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March 2, 2004

Secretary
Washington Utilities &
Transportation Commission
P.O. Box 47250
Olympia, Washington 98504-7250

Re: **Docket Number A-021178**
Financial Reporting Rules

NW Natural respectfully submits the following additional comments on changes proposed in the above-referenced matter. NW Natural's earlier comments in this docket, submitted on January 16, 2004, inadvertently omitted this section. NW Natural's comments are not necessarily final or all inclusive, and we reserve the right to add to, delete from, or revise our comments as the rules review process in this docket continues.

WAC 480-90-X06 Transfers of property. As proposed, this rule is inconsistent with chapters 80.12 RCW (Transfers of property) and 480-143 WAC (Commission General – Transfers of Property) because the proposed rule excludes the clarifying language that the subject property is “necessary or useful in the performance of its duties to the public.” Without this clarifying language, this rule is overly broad and burdensome. As such, the proposed rule should be changed as follows:

“Before selling, leasing, or assigning any of its property or facilities necessary or useful in the performance of its duties to the public, or before acquiring property or facilities of another public utility, a gas utility must obtain from the commission an order authorizing such transaction in accordance with chapters 80.12 RCW (Transfers of property) and 480-143 WAC (Commission General – Transfers of Property).

Thank you for the opportunity to comment in this proceeding.

Sincerely,

Onita R. King, Manager
Tariffs and Regulatory Compliance