branch offices 1238 Main Street, Vancouver, Washington

4. If applicant is a corporation list below the names and addresses of principal officers.

Name	Title	Address
C. H. Gueffroy	Chairman of the Board	735 S. W. Morrison St., Portland, Or.
Francis F. Hill	President	" "
W. A. Cook	Senior Vice President	" "
Chas. R. Holloway, Jr.	Vice President	" "
C. V. Griffith	Vice President	" "
H. N. Burnside	Secretary & Treasurer	123 N. W. Flanders St.

5. If a corporation supply the following information with respect to stockholders of record of applicant as of the last day of the month immediately preceding date of application herein.

Names and addresses of the 10 common or preferred stockholders (if any) owning greatest number of shares with voting rights	Number Shares Owned		Total Number of Votes
	Common	Preferred	

(see attached sheet marked Exhibit E)

6. If applicant is not a corporation list below the name and address of each person having an equity in the business.

Name

Address

(DNA)

7. Is this an application for an amendment of an existing certificate of public convenience and necessity already issued to applicant? YES NO

8. ~~If so, attach to this application the certificate referred to.~~

9. If applicant is presently operating a gas plant for hire in the State of Washington, state where. Vancouver, Camas and Washougal and areas adjacent thereto in Clark County, and Bingen and White Salmon and areas adjacent thereto in Klickitat and Skamania Counties

10. Is applicant presently operating a gas plant for hire in the area or areas involved in this application? YES NO

Area now served

Since

Area now served

Since

11. Is any other gas company operating a gas plant for hire in any part of the area or areas for which applicant herein requests certification? YES NO If YES, give name of other company or companies by areas.

12. Does applicant hold franchises or other governmental consents from any municipality in the area or areas involved in this application? YES NO If YES, attach a certified copy of such franchise. If NO, state action taken or to be taken to procure such.

(Copies attached hereto marked Exhibits F and G)

13. If applicant secures a certificate to serve the area or areas involved in this application, state by areas the date applicant expects to make gas service available.

In Battle Ground and Ridgefield and areas adjacent thereto, within 120 days from the date the certificate amendment applied for herein is secured.

14. Is applicant familiar with all the rules and regulations of the Washington Public Service Commission regarding the operation of a gas plant for hire? YES NO

15. Is applicant submitting herewith its proposed tariff or tariffs covering the service to be offered in the area or areas involved in this application? YES NO If answer is NO, state when applicant intends to submit such. Applicant proposes to file Second Revision of Original Sheet 1 to its Tariff WN U-5, which will make said Tariff applicable to the proposed service area (See Exhibit H)

16. On separate sheets designated "Exhibit A" provide detailed maps showing for each service area the boundaries thereof proposed to be served under this application.
17. On separate sheets designated "Exhibit B" provide detailed maps showing for each service area the boundaries of the area now being served by applicant if different than shown above.
18. On a separate sheet designated "Exhibit C" state in general terms for each separate service area the plant now used or to be used in rendering such service. In lieu of such statement a map or sketch may be substituted showing such plant thereon.
19. On a separate sheet designated "Exhibit D" state fully the conditions existing which are relied upon as justification for the granting of this application, the estimated cost of new plant to be used in exercise of the certificate and the manner of financing such cost.

