

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

WASHINGTON UTILITIES AND	)	DOCKET UG-111233
TRANSPORTATION COMMISSION,	)	
	)	ORDER 01
Complainant,	)	
	)	
v.	)	
	)	
NORTHWEST NATURAL GAS	)	
COMPANY,	)	
	)	COMPLAINT AND ORDER
Respondent.	)	SUSPENDING TARIFF REVISION
.....	)	

**BACKGROUND**

- 1     On July 7, 2011, Northwest Natural Gas Company, (NW Natural or Company) filed with the Washington Utilities and Transportation Commission (Commission) a revision to its currently effective Schedule P “Determination of Company’s Purchased Gas Cost Adjustments and Weighted Costs of Gas,” designated as Third Revision of Sheet P.1. The stated effective date is August 6, 2011. The filed revisions to Schedule P would revise the definition of gas commodity costs to include the costs of gas reserves associated with volumes of natural gas forecasted to be received by the company through its acquisition of gas reserves resulting from certain joint venture agreements as authorized by the Commission. NW Natural is requesting that the Commission make an express finding that the company’s decision to enter into the transaction acquiring natural gas reserves through a joint venture with Encana Oil & Gas is a prudent one and approve the revisions to Schedule P.
  
- 2     Because those costs might injuriously affect the rights and interests of the public and NW Natural has not demonstrated that the results of the language changes would ultimately result in rates that are fair, just, reasonable and sufficient, the Commission suspends the tariff filing and will hold public hearings, if necessary, to determine whether the proposed increases are fair, just, reasonable and sufficient.

**FINDINGS AND CONCLUSIONS**

- 3     (1)   The Washington Utilities and Transportation Commission is an agency of the State of Washington vested by statute with the authority to regulate rates, regulations, practices, accounts, securities, transfers of property and affiliated

interests 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](#).

- 4       (2)     Northwest Natural Gas Company is a gas company and a public service company subject to Commission jurisdiction.
- 5       (3)     This matter came before the Commission at its regularly scheduled meeting on July 28, 2011.
- 6       (4)     The tariff revision NW Natural filed on July 7, 2011, would increase future charges and rates for service provided by NW Natural, and might injuriously affect the rights and interest of the public.
- 7       (5)     NW Natural has not yet demonstrated that the tariff revision would result in rates that are fair, just, reasonable and sufficient.
- 8       (6)     In order to carry out the duties imposed upon the Commission by law, and as authorized in [RCW 80.04.130](#), the Commission believes it is necessary to investigate NW Natural's books, accounts, practices and activities; to make a valuation or appraisal of NW Natural's property; and to investigate and appraise various phases of NW Natural's operations. The Commission finds that this docket meets the criteria of WAC 480-07-400(2)(b)(i) and that discovery is available pursuant to the Commission's discovery rule in WAC 480-07-400 – 425.
- 9       (7)     As required by [RCW 80.04.130 \(4\)](#), NW Natural bears the burden of proof to show that the proposed increases are fair, just, reasonable and sufficient.
- 10      (8)     NW Natural may be required to pay the expenses reasonably attributable and allocable to such an investigation, consistent with [RCW 80.20](#).

**O R D E R**

**THE COMMISSION ORDERS:**

- 11      (1)      The tariff revision Northwest Natural Gas Company filed on July 7, 2011, in  
Docket UG-111233 is suspended.
- 12      (2)      The Commission will hold hearings at such times and places as may be required.
- 13      (3)      Northwest Natural Gas Company must not change or alter the tariffs filed in this  
docket during the suspension period, unless authorized by the Commission.
- 14      (4)      The Commission will institute an investigation of Northwest Natural Gas  
Company's books, accounts, practices, activities, property and operations as  
described above.
- 15      (5)      Discovery will be conducted pursuant to Commission's discovery rules in WAC  
480-07-400 – 425.
- 16      (6)      Northwest Natural Gas Company shall pay the expenses reasonably attributable  
and allocable to the Commission's investigation, consistent with [RCW 80.20](#).

DATED at Olympia, Washington, and effective July 28, 2011.

WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

JEFFREY D. GOLTZ, Chairman

PATRICK J. OSHIE, Commissioner

PHILIP B. JONES, Commissioner