

Exh. JL-8
Docket UG-181053
Witness: Jing Liu

**BEFORE THE WASHINGTON
UTILITIES AND TRANSPORTATION COMMISSION**

**WASHINGTON UTILITIES AND
TRANSPORTATION COMMISSION,**

Complainant,

v.

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

Respondent.

DOCKET UG-181053

EXHIBIT OF

Jing Liu

**STAFF OF WASHINGTON UTILITIES
AND TRANSPORTATION COMMISSION**

NW Natural's Explanation on the Incremental Operating and Maintenance Cost

July 18, 2019



Rates & Regulatory Affairs
UG-181053
2018 WA General Rate Revision
Data Request Response

DR Request: July 12, 2019
Date of Response: July 16, 2019
Responder: Kyle Walker
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Witness: Kyle Walker

Request No.: UG-181053 WUTC DR 204

Please refer to NW Natural's response to UTC Staff Data Request No. 202, Attachment 2, in which the Company provided the incremental O&M cost of \$54.55 per customer. Please explain in detail how the Company developed the incremental O&M cost. Please provide the supporting source data and calculations.

Response:

The Company has derived the incremental O&M cost by first identifying specific O&M accounts that have a direct association with serving new customers. Specifically, those accounts are uncollectible, customer contact center, field services, billing and the Company's resource management center. The Company takes the costs for these O&M accounts and divides them by the Company's total customer count for both Oregon and Washington. The result is an incremental cost per customer. See "UG-181053 WUTC DR 204 Attachment 1.xlsx" for the analysis that derived the \$54.55 per customer amount.

The Company amended its response to data request 202 and updated the actual 2018 customer counts for the per customer O&M portion of the cost of service (WUTC DR 202 Attachment 2). After updating the customer counts, the total cost per customer is \$54.05. The original calculation and the new calculation are both included in Attachment 1 to this data request response.

Attachments will be provided upon request.