FINANCIAL STATEMENT

ASSETS	LIABILITIES
Utility Plant (See Below) \$ 79,843,188	Common Stock \$ 14,443,619
Less Deprn. & Amort. Reserves \$ 10,270,765	Preferred Stock \$ 11,000,000
Net Utility Plant in Service. \$ 69,572,423	Premiums, Assessments on
Invest. in Assoc. Companies.. \$ -	Capital Stock \$ 4,382,549
Other Invest. & Fund Accts. . . \$ 56,581	Installments received on
Current & Accrued Assets:	Capital Stock \$ 4,104
Cash \$ 1,873,019	Capital Surplus \$ -
Receivables (Net) \$ 3,336,426	Earned Surplus \$ 5,873,207
Materials & Supplies \$ 1,600,863	Disc. & Exp. on Cap. Stock-Dr. \$ -
Other Current & Accrued	Other Equity \$ -
Assets \$ 307,106	Total Equity \$ 35,703,479
Deferred Debits:	Long-Term Debt-Bonds \$ 28,898,500
Unamortized Debt Discount	-Other \$ 10,880,000
and Expense \$ 421,698	Current & Accrued Liabilities:
Preliminary Survey and	Notes Payable \$ 2,000,000
Investigation Charges \$ -	Accounts Payable \$ 1,573,898
Other Deferred Debits \$ 6,447,917	Other \$ 4,072,734
Total All Assets \$ 83,616,033	Deferred Credits:
	Unamortized Premium on
	Debt \$ -
	Other \$ 211,183
	Operating Reserves \$ 126,715
	Contributions in Aid of
	Construction \$ 149,524
	Total Liabilities and Other
	Credits \$ 83,616,033

UTILITY PLANT

Utility Plant in Service:	Utility Plt. Purchased or Sold. \$ -
Intangible Plant \$ 25,312	Utility Plt. in Process of
Production Plant \$ 12,005,345	Reclassification \$ -
Products Extraction Plant.. \$ -	Utility Plt. Leased to Others.. \$ -
Storage Plants \$ 975,770	Property Held for Future Use. \$ -
Transmission Plant \$ -	Construction (In Progress and
Distribution Plant \$ 56,563,201	Completed Not Classified) . . \$ 3,350,472
General Plant \$ 6,501,842	Utility Plant Acquisition
Total Utility Plant in Service. \$ 76,071,470	Adjustments (Net) \$ 421,246
	Plant Adjustments & Other . . . \$ -
	Total Utility Plant \$ 79,843,188

WHEREFORE, The undersigned applicant requests that the Washington Public Service Commission make its order granting to such applicant a Certificate of Public Convenience and Necessity as provided for in section 4, chapter 316, Laws of 1955.

Dated at Portland, Oregon, ~~Washington~~, this 19th day of July, 1963.

NORTHWEST NATURAL GAS COMPANY

By Francis F. Hill President
(Signature of applicant)

STATE OF WASHINGTON, OREGON }
County of Multnomah } ss.

Francis F. Hill, being first duly sworn, deposes and says that he is the President of applicant in the proceeding entitled above, that he has read the foregoing application and knows the contents thereof; that the same is true of his own knowledge except as to matters which are therein stated on information or belief, and as to those matters he believes it to be true.

