

**BEFORE THE WASHINGTON
UTILITIES AND TRANSPORTATION COMMISSION**

<p>WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION,</p> <p>Complainant,</p> <p>v.</p> <p>NORTHWEST NATURAL GAS COMPANY,</p> <p>Respondent.</p>	<p>DOCKET UG-250610</p> <p>ORDER 04</p> <p>APPROVING PROPOSED BUDGETS AND FUND GRANTS</p>
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BACKGROUND

- 1 On August 29, 2025, Northwest Natural Gas Company (NW Natural or Company) filed revisions to its currently effective Tariff WN U-6 with the Washington Utilities and Transportation Commission. NW Natural characterizes its current filing as a general rate case (GRC) and is proposing a three-year multi-year rate plan (MYRP), which would increase revenues from base rates by: (a) \$25.6 million, or 22.8 percent, effective August 1, 2026, for Rate Year 1 (RY1); (b) \$8.6 million, or 6.2 percent, effective August 1, 2027, for Rate Year 2 (RY2); and (c) \$8.3 million, or 5.7 percent, effective August 1, 2028, for Rate Year 3 (RY3). The Company’s last general rate case was filed on December 18, 2020, in Docket UG-200994.
- 2 NW Natural’s proposed revised tariff sheets provide an effective date of September 30, 2025, and the Company agreed to waive its suspension hearing so that the Commission could timely issue an order in accordance with Washington Administrative Code (WAC) 480-07-440(1)(a), for new rates to be effective August 1, 2026, for RY1. NW Natural also submitted supporting testimony and exhibits in its filing and agreed to suspend its proposed tariff filing in compliance with WAC 480-100-194 so that it would not be required to publish notice immediately before filing the Company’s tariff revisions.
- 3 By September 16, 2025, the Alliance of Western Energy Customers (AWEC) and the Energy Project (TEP) each filed a Petition for Case Certification and Notice of Intent to Request Fund Grant.

- 4 On September 29, 2025, the Commission issued Order 01,¹ set the matter for adjudication to resolve the issues presented in the Company's filing, and required NW Natural to provide notice to the public under WAC 480-100-197(2) and post the proposed tariff sheets for public inspection pursuant to WAC 480-100-193(1).
- 5 On October 20, 2025, the Commission convened a prehearing conference before Administrative Law Judge Amy Bonfrisco (ALJ Bonfrisco). During that hearing the parties discussed NW Natural's Motion to Amend Protective Order and Public Counsel's objection to including the non-compete clause and corresponding language contained in Exhibit A, paragraph 18 of NW Natural's proposed Highly Confidential Protective Order. After hearing comments from all the non-company parties and confirming that NW Natural did not oppose Public Counsel's request to strike the non-compete clause and corresponding language contained in Exhibit A, paragraph 18, ALJ Bonfrisco made an oral ruling to strike the non-complete clause.
- 6 On October 22, 2025, the Commission issued Order 02, Protective Order with Provisions Governing Highly Confidential Information, and on October 24, 2025, issued Order 03, Prehearing Conference Order and Notice of Hearing (Order 03). Among other things Order 03 set the evidentiary hearing for May 4, 2026, granted AWEC and TEP's unopposed petitions to intervene and requests for case certification status,² required the intervening parties to file any proposed budgets by November 19, 2025,³ and memorialized the ruling on NW Natural's Motion to Amend Protective Order.⁴
- 7 On October 29, 2025, the Commission issued a Notice of Errata to Order 03, to correct several scrivener errors, including correcting the suspension deadline to read July 29, 2026, rather than June 10, 2026, and the year listed in the deadline for the Simultaneous Post-hearing Briefs to read June 10, 2026, rather than June 10, 2025. Additionally, the errata added the April 9-10, 2026, third Settlement Conference date, which was

¹ *Washington Utilities and Transportation Commission (WUTC) v. Northwest Natural gas Company (NW Natural or Company)*, Docket UG-250610, Order 01, Complaint and Order Suspending Tariff Revisions (September 29, 2025).

² In its request for Budget Approval AWEC states that the Commission has not yet certified this case. This is incorrect. Order 03 Granted AWEC and TEP's request for case certification. Docket UG-250610, Order 03 at 4 ¶ 10.

³ Order 03 at 4 ¶ 10 and Appendix B.

