

**BEFORE THE
WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION**

In the Matter of

NORTHWEST NATURAL GAS
COMPANY DBA NW NATURAL

For an Amended Accounting Order
Authorizing Deferred Accounting Treatment
for the Financial Assistance Distributed
Under the Washington Interim Participatory
Funding Agreement

DOCKET NO. UG-220752

PETITION

1 Pursuant to WAC 480-07-370(3)(b), Northwest Natural Gas Company (“NW Natural” or the
“Company”) petitions the Washington Utilities and Transportation Commission (the
“Commission”) for an amended order authorizing deferred accounting treatment for the
financial assistance distributed under the Washington Extended Interim Participatory Funding
Agreement (“Extended Agreement”). NW Natural seeks to defer all costs associated with such
assistance under the Extended Agreement in order to track and preserve them for separate
ratemaking treatment. The Company will file a proposal to amortize the deferred costs where
the prudence of these costs will be reviewed.

2 In support of this Petition, NW Natural states as follows:

I. NAME OF PETITIONER

3 NW Natural is in the business of furnishing natural gas service within the State of Washington
as a public service company and is subject to the regulatory authority of the Commission as to
its rates, service, facilities, and practices. Its full name and mailing address for the purposes
of this proceeding are:

Northwest Natural Gas Company
c/o Zachary Kravitz
Vice President of Rates and Regulatory Affairs
250 SW Taylor Street
Portland, OR 97204-3038

4 The name and address of the Company's attorney for purposes of this proceeding are:

Ryan Sigurdson
Regulatory Attorney (WSBA #39733)
250 SW Taylor Street
Portland, OR 97204-3038

II. SUPPORT FOR PETITION

A. Legal Authority

5 The Commission is vested by statute with the authority to regulate, among other things, the rates and accounts of public service companies, including gas companies.¹ WAC 480-07-370(1)(b) allows public service companies to file petitions, including petitions for deferred accounting.² For participatory funding under an approved agreement, “the commission shall allow a gas company or electrical company to defer inclusion of those amounts in rates if the gas company or electrical company so elects.”³

B. Factual Background

6 Engrossed Substitute Senate Bill 5295 (“SB 5295”), passed by the Washington State Legislature in 2021 and codified as RCW 80.28.430, requires electric and natural gas utilities to enter into funding agreements with organizations that represent broad customer interests in Commission-conducted regulatory proceedings, prioritizing such funding with

¹ RCW 80.01.040, RCW 80.04.160, RCW 80.28.020; *see also In the Matter of the Petition of Nw. Nat. Gas Co. for an Accounting Order Authorizing Deferred Accounting Treatment of Certain Costs Associated with Environmental Remediation*, Docket UG-110199, Order 01 (June 30, 2011).

² *See* UG-110199, Order 01 ¶ 6.

³ RCW 80.28.430(3).

regard to organizations representing vulnerable populations or highly impacted communities. On February 14, 2022, NW Natural, Puget Sound Energy, Avista Corporation d/b/a Avista Utilities, PacifiCorp d/b/a Pacific Power & Light Company, Cascade Natural Gas Corporation, the Alliance of Western Energy Consumers, NW Energy Coalition (“NWECC”), The Energy Project (“TEP”), Sierra Club, Front & Centered, and Spark Northwest—collectively, the “Joint Parties”—entered into a Washington Interim Participatory Funding Agreement (“Interim Agreement”). The Interim Agreement was approved by the Commission in Order 01 in Docket U-210595 on February 24, 2022. The Interim Agreement had a one-year term, expiring on December 31, 2022.

- 7 Following approval of the Interim Agreement, NW Natural filed a petition seeking an Accounting Order authorizing the accounting treatment for financial assistance distributed under the Interim Agreement. The Commission granted NW Natural’s petition in Order 01 in Docket UG-220752.
- 8 On December 20, 2022, the Joint Parties filed with the Commission a petition seeking an order authorizing approval of the Extended Agreement. On February 9, 2023, the Commission issued Order 02 in Docket U-210595 approving the Extended Agreement subject to the removal of paragraph 7.9, which pre-approved accounting treatment for the duration of the agreement. The Commission also clarified “that the current deferrals granted pertain only to funds distributed in 2022 and are not ongoing, so either new or amended petitions must be filed for funds distributed under the [Extended Agreement].”
- 9 Based on Order 02, NW Natural hereby petitions the Commission for an Amended Accounting Order, authorizing the Company to defer costs associated with providing financial assistance under the Extended Agreement and all future Participatory Funding

Agreements. While the Commission approved the two-year Extended Agreement, it also directed Staff and the Joint Parties to work toward a permanent agreement. Since there will be a permanent agreement, NW Natural seeks approval from the Commission to utilize this deferral for the future permanent agreement.

C. Estimated Amounts Subject to Deferral

7 NW Natural estimates that up to \$72,735 will be recorded in the deferred account for 2023.

D. Proposed Accounting

8 The Company proposes to account for the costs associated with the financial assistance distributed under the Extended Agreement by recording the deferral in Account 182.3 – Other Regulatory Asset and requests a carrying cost equal to NW Natural’s actual cost of weighted debt updated semi-annually.

III. RELIEF REQUESTED

9 NW Natural requests authorization to defer the financial assistance, as described above.

10 WHEREFORE, the Company respectfully requests that the Commission enter an order approving deferred accounting treatment for the financial assistance distributed under the Extended Agreement and all future Participatory Funding Agreements, as described in this Petition.

Dated this 17th day of April 2023.

Respectfully Submitted,

/s/ Kyle Walker

NORTHWEST NATURAL GAS COMPANY

Kyle Walker, CPA
Rates/Regulatory Manager
250 SW Taylor Street
Portland, OR 97204-3038
Phone: (503) 610-7051
Email: kyle.walker@nwnatural.com

/s/ Ryan Sigurdson _____

NORTHWEST NATURAL GAS COMPANY

Ryan Sigurdson
Regulatory Attorney (WSBA #39733)
250 SW Taylor Street
Portland, OR 97204-3038
Phone: (503) 610-7570
Email: ryan.sigurdson@nwnatural.com