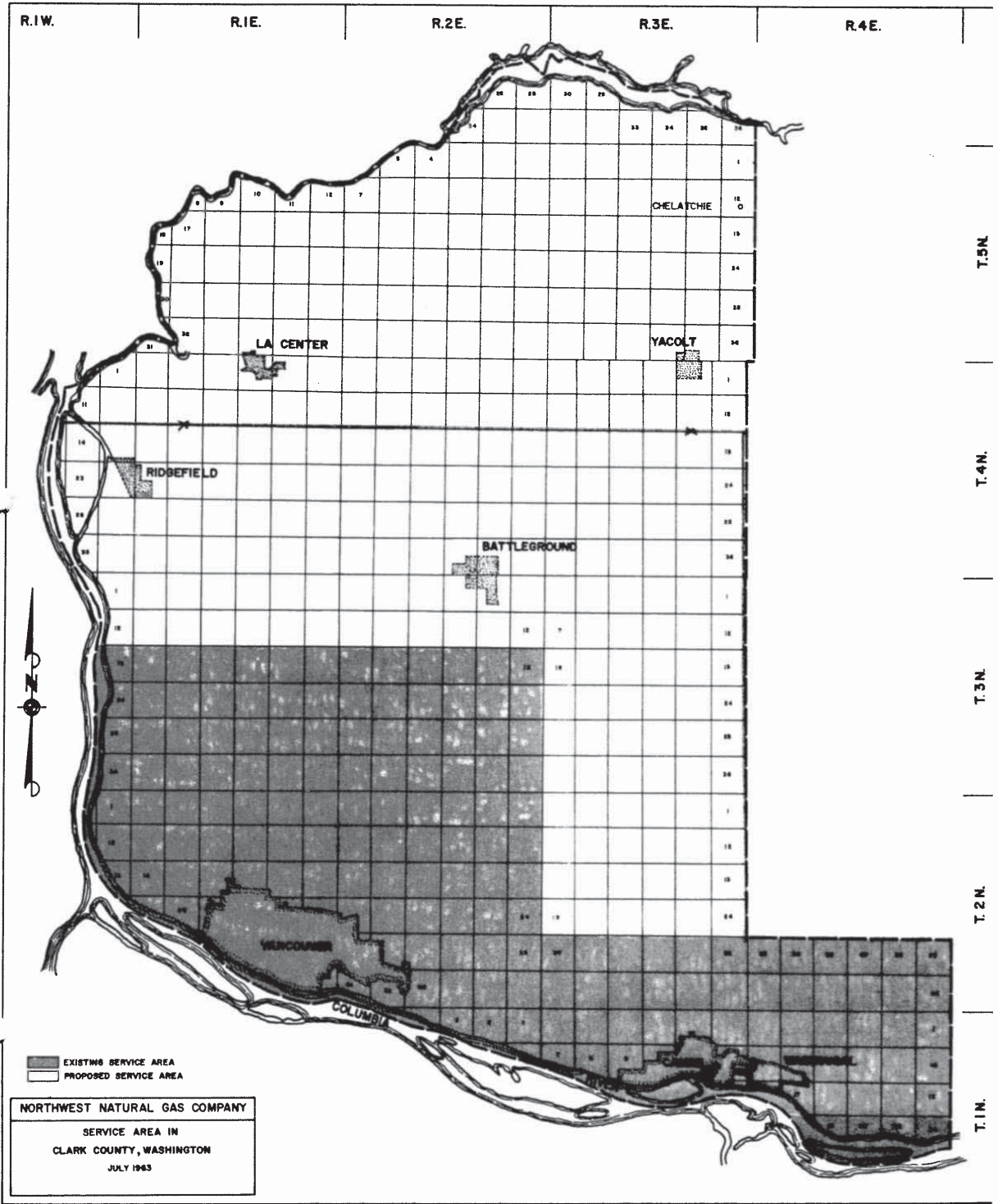
Subscribed and sworn to before me this 19th day of July, 1963.

15/ [Signature]
Notary Public for Oregon
~~Notary Public in and for the State of Washington~~
~~Residing at~~
My Commission Expires 1-25-66

NOTE: Wherever there is insufficient space provided for supplying any foregoing required information attach same on separate sheets.

Where applicant is an existing public service company and has on file with the Commission documents containing information fully responsive to any inquiry herein reference to such documents may be made.

A remittance in the sum of twenty-five dollars (\$25.00) is to be forwarded with this application. Original and two copies of this application with exhibits are to be filed.