⁴ Docket UG-250610, Order 03 at 4 ¶¶ 11-13.

previously omitted from the procedural schedule, and corrected the docket number included in the header of Appendix A.⁵

- 8 On November 18, 2025, TEP and AWEC each timely filed their Proposed Budgets for Fund Grant (Proposed Budget). The details of the parties' requests are discussed in detail below.

DISCUSSION

- 9 Pursuant to Revised Code of Washington (RCW) 80.28.430, utilities must enter into funding agreements with organizations that represent broad customer interests. The Commission is directed to determine the amount of financial assistance, if any, that may be provided to any organization; the way the financial assistance is distributed; the way the financial assistance is recovered in a utility's rates; and other matters necessary to administer the agreement.⁶
- 10 On November 19, 2021, the Commission issued a Policy Statement on Participatory Funding for Regulatory Proceedings (Policy Statement).⁷ The Commission provided "high-level guidance regarding the amount of financial assistance that may be provided to organizations, the manner in which it is distributed to participants and recovered in the rates of gas or electrical companies, and other matters necessary to administer agreements."⁸ The Commission indicated that the Policy Statement was an evolving document, saying "as we implement the first round of funding arrangements, we look forward to what we expect will be many lessons learned. These lessons will inform future iterations of Washington's participatory funding program, including the possibility of a rulemaking to codify best practices into Commission rules."⁹
- 11 On February 24, 2022, the Commission issued Order 01, Approving Agreement with Modifications (Order 01),¹⁰ to take effect February 25, 2022, and remain in place until

⁵ Docket UG-250610, Notice of Errata to Order 03 and attached corrected Appendixes A and B (October 29, 2025).

⁶ RCW 80.28.430(2).

⁷ *In the Matter of the Commission's Examination of Participatory Funding Provisions for Regulatory Proceedings*, Docket U-210595 (November 19, 2021).

⁸ Docket U-210595 ¶ 3.

⁹ *Id.* ¶ 17.

¹⁰ *In the Matter of the Petition of Puget Sound Energy, et al.*, Docket U-210595 Order 01 (February 24, 2022).

December 31, 2022,¹¹ and set the participatory funding consumer access caps for the first year of the participatory funding consumer access fund caps at: (1) \$300,000 for PSE,¹² Avista,¹³ and PacifiCorp;¹⁴ (2) \$265,512 for Cascade;¹⁵ and (3) \$72,735 for NW Natural.¹⁶ Among other points, the Commission clarified that it is not bound by the timeframes set forth in the Interim Agreement.¹⁷

12 On February 9, 2023, the Commission entered Order 02, Approving Agreement Subject to Conditions (Order 02), which allowed the revised interim participatory funding agreement (Second Agreement) subject to conditions of refiling, to take effect February 9, 2023, and remain in effect until December 31, 2024.¹⁸ The general provisions remained the same, but the Second Agreement increased the \$300,000 cap to \$400,000 for PSE only.¹⁹

13 On February 18, 2025, the Joint Parties²⁰ submitted a newly revised participatory funding agreement (Third Agreement), following the expiration of the Second Agreement, which included a three-year funding term expiring on December 31, 2027.²¹

14 On April 11, 2025, the Commission issued Order 03, Approving Agreement; Subject to Conditions (Order 03), updated the agreement among the Joint Parties (Third

¹¹ Docket U-210595, Order 01 at 2 ¶ 1.

¹² *In the Matter of Petition of Puget Sound Energy For an Order Authorizing Accounting Costs Associated with Participatory Funding Agreements Pursuant to RCW 80.28.430, and Commission's Policy Statement and Order 01 in U-210595*, Dockets UE-220196 and UG-220197, Order 01 at 1 ¶ 3 (August 25, 2022). *See also* Docket U-210595, Attachment A to Order 01 at 4 (February 24, 2022).

¹³ Dockets UE-220151 and UG-220596, Order 01 at 2 ¶ 3 (August 25, 2022). *See also* Docket U-210595, Attachment A to Order 01 at 4 (February 24, 2022).

¹⁴ Docket UE-220599, Order 01 at 2 ¶ 3 (October 27, 2022). *See also* Docket U-210595, Attachment A to Order 01 at 4 (February 24, 2022).

¹⁵ Docket UG-220706, Order 01 at 2 ¶ 3 (October 27, 2022). *Id.*

¹⁶ Docket UG-220752, Order 01 at 1 ¶ 3 (October 27, 2022). *Id.*

¹⁷ Docket U-210595, Order 01 at 4 ¶ 11.

