

BEFORE THE WASHINGTON UTILITIES & TRANSPORTATION
COMMISSION

In the Matter of the)	
)	DOCKET NO. UG-011090
PETITION OF NORTHWEST)	
NATURAL GAS COMPANY)	
)	ORDER AUTHORIZING
For an Order Regarding the Accounting)	ACCOUNTING PETITION
Treatment for revenues generated from)	AS AMENDED
the Company's storage facilities at Mist)	
.....)	
)	

BACKGROUND

- 1 On August 1, 2001, Northwest Natural Gas Company, ("NWNG" or the "Company") filed a Petition with this Commission seeking an accounting order regarding the treatment of revenues generated by the company from certain incremental investments in the Company's storage facilities at Mist.

- 2 The Company requests an order to share revenue in fixed percentages from the operation of the Company's incremental storage facilities currently dedicated to non-retail activities. As amended the proposal includes revenues from storage contracts or net secondary sales revenues directly accommodated by these incremental storage facilities. The proposed accounting treatment applies to revenue generated in 2000 through December 31, 2002. As proposed, the Company will include the ratepayers' share of the revenue in the calculation of amortization rates in the true up of deferral balances in its purchased gas adjustment (PGA). Revenues subject to this sharing mechanism are not subject to regulation by this Commission.

FINDINGS

THE COMMISSION FINDS:

- 3 (1) NWNG is a public service company furnishing gas service primarily in the Southwest portion of the State of Washington, and is subject to the regulatory authority of the Commission as to its rates, service, facilities

and practices.

- 4 (2) On August 1, 2001, NWNG filed with the Commission a Petition for an order regarding the accounting treatment for revenues generated from its storage facilities. This Petition was amended both by a letter dated September 17, 2001, and through discussions with Commission Staff as described in Staff's memorandum in this Docket presented at the September 26, 2001, open meeting.
- 5 (3) The accounting treatment proposed by NWNG, as amended, is reasonable and should be approved.

ORDER

THE COMMISSION ORDERS:

- 6 (1) That Northwest Natural Gas Company should defer revenues associated with its storage facilities at Mist consistent with its amended accounting petition.
- 7 (2) Nothing herein shall be construed to waive or otherwise impair the jurisdiction of the Commission over the rates, services, accounts and practices of Applicant, Northwest Natural Gas Company.
- 8 (3) The Commission retains jurisdiction to effectuate the provisions of this Order.

DATED at Olympia, Washington, and effective this 26th day of September, 2001.

WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

MARILYN SHOWALTER, Chairwoman

RICHARD HEMSTAD, Commissioner

PATRICK J. OSHIE, Commissioner