July 9, 1963

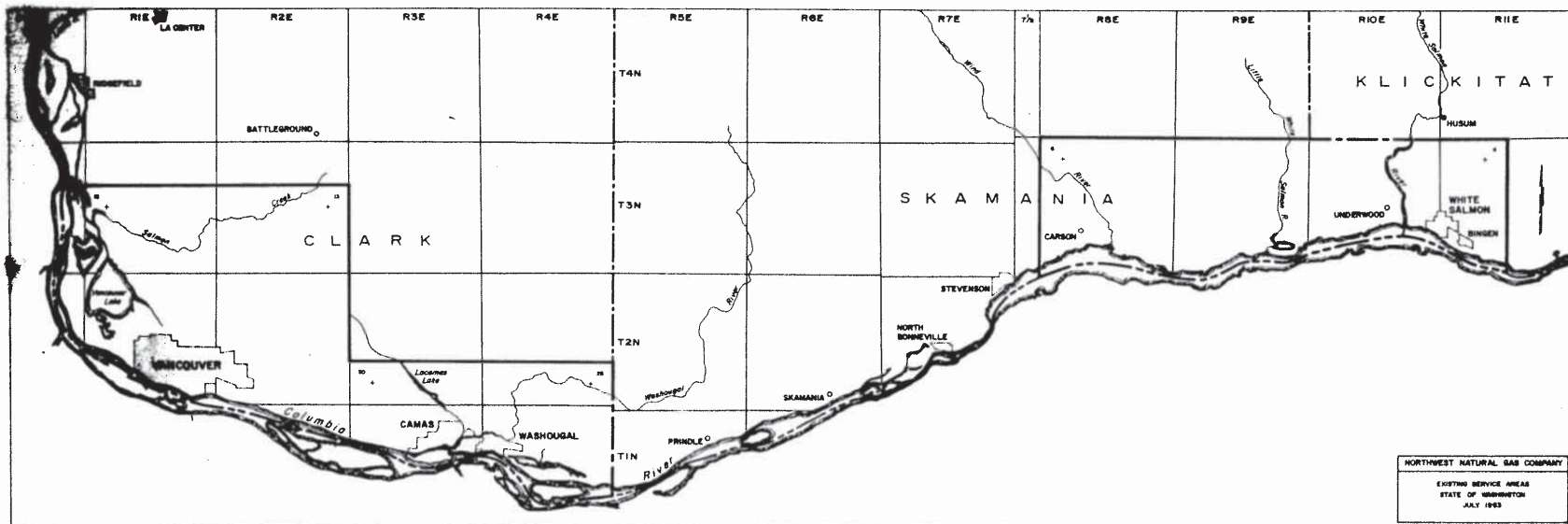
EXHIBIT A-Page 2

DESCRIPTION OF PROPOSED SERVICE AREA

CLARK COUNTY, WASHINGTON

Beginning at the section corner common to Sections 12 and 13, T. 3 N., R. 2 E., W.M., and Sections 7 and 18, T. 3 N., R. 3 E., W.M., Clark County, Washington, said point being the most northerly northeast corner of the existing service area in Clark County, Washington; thence southerly along the west section lines of Sections 18, 19, 30 and 31 of T. 3 N., R. 3 E., W.M., and Sections 6, 7, 18 and 19, T. 2 N., R. 3 E., W.M., to the southwest corner of said Section 19; thence east along the south section lines of Sections 19, 20, 21, 22, 23 and 24, T. 2 N., R. 3 E., W.M., to the southeast corner of said Section 24; thence north along the range line common to ranges 3 E. and 4 E., W.M., to the county line common to Clark County and Cowlitz County, said line being the centerline of the Lewis River; thence westerly, along the centerline of the existing channel route of the said Lewis River, including its course through Lake Merwin, to the point of intersection of the centerline of the Lewis River extended southwesterly with the centerline of the channel of the Columbia River, said point of intersection being the common point of intersection of the common boundary of Clark and Cowlitz Counties and the common boundary of the states of Oregon and Washington; thence southerly along the centerline of the channel of the said Columbia River, said centerline being the common boundary between the states of Oregon and Washington, to the south line of Section 12, T. 3 N., R. 1 W., W.M., Clark County, Washington, said point being the northwest corner of the existing Clark County service area; thence east along the south section lines of said Section 12, T. 3 N., R. 1 W., and Sections 7, 8, 9, 10, 11 and 12, T. 3 N., R. 1 E., and Sections 7, 8, 9, 10, 11 and 12, T. 3 N., R. 2 E., to the point of beginning.

