

**Exh. JL-7**  
**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 Line Extension Cost Categories*

**July 18, 2019**



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

DR Request: June 17, 2019  
Date of Response: June 26, 2019  
Responder: Kyle Walker  
Telephone: (503) 226-4211 ext. 5858  
Email: kyle.walker@nwnatural.com  
Witness: Kyle Walker

**Request No.:** UG-181053 PC DR 147

Re: Response to WUTC 202, Attachment 1.

Please explain the meaning of the codes SM01, SM02, and SM03 used in this attachment. If the codes relate to specific tariff provisions, policies, and/or procedures regarding main extensions or customer additions, please provide copies of the relevant tariff provisions, policies, and/ or procedures.

**Response:**

SM01:

Customer Acquisition, New Main Order type<sup>1</sup>. This includes Residential main, Commercial Main, and System Expansion (new neighborhoods). Life-cycle order tasks would include: A cost estimate needed/completed, Order Sold, Engineering Design, Drafting, Easement (if necessary) Applied for/Completed, Permits Applied for/Completed, Locates, Work and Resources Scheduled, Construction Completed, and reviewed.

SM02:

Customer Acquisition, Accelerated Service (Flat Fee) Order type. This includes some Residential Conversions, some Spot Lots, and most New Construction. Tasks include: Permits Applied for/Completed, Locates, Pre-check complete, Work and Resources Scheduled, Construction Completed, and reviewed.

SM03:

Customer Acquisition New Regular Service Order that falls outside the scope of SM02 orders. All SM03 orders are estimated. Includes conversions and spot lot orders that do not qualify for SM02. Life-cycle order tasks would include: A cost estimate needed/completed, Order Sold, Engineering Design, Drafting, Easement (if necessary)

<sup>1</sup> This category includes mains only. Service line costs are included in either SM02 or SM03.

Applied for/Completed, Permits Applied for/Completed, Locates, Work and Resources Scheduled, Construction Completed, and reviewed.

Considerations that would determine if an order would be considered SM02 or moved to SM03 include: length of service line, slope of lot, busy or wide street, retaining walls, terraced landscaping, meter location, oil tank, septic system or drain field location, and specialty landscape.

The codes do not relate to specific tariff provisions, policies, and/or procedures regarding main extensions or customer additions.