

**Exh. JL-3**  
**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 TO TESTIMONY  
OF**

**Jing Liu**

**STAFF OF WASHINGTON UTILITIES AND  
TRANSPORTATION COMMISSION**

*NW Natural's Operating Expense Per Customer*

**June 6, 2019**

### NWN's Operating Expense per Customer

Northwest Natural Gas Company  
UG - 181053  
Data Request 39 - Attachment 1 - Amended

	2013	2014	2015	2016	2017	2018 [3]
Rate Base (13 mo. AMA) [1]	\$ 123,150,067	\$ 119,010,214	\$ 132,839,004	\$ 138,926,929	\$ 153,689,010	\$ 173,466,052
Normalized O&M [2]	\$ 7,836,109	\$ 7,777,827	\$ 7,816,248	\$ 8,309,275	\$ 9,357,223	\$ 9,177,903
Normalized A&G	\$ 4,298,363	\$ 4,649,322	\$ 4,904,947	\$ 5,683,632	\$ 5,967,620	\$ 8,412,866
Number of Customers	73,255	75,010	77,026	79,263	81,842	84,650

[1] Consistent with the Commission Basis Report, the accumulated deferred income taxes are included with rate base as a simple average of the previous year and current year end balance.

All other components of rate base are based on a 13 month average of monthly averages (AMA)

[2] Represents the uncollectible accrual for gas sales and other operating and maintenance expense from the Commission Basis Report (not A&G expense)

[3] Due to the Washington Commission Basis Report and Oregon Results of Operations being due on May 1, these numbers are subject to change.

#### UTC Staff Calculation Based on NWN's Response to Staff Data Request No. 39

	Compound Annual Growth Rate
Rate Base	7.1%
Normalized Operating and Maintenance Expense	7.7%
Number of Customers	2.9%

	2013	2014	2015	2016	2017	2018	Compound Annual Growth Rate
Normalized O&M and A&G Expense per Customer	\$ 166	\$ 166	\$ 165	\$ 177	\$ 187	\$ 208	4.6%