EXHIBIT A-Page 2



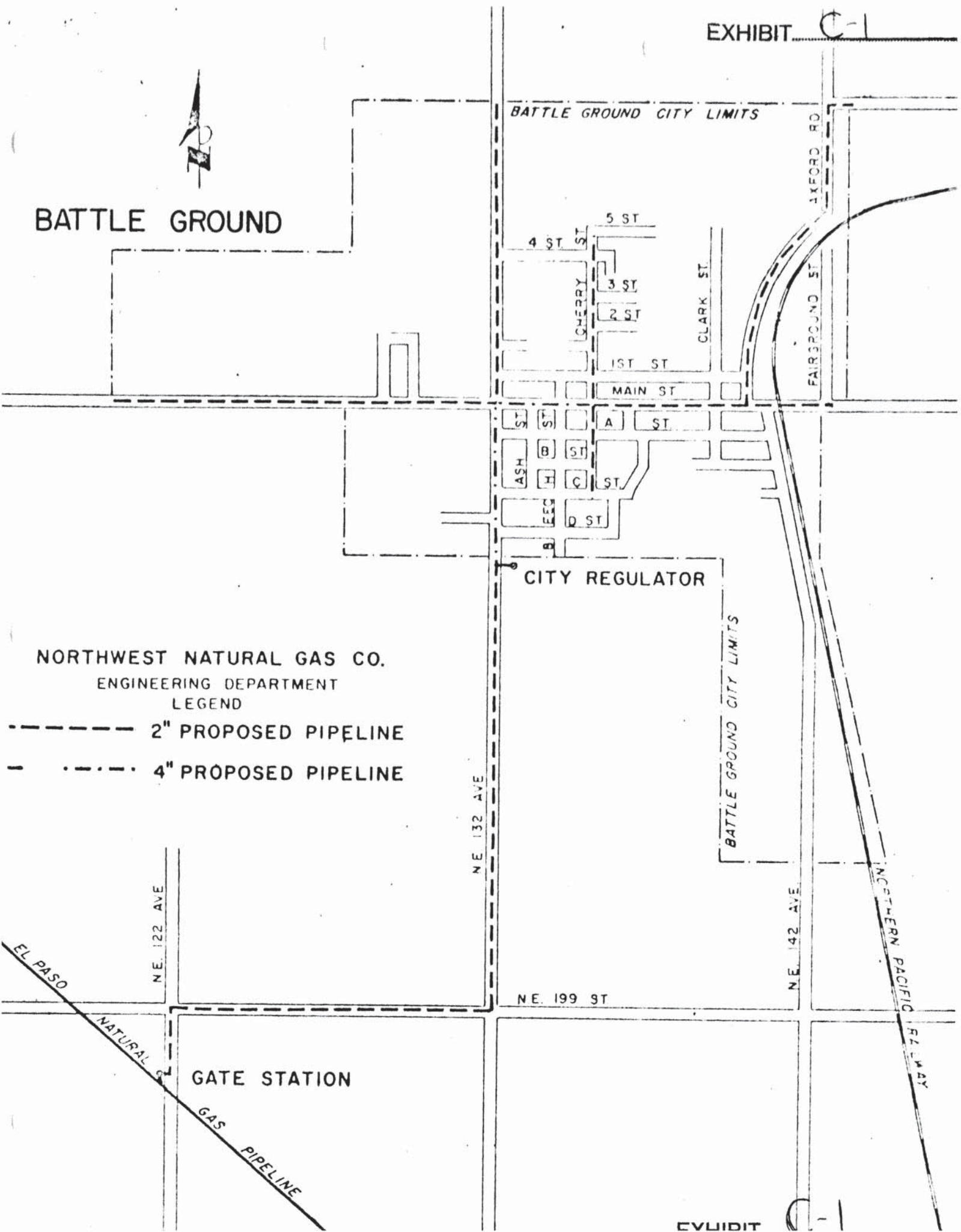
NORTHWEST NATURAL GAS COMPANY
 EXISTING SERVICE AREAS
 STATE OF WASHINGTON
 JULY 1965

EXHIBIT B



BATTLE GROUND

BATTLE GROUND CITY LIMITS



NORTHWEST NATURAL GAS CO.
ENGINEERING DEPARTMENT
LEGEND

----- 2" PROPOSED PIPELINE

- 4" PROPOSED PIPELINE

EL PASO
NATURAL GAS
PIPELINE

GATE STATION

CITY REGULATOR

EXHIBIT D

Northwest Natural Gas Company, hereinafter referred to as "Applicant", is a corporation duly organized, validly existing and in good standing under the laws of the State of Oregon. It has duly qualified and is authorized to transact business in the State of Washington and is in good standing as a foreign corporation under the laws of said state.

