

**BEFORE THE WASHINGTON
UTILITIES AND TRANSPORTATION COMMISSION**

In the Matter of the Petition of

NORTHWEST NATURAL
GAS COMPANY, d/b/a NW
NATURAL

Seeking Extension for 2024
Integrated Resource Plan

DOCKET UG-230783

ORDER 01

GRANTING PETITION TO EXTEND
INTEGRATED RESOURCE PLAN
FILING DEADLINE SUBJECT TO
CONDITIONS

BACKGROUND

- 1 On September 25, 2023, Northwest Natural Gas Company, d/b/a NW Natural (NW Natural or Company) filed with the Washington Utilities and Transportation Commission (Commission) a petition requesting a temporary exemption from Washington Administrative Code (WAC) 480-90-238(4) (Petition). The requested exemption would extend, by one year, the due date for the Company’s next integrated resource plan and workplan.
- 2 NW Natural is a gas utility that serves approximately 95,000 residential and commercial customers in portions of three counties in Southwest Washington – Clark, Skamania, and Klickitat. WAC 480-90-238 requires each natural gas company to develop an integrated resource plan (plan or IRP), and to submit each plan within two years after the date on which the previous plan was filed with the Commission.
- 3 The Company’s last IRP was filed September 23, 2022, four years after it filed its previous plan on August 24, 2018.
- 4 In its Petition, NW Natural requests that the Commission modify its IRP filing deadline as permitted by WAC 480-07-110(2)(c).
- 5 NW Natural posits that without the additional time it will be unable “to fully incorporate Staff’s feedback from the 2022 IRP or integrate results from pilot programs learnings.” NW Natural also notes that additional time would allow it to integrate whatever guidance the Commission provides regarding the Climate Commitment Act (CCA). Additionally, NW Natural claims that it received “informal general feedback from Staff related to

integrating equity and energy justice considerations into various aspects of the IRP . . .”¹

6 NW Natural mentions a preference for alignment with Oregon IRP filing deadlines. All
but one of NW Natural’s peer gas utilities operate in multiple state jurisdictions.

7 For the reasons stated above, NW Natural asserts that it would be in the public interest,
and consistent with the underlying purpose of the Commission’s IRP rules, to continue
the deadline.

8 Commission Staff (Staff) analyzed the Petition and submits that it does not establish that
an exemption is warranted pursuant to WAC 480-07-110(2)(c).²

9 Staff notes that NW Natural’s petition does not claim any unique hardship. Nor does
Staff identify any hardship that is unique to NW Natural. NW Natural notes various Staff
recommendations made in the latest 2022 IRP as well as informal Staff-to-Company
conversations related to equity. However, these recommendations and informal equity
guidance are substantially similar to recommendations and guidance provided to all gas
companies.

10 Staff emphasizes the time-sensitive nature of the next round of IRPs to furthering the
public interest. Builders have responded more rapidly to state building codes than
previously anticipated in Staff comments included with the 2022 IRP. NW Natural and
Applied Energy Group (AEG) recently informed Staff that participation in the
Company’s new construction energy efficiency program has declined in excess of 75
percent in the last two quarters. This decline in choosing natural gas in new construction
has been corroborated by communication with Cascade Natural Gas Company’s Energy
Efficiency program staff. Understanding the implications of these developments in
resource planning is a pressing concern.

¹ NW Natural Pet. at 4.

² WAC 480-07-110(2)(c) (which applies to WAC 480-90-238) states:

(c) *Standard for determination.* The commission uses the public interest standard to determine whether to grant an exemption from, or modification to, a commission rule. Factors the commission may consider in making this determination include whether the rule imposes an undue hardship on the requesting person of a degree or a kind different from hardships imposed on other similarly situated persons, and whether the effect of applying the rule to the requesting person would be contrary to the underlying purposes of the rule and the public interest.

- 11 Staff submits that it worked with NW Natural to negotiate possible conditions. Staff reached out to NW Natural with a list of proposed conditions on October 9, 2023. Staff and the Company met virtually to discuss potential conditions on four occasions.
- 12 Staff does not believe that a continuance of the IRP filing deadlines, without conditions, is in the public interest. Staff notes that if the Petition is granted, extending the IRP deadline to August 2025, NW Natural will have submitted only three IRPs from August 2018 to August 2025 while its peers would have submitted four as well as a workplan for the next.
- 13 Thus, Staff recommends that the Commission deny the Company’s Petition.
- 14 At the December 21, 2023, open meeting, the Company explained that it required additional time given the increasing complexity of the IRP process. The Company required additional time given the need to develop inputs to its modeling process, and it noted the potential advantages of aligning the IRP process for its Washington and Oregon customer bases. Staff discussed possible conditions for extending the Company’s timeframe, such as requiring the Company to set forth a plan for collaborating with its Technical Advisory Group (TAG) on technical issues unrelated to equity issues, as a possible alternative. The Company also discussed its plans to confer with its Equity Advisory Group (EAG) in February 2024 and to develop its public engagement and IRP workplan, which would be filed by May 1, 2024.

DISCUSSION AND DECISION

- 15 We grant the Company’s Petition subject to conditions. Pursuant to WAC 480-07-110, the Commission may, in response to a request or on its own motion, grant an exemption from its own rules when “consistent with the public interest, the purposes underlying regulation, and applicable statutes.”³ Although Staff has expressed some concerns with the Company’s request for additional time, we find that an exemption is in the public interest when paired with conditions, requiring the Company to work with Staff and its advisory groups, both the EAG and TAG. We therefore approve the Company’s Petition subject to the following conditions:

1. NW Natural shall meet with its EAG in late February 2024 to discuss its workplan related to equity and public engagement;

³ Accord WAC 480-90-008.

2. NW Natural shall work with Staff and its TAG on the technical recommendations for the 2022 IRP between the entry of this Order and the filing of the Company's IRP workplan on May 1, 2024; and
3. NW Natural shall work with Staff and its EAG and TAG on technical issues and other issues raised in regards to the development of its IRP.

FINDINGS AND CONCLUSIONS

- 16 (1) The Commission is an agency of the State of Washington vested by statute with the authority to regulate the rates, rules, regulations, practices, accounts, securities, transfers of property and affiliated interests of public service companies, including natural gas companies.
- 17 (2) NW Natural is a natural gas company and a public service company subject to Commission jurisdiction.
- 18 (3) WAC 480-90-238(4) requires natural gas companies to submit an IRP to the Commission "within two years after the date on which the previous plan was filed with the Commission."
- 19 (4) This matter came before the Commission at its regularly scheduled meeting on December 21, 2023.
- 20 (5) After reviewing NW Natural's Petition filed in Docket UG-230783 and giving due consideration to all relevant matters, the Commission finds that NW Natural's Petition should be granted subject to the conditions noted in paragraph 15 of this Order.

ORDER

THE COMMISSION:

- 21 (1) Northwest Natural Gas Company d/b/a NW Natural's Petition filed September 25, 2023, is GRANTED subject to the conditions noted in paragraph 15 of this Order.

- 22 (2) This 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.

DATED at Lacey, Washington, and effective December 22, 2023.

WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

DAVID W. DANNER, Chair

ANN E. RENDAHL, Commissioner

MILT DOUMIT, Commissioner