¹⁸ Docket U-210595, Order 02 (February 9, 2023)

¹⁹ Docket U-210595, Order 02 at 2-3 ¶ 6, and Extended Interim Funding Agreement at 4 (December 20, 2022).

²⁰ Puget Sound Energy, Avista, PacifiCorp, Cascade, NW Natural, AWEC, NWECA, TEP, Small Business Utility Advocates, Sierra Club, Front & Centered and Spark Northwest (collectively the Joint Parties).

²¹ Docket U-210595, Joint Parties Washington Participatory Funding Agreement (Third Agreement) at 4 (February 18, 2025).

Agreement), and allowed the Third Agreement to take effect on April 11, 2025, and remain in place through December 31, 2027.²² Additionally, the Commission ordered the Joint Parties subject to Order 03, among other things, to submit a biannual filing in Docket U-210595 showing the fund balances and requests pending approval, with the first filings to be submitted no later than July 1, 2025.²³

15 In relevant part, the Third Agreement requires that Proposed Budgets include a statement of the work to be performed, a description of the general areas to be investigated, an identification of the specific sub-fund at issue, and a budget showing any estimated attorney fees or consultant fees.²⁴ If the Commission receives one or more Proposed Budgets, it will “determine the amount, if any, of Fund Grants that will be made available”²⁵ The Commission may make this determination based on the following factors:

- (a) the breadth and complexity of the issues;
- (b) the significance of any policy issues;
- (c) the procedural schedule;
- (d) the dollar magnitude of the issues at stake;
- (e) the participation of other parties that adequately represent the interests of customers;
- (f) the amount of funds being provided by the applicant intervenor, if any;
- (g) the qualifications of the party and experience before the Commission;
- (h) the level of available funds in the Fund account or accounts involved;
- (i) other Eligible Proceedings for Funds in which stakeholders may seek additional Fund Grants from the same Sub-Fund; or

²² *In the Matter of the Commission’s Examination of Participatory Funding Provisions for Regulatory Proceedings*, Docket U-210595, Order 03 at 3 ¶ 9 and 6-9 ¶ 22, 33-36 (April 11, 2025).

²³ Docket U-210595, Order 03 at 6-7 ¶ 22.

²⁴ Washington Participatory Funding Agreement by and Among Puget Sound Energy, PacifiCorp, Northwest Natural, Cascade Natural Gas Corporation, Avista Corporation, Washington Customer Representatives and Washington Prioritized Organizations, Third Agreement at 11 § 6.5 (February 18, 2025).

²⁵ *Id.* at 11 § 6.5.

(j) any other factors the Commission deems relevant.²⁶

16 The Commission may reject, in whole or in part, a request for Fund Grant based on these factors.²⁷ The Commission may place reasonable conditions on Fund Grants, and it may amend Fund Grants on a prospective basis.²⁸

17 In this case, the two case-certified parties AWEC and TEP filed Proposed Budgets each requesting that the Commission approve their Fund Grants in the amount of \$48,490 (\$24,245 from the 2025 NW Natural Customer Representative Sub-Fund and \$24,245 from the 2026 NW Natural Customer Representative Sub-Fund) for a total of \$96,900 for the 2025 and 2026 calendar years. We address each Proposed Budget in turn, considering them in light of the content requirements set forth in Section 6.3 and the various factors set forth in Section 6.5 of the Third Agreement.

18 **AWEC.** On November 18, 2025, AWEC filed a Proposed Budget. AWEC is requesting a total Fund Grant of \$48,490 from the Customer Representation Sub-Fund for 2025 and 2026 to partially offset the costs of staff, operational support and expert witness fees required in this proceeding. AWEC plans to investigate all aspects of NW Natural’s filing and estimates to incur a total cost of \$142,125 for its investigation, which will include:

an analysis of the requested three year rate plan, including revenue requirement, return on equity, capital structure, cost of debt, jurisdictional allocations between NW Natural’s Oregon and Washington jurisdictions, rate base, the TEN pilot, working capital, billing determinants, memberships and dues, director stock awards, proposed capital additions, tax issues and depreciation, and rate spread and rate design.²⁹

19 Several factors weigh in favor of the reasonableness of AWEC’s Proposed Budget. AWEC only requests a portion of its costs, and in accordance with Section 6.6 of the Third Agreement, AWEC coordinated its request with TEP and reached an agreement on the amounts each organization would request for participatory funding.³⁰ AWEC also has a history of appearing before the Commission, and the Commission recognizes AWEC as an “incumbent” organization with a history of representing industrial customers before the Commission. Finally, given that the procedural schedule set for this matter “assumes

²⁶ *Id.*

²⁷ *Id.*

²⁸ *Id.*

²⁹ AWEC Proposed Budget at 4 ¶ 10 (November 18, 2025).

