

**BEFORE THE WASHINGTON
UTILITIES AND TRANSPORTATION COMMISSION**

In the Matter of the Petition of	DOCKET UG-200952
NORTHWEST NATURAL GAS COMPANY,	ORDER 01
Petitioner,	GRANTING PETITION FOR EXEMPTION FROM RULE
Seeking Exemption from the Provisions of WAC 480-85-050 Relating to the Submission of a Cost of Service Study	

BACKGROUND

- 1 On November 25, 2020, Northwest Natural Gas Company (NW Natural or Company) filed with the Washington Utilities and Transportation Commission (Commission) a Petition for Limited Exemption from WAC 480-85-050(1), which requires that rate schedule usage data for any cost of service study must come from “the best available source,” such as advanced meter reading (AMR). On December 15, 2020, NW Natural filed an Amendment to Petition of NW Natural (Amended Petition). In its Amended Petition, NW Natural requests an exemption from WAC 480-85-050(1) for its next general rate case filing only.
- 2 In its Amended Petition, NW Natural explains that it has not yet prepared a load study comprised of daily usage data. The Company is in the process of installing new meter sets that have AMR, and it will continue these installations through 2021. NW Natural submits that until it completes these installations and collects a minimum 12 months of daily read data, it is unable complete a load study as required by WAC 480-85-050(1)(d).
- 3 Commission staff (Staff) reviewed the Company’s filings in this docket and recommends that the Commission issue an order granting the Company’s Amended Petition. Staff anticipates that the Company will be able to collect consistent daily data for a representative sample of its customers by the end of 2021, once the Company completes the installation of AMR. Staff therefore believes that a one-time exemption from WAC 480-85-050 is in the public interest.

DISCUSSION

- 4 Effective August 7, 2020, the Commission promulgated a rule setting forth minimum filing requirements for any cost of service study for electric or natural gas service.¹ A “cost of service study” means “a study that identifies and calculates, using regulatory accounting rules and principles, the extent to which customers in various customer classes cause costs to a utility.”² As relevant to this Amended Petition, WAC 480-85-050(1) provides: “The rate schedule usage data for any cost of service study must come from the best available source: Advanced metering technology, including advanced metering infrastructure (AMI) and advanced meter reading (AMR); or, a load study.”
- 5 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 doing so is “consistent with the public interest, the purposes underlying regulation, and applicable statutes.” WAC 480-85-070 similarly provides the Commission may grant an exemption from the provisions of WAC 480-85.
- 6 We agree with Staff’s recommendation to grant NW Natural’s Amended Petition. NW Natural is in the process of installing AMR and anticipates that it will be able to collect daily usage data by the end of 2021. In the interim, the Company proposes to use the best available, existing data to support its next general rate case. Accordingly, we conclude that granting the Amended Petition is consistent with the public interest and we grant NW Natural’s request for a one-time exemption from WAC 480-85-050(1) for any general rate case filed within six months of the date of this Order.³

FINDINGS AND CONCLUSIONS

- 7 (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 gas companies.

¹ WAC 480-85-010.

² WAC 480-85-030(3).

³Pursuant to WAC 480-07-510, a general rate case filing from an electric or natural gas company must include a cost of service study, consistent with WAC 480-85.

- 8 (2) NW Natural is a gas company and a public service company subject to Commission jurisdiction.
- 9 (3) NW Natural is subject to WAC 480-85-050(1), which requires that the rate schedule usage data for any cost of service study must come from the best available source, such as AMR.
- 10 (4) Pursuant to WAC 480-07-110 and WAC 480-85-070, the Commission may grant an exemption from the provisions of WAC 480-85 when consistent with the public interest, the purposes underlying regulation, and applicable statutes.
- 11 (5) This matter came before the Commission at its regularly scheduled meeting on December 23, 2020.
- 12 (6) After reviewing NW Natural's Amended Petition and giving due consideration to all relevant matters and for good cause shown, the Commission grants NW Natural an exemption from WAC 480-85-050(1) for the purposes of any general rate case filed with the Commission within six months of the effective date of this Order.

ORDER

THE COMMISSION ORDERS:

- 13 (1) Northwest Natural Gas Company's Amended Petition for Limited Exemption from WAC 480-85-050(1) is granted for any rate case filing made within six months from the date of this Order.
- 14 (2) The Commission retains jurisdiction over the subject matter and Northwest Natural Gas Company to effectuate the provisions of this Order.

The Commissioners, having determined this Order to be consistent with the public interest, directed the Secretary to enter this Order.

DATED at Lacey, Washington, and effective December 23, 2020.

WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

MARK L. JOHNSON
Executive Director and Secretary