

**BEFORE THE WASHINGTON UTILITIES
AND TRANSPORTATION COMMISSION**

UG-121105

NORTHWEST NATURAL GAS COMPANY

**Amended Application For an Order
Determining that the south Center
Property is No Longer Useful or,
in the Alternative, an Order Authorizing
the Sale of the South Center Property**

Amended
Exhibit E

July 17, 2012

Exhibit E

Net proceeds from the sale of South Center, net book value of the assets at July 31, 2012, and the net gain after taxes

Based upon appraisals provided, the allocation of the net proceeds between land, buildings and improvements is as follows:

Land (41%)	690,707
Buildings and Improvements (59%)	<u>993,943</u>
Total Sales Proceeds	<u>1,684,650</u>

The net book value of the assets being sold as of July 31, 2012 is as follows:

Land	437,351
Buildings and Improvements	<u>1,284,102</u>
Total Net Book Value	<u>1,721,453</u>

The realized net gain (loss) on the sale of South Center is as follows:

Land	253,356
Buildings and Improvements	<u>(290,159)</u>
Net gain (loss)	<u>(36,803)</u>
Net gain (loss) after taxes	<u>(22,082)</u>

Accounting entries to record the Sale of South Center

There are two separate and distinct entries:

1. Record the sale of South Center in accordance with FERC accounting rules.
2. Record adjustments to charge the net loss on the sale to the new Sherwood Facility.

1. Record the sale of South Center in accordance with FERC accounting rules:

Account Number	Account Description	Debit	Credit
131xxx	Cash – Net Proceeds	1,684,650	
101000	Plant - Land		437,351
101000	Plant - Buildings and Improvements		2,181,000
108xxx	Accum. Dep'n. - Bldgs. and Improve.	2,181,000	
108xxx	Accum. Dep'n. - Bldgs. and Improve.		993,943
421-xxxxx	Gain on Sale of Land		253,356
409-xxxxx	Income Tax Expense	101,342	

236xxx	Income Tax Liability		101,342
Total		3,966,992	3,966,992

2. Record adjustments to charge the net loss on the sale to the new Sherwood Facility.

Account Number	Account Description	Debit	Credit
421-xxxxx	Gain on Sale of Land	253,356	
108xxx	Accum. Dep'n. - Bldgs. and Improve.		290,159
409-xxxxx	Income Tax Expense		101,342
236xxx	Income Tax Liability	116,063	
186xxx	Deferred Charge to Sherwood Facility	22,082	
Total		391,501	391,501