For further information regarding Applicant, the general character of its business and the territory it serves, reference is hereby made to Applicant's Annual Reports to the Commission, filed pursuant to the Rules and Regulations of the Commission and to other documents and data pertinent to Applicant on file in the office of the Commission, including the applications filed in the causes referred to in the next succeeding paragraph.

In addition to the areas it serves in the State of Oregon, Applicant is engaged in selling and distributing natural gas to the general public in the cities of Vancouver, Camas and Washougal and areas adjacent thereto in Clark County, Washington, and in the cities of Ringen and White Salmon and areas adjacent thereto in Klickitat and Skamania Counties, Washington, pursuant to Certificate of Public Convenience and Necessity No. 1, issued by the Commission December 16, 1955, in Cause No. U-8826, as amended July 17, 1956, in Cause No. U-8883, and as further amended November 5, 1962, in Cause No. 9411.

The proposed service area, as outlined on the map attached to this application as Exhibit A, embraces an area extending approximately 15 miles to the north and six miles to the east of Applicant's existing certificated area in Clark County, bounded by the Columbia River on the west, the Lewis River on the north, and a north and south line approximately one and one half miles beyond the City of Yacolt, on the east. This area

EXHIBIT D

is largely rural but is gradually being built up by residences and small commercial operations along the state and county highways. There has also been considerable industrial development recently within the proposed area. The incorporated cities of Battle Ground and Ridgefield are located in the proposed area approximately two miles and four miles, respectively, to the north of Applicant's existing certificated area, and have populations of 880 and 840, respectively. Applicant believes that the area sought to be certified covers the territory in which normal growth will be experienced.

No other gas company is providing natural gas utility service for residential, commercial or industrial uses within the boundaries of the proposed area and Applicant knows of no other company planning to do so. The westerly portion of the northern boundary of the proposed area, along the Lewis River, will coincide with the southern boundary of the certificated area of Cascade Natural Gas Company (Cascade) in Cowlitz County, Washington. Applicant advised Cascade of the proposed extension of its service area and Cascade expressed its approval of such common boundary.

At the request of residents of Battle Ground and Ridgefield Applicant made a study of the potential market for natural gas in such cities and areas adjacent thereto, and in the portion of northern Clark County included in the proposed area. This study indicated that it was economically feasible at this time to build distribution systems designed to make natural gas service available in the Battle Ground and Ridgefield areas; and, that within the reasonably foreseeable future, it will be feasible to further expand Applicant's facilities to provide service to other communities in the proposed area, such as Chelatchie Prairie which is the site of a large plywood plant currently employing approximately 600 people.

Applicant estimates that during the first five years it will obtain approximately 50 residential, 15 commercial and two industrial customers in Battle Ground, and 84 residential, 13 commercial and one industrial customers in Ridgefield. Applicant believes that the revenue to be derived from the estimated residential, commercial and industrial customers outlined above will be fully sufficient to justify the investment required to provide service as proposed herein.

Applicant proposes to make its service available in the proposed area at the same rates which are applicable in its presently certificated areas in the State of Washington and upon the granting of the certificate requested herein, Applicant will file its Second Revision of Original Sheet 1 to its Tarriff WN U-5 (See Exhibit H).

Applicant has an agreement with El Paso Natural Gas Company, its pipeline supplier, whereby the existing contract between the parties for firm gas, effective through January 31, 1981, will be amended to include the additional volumes necessary to assure Applicant a sufficient supply of natural gas to meet the present and anticipated requirements of the proposed service area, to be delivered at Gate Stations to be located in said area. El Paso Natural Gas Company's pipeline traverses the area sought to be certified.

Natural gas for the Battle Ground area will be received by Applicant from the pipeline at a Gate Station to be located approximately one and one-half miles southwest of said city, and Applicant will construct the required lateral and an initial distribution system in the area, consisting of about two and one-half miles of four inch, two inch and one inch mains, one district regulator and the service lines and meter equipment necessary for individual users. (See Exhibit C-1)

Natural gas for the Ridgefield area will be received by Applicant from the pipeline at a Gate Station to be located approximately five miles northeast of said city, and Applicant will construct the required lateral and an initial distribution system in the area, consisting of about two and one-half miles of two inch and one inch mains, one district regulator and the service lines and meter equipment necessary for individual users (See Exhibit C-2).

