

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

In the Matter of the Application of	)	DOCKET UG-121105
	)	
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 July 2, 2012, 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 (South Center Property or Property) as no longer “necessary or useful” and finding that it may be sold. The Company subsequently filed Amendment to its original Application on July 18, 2012. 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 19200 SW Teton Ave., Tualatin, Oregon 97062. The property has been in service in 1991 as a regional resource location to coordinate functions such as distribution, construction, and customer field service for customers located in the communities south of Portland and east and west of Tualatin, Oregon. The Company identified two functional business needs that the Company’s existing facilities do not meet without substantial renovation and improvement, which is not cost effective: a training facility; and backup business continuity center. Staff reviewed the supporting data and concluded the property is no longer used and useful and may be sold.
  
- 4 Originally, the sale of the property resulted in a net gain of \$3,928 (system wide), after taxes. The Company originally proposed to defer the net gain from the sale of the property into a regulatory deferred account and pass it back to customers through its

annual Purchase Gas Adjustment filing. Since the original filing, the buyer performed its due diligence resulting in a revised purchase price and a net loss of \$22,082 (system wide), after taxes.

- 5 Due to the change from a net gain of \$3,928 to a net loss of \$22,082, the Company proposed that it be authorized to hold the loss on sale of the South Center Property pending the disposition of other Tualatin area properties, and use the loss to offset potential gains. If the future gains do not materialize, the Company agrees that it will absorb the complete net loss of \$22,082 from the sale of the South Center Property. Washington ratepayers will not be charged for any loss for this transaction.

### **FINDINGS AND CONCLUSIONS**

- 6 (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.
- 7 (2) Northwest Natural Gas Company is a public service company subject to Commission jurisdiction.
- 8 (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.”
- 9 (4) The South Center Property is no longer necessary and useful, and is no longer being used by the Company for public service purposes.
- 10 (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.
- 11 (6) The application meets the requirements of RCW 80.12 and the rules and regulations of the Commission adopted pursuant thereto. WAC 480-143.

- 12 (7) This matter was brought before the Commission at its regularly scheduled meeting on July 27, 2012.
- 13 (8) After reviewing the application Northwest Natural Gas Company filed in Docket UG-121105 on July 2, 2012, 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:

- 14 (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.
- 15 (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.
- 16 (3) The Commission retains jurisdiction over the subject matter and Northwest Natural Gas Company to effectuate the provisions of this Order.
- 17 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 July 27, 2012.

WASHINGTON STATE UTILITIES AND TRANSPORTATION COMMISSION

DAVID W. DANNER, Executive Director and Secretary