³⁰ AWEC Proposed Budget at 5 ¶ 15.

a fully litigated case,”³¹ which requires discovery, pre-filed testimony, settlement conferences, briefings, a hearing, and any other events the Commission may deem appropriate, and the total request presented does not exceed the remaining funds available in NW Natural’s Consumer Access Fund, we support the request.

20 The Commission therefore approves a Fund Grant for AWEC in the amount of \$48,490 for this proceeding.

21 **TEP.** On November 18, 2025, TEP filed a Proposed Budget. TEP requested a Fund Grant of \$48,490 pursuant to the Third Agreement to partially offset the costs of its participation. TEP noted that it may investigate “all matters which have an impact on NW Natural Gas Company’s low income and vulnerable customers” including but not limited to “rate design, bill assistance, weatherization, COVID-19 costs, language access, performance-based ratemaking, credit and collections, thermal energy networks, multiyear rate plan processes, and return on equity.”³² TEP requests a total award of \$48,490, for attorney fees from NW Natural’s Customer Representation Sub-Fund. TEP notes that it has coordinated its request with AWEC, and that its estimated costs do not represent market rates, are discounted in support of TEP’s public interest mission, and do not include the cost of professional or in-house staff.

22 Much like AWEC, several Section 6.5 factors weigh in favor of TEP’s request. We observe that TEP is contributing from its own funds to participate, and TEP’s Fund Grant only seeks to partially offset these costs. TEP is an “incumbent” organization with a history of appearing before the Commission,³³ and it seeks to investigate important issues in this proceeding on behalf of low income and vulnerable populations. We also observe that the total request presented to the Commission in this proceeding does not exceed the remaining funds available in NW Natural’s Consumer Access Fund, and that TEP coordinated its request with AWEC so that each would only be requesting 50 percent of the funds available in the 2025 NW Natural Customer Representative Sub-Fund.

23 The Commission therefore approves a total Fund Grant of \$48,490 for TEP in this proceeding.

24 Finally, we remind all parties that neither case-certification nor approval of a Proposed Budget for a Fund Grant is a guarantee of reimbursement. We may determine that a

³¹ AWEC Proposed Budget at 6 ¶ 16.

³² TEP Proposed Budget at 1 ¶ 3 (November 18, 2025).

³³ Docket U-210595, Policy Statement on Participatory Funding for Regulatory Proceedings at 5 ¶ 18 (November 19, 2021).

party's request for reimbursement should be denied in part or in whole. The amount of funding in each Consumer Access Fund is limited, and it may be required for more than one Eligible Proceeding. These funds are also sourced from ratepayers, many of whom are faced with their own economic challenges. Thus, we expect all requests for reimbursement to contain details, including receipts, invoices, and any other documentation of costs for which recovery is requested. All requests must also include references to eligibility for expenses and any relevant portions of the Third Interim Agreement. To incentivize appropriate use and equitable distribution of Fund Grants, we will also carefully evaluate how recovered costs should be allocated to customers. For example, we will consider whether each case-certified party's recovered costs should be allocated towards a specific customer class, a select group of classes, or across the entirety of customers.

ORDER

THE COMMISSION ORDERS:

- 25 (1) The Alliance Western Energy Consumer's Proposed Budget and Fund Grant is
APPROVED in the amount of \$48,490.
- 26 (2) The Energy Projects' Proposed Budget and Fund Grant is APPROVED in the
amount of \$48,490.

Dated at Lacey, Washington, and effective February 4, 2026.

WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

/s/ Amy Bonfrisco
AMY BONFRISCO
Administrative Law Judge

NOTICE TO PARTIES: This is an Interlocutory Order of the Commission. Administrative review may be available through a petition for review, filed within 10 days of the service of this Order pursuant to WAC 480-07-810.