

August 11, 2023

VIA ELECTRONIC FILING

Amanda Maxwell, Executive Director and Secretary
Washington Utilities and Transportation Commission
621 Woodland Square Loop SE
Lacey, Washington 98503

Received
Records Management
Aug 11, 2023

Re: Docket UG-23 _____—Affiliated Interest Filing—NW Natural and Foothills Utilities

Under the provisions of RCW 80.16.020 and in accordance with WAC 480-90-245, Northwest Natural Gas Company, dba NW Natural (“NW Natural”), provides notice of an affiliated interest transaction with Foothills Water & Sewer, LLC, dba Foothills Utilities (“Foothills Utilities”) through which NW Natural will sell to Foothills Utilities a Hurco Vac300 valve exerciser trailer.¹ The sale will be realized through a Bill of Sale, effective August 14, 2023, a verified copy of which is included with this notice as Attachment A.

NW Natural is a wholly-owned, direct subsidiary of Northwest Natural Holding Company (“NW Natural Holdings”), which indirectly wholly owns Foothills Utilities, a water and wastewater utility providing service in an area east of Yuma, Arizona, subject to the regulation of the Arizona Corporation Commission. RCW 80.16.010 includes in its definition of “affiliated interest,” “every corporation five percent or more of whose voting securities are owned by any person or corporation owning five percent or more of the voting securities of such public service company or by any person or corporation in any such chain of successive ownership of five percent or more of voting securities.” Therefore, NW Natural Holdings’ ownership interest in both companies creates an affiliated interest relationship between NW Natural and Foothills Utilities.

NW Natural purchased the Hurco Vac300 valve exerciser trailer in April 2021 for \$62,980.81. The net book value of the valve exerciser trailer being purchased by Foothills Utilities is \$58,752.61, which also is the purchase price under the Bill of Sale and is comparable to the market value of a valve exerciser trailer of comparable age and style. Through this transaction, NW Natural will be recovering the net book value of the asset, and accordingly, will remove it from customer rates in the Company’s next

¹ A valve exerciser trailer is a towable skid with mounted equipment (e.g., underground valve operating system and vac unit) needed for a utility’s valve exercising program that locates and exercises valves to ensure that they operate properly.

general rate case. Foothills Utilities will be paying a fair price for an asset that it needs for its valve maintenance program. Thus, the use of NW Natural as supplier of the specified equipment under the Bill of Sale is in the public interest.

Also included with this filing is a verification regarding the Bill of Sale.

Please address correspondence on this matter to me with copies to the following:

eFiling
Rates & Regulatory Affairs
NW Natural
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Portland, Oregon 97204-3038
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If you have any questions, please contact me.

Sincerely,

NW Natural

/s/ Eric W. Nelsen

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Attachments:

NEW-NWN-Foothills-Affiliated-Interest-Attach-1-08-11-2023
NEW-NWN-Foothills-Affiliated-Interest-Verification-08-11-2023