The above described facilities will be constructed and installed in accordance with the provisions of the Commission's order in Cause Nos. U-8799 and U-8800. Applicant is willing and able to expand these distribution systems to serve all customers within the proposed area who desire natural gas service in accordance with its regularly established main extension policy as set forth in Rule 12 of its Rules and Regulations on file with the Commission.

Applicant proposes to maintain its facilities in, along, under and upon state highways, county roads and city streets within the proposed area, pursuant to franchises or permits granted by the appropriate state, county and municipal authorities. Applicant has heretofore obtained franchises from the two incorporated cities of Battle Ground and Ridgefield, certified copies of which are attached to the within application as Exhibits F and G, respectively, and representatives of Clark County have indicated a willingness to grant Applicant an extension of its existing franchise so as to make said franchise coextensive with the certificate the Commission deems it appropriate to approve herein. Applications will be made to the Washington State Highway Commission under the provisions of Chapter 53, Laws of 1937, as amended, for such franchises as may be required for use of state highways.

Applicant estimates that it will be required to invest approximately \$190,000 for new distribution facilities in the proposed area within the next five years, most of which will be expended in the first year for the necessary laterals and the backbone systems shown in Exhibits C-1 and C-2. This investment will be made, however, as and when facilities are required and will be financed, along with other expenditures of the same nature to be made elsewhere in Applicant's system, in accordance with overall plans heretofore referred to and described in connection with its application filed with the Commission on June 14, 1963, in Cause No. U-9465, and reference is made thereto for further details.

Applicant estimates that during the fifth year its revenues from residential, commercial and industrial customers served by the distribution systems to be installed in the proposed area will be \$77,200, producing an estimated rate of return of 6.8% on its investment in such facilities, not including administrative overheads.

NORTHWEST NATURAL GAS COMPANY

Exhibit E

<u>Names and addresses of the 10 common or preferred stockholders (if any) owning the greatest number of shares with voting rights</u>	<u>Number of shares owned</u>		<u>Total Number of Votes</u>
	<u>Common</u>	<u>*Preferred</u>	
Unit & Company c/o U. S. National Bank P. O. Box 3168 Portland 8, Oregon	38,192	50	38,192
John S. Shute American Bank Building Portland 5, Oregon	33,200		33,200
Merrill Lynch Pierce Fenner & Smith 70 Pine Street New York 5, New York	31,384	3,098	31,384
Barto & Co. c/o Fidelity Philadelphia Trust Company 135 S. Broad Street Philadelphia, Pa.	20,300		20,300
Dean Witter & Co. 2 Broadway New York 4, New York	15,292	50	15,292
C. A. Seidensticker & Co. c/o Trust Dept. Princeton Bank & Trust Co. Princeton, New Jersey	12,870		12,870
Newhard Cook & Co. 400 Olive Street St. Louis, Missouri	8,741		8,741
Charles McGonigle 320 S. W. Stark Street Portland 4, Oregon	6,160		6,160
J. E. Hinton 6690 Michaeljohn Drive La Jolla, California	5,384		5,384
Real Silk Hosiery Mills, Incorporated Box 956 Indianapolis 4, Indiana	5,200		5,200

*Preferred Stock is non-voting except under certain conditions

EXHIBIT E

This space
for receipt
stamp.

EXHIBIT H

NORTHWEST NATURAL GAS COMPANY

RATES, RULES AND REGULATIONS
for
GAS SERVICE

at

BATTLEGROUND, BINGEN, CAMAS, RIDGEFIELD, VANCOUVER,
WASHOUGAL, AND WHITE SALMON, WASHINGTON, AND IN
ADJACENT TERRITORY SERVED BY THE COMPANY.

Issued

Effective

Issued by NORTHWEST NATURAL GAS COMPANY
W. A. Cook, Senior Vice President
Public Service Building, Portland, Oregon
735 S. W. Morrison Street,

EXHIBIT H