

**BEFORE THE WASHINGTON
UTILITIES AND TRANSPORTATION COMMISSION**

In the Matter of the Petition of

NORTHWEST NATURAL GAS
COMPANY d/b/a NW NATURAL

For an Order Approving Deferral of Costs
Associated with the COVID-19 Public
Health Emergency

DOCKET UE-200264

ORDER 02

GRANTING AMENDED
ACCOUNTING PETITION

BACKGROUND

- 1 On April 17, 2020, Governor Inslee issued Proclamation 20-23.2, which prohibits all energy companies from (1) disconnecting residential service due to nonpayment, (2) refusing to reconnect residential customers who were disconnected due to nonpayment, and (3) charging late fees or reconnection fees. Proclamation 20-23.4, issued on May 29, 2020, also requires utilities to develop COVID-19 Customer Support Programs consistent with state guidance from the Governor's office and that will address payment plan options for residential customers who are in arrears due to the COVID-19 pandemic.
- 2 On March 25, 2020, Northwest Natural Gas Company d/b/a NW Natural (NW Natural or Company) filed with the Washington Utilities and Transportation Commission (Commission) a Petition for an Order Approving Deferral of Costs Associated with the COVID-19 Public Health Emergency (Petition).
- 3 In June 2020, the Commission formed a COVID-19 response workgroup of interested persons in Docket U-200281 to facilitate development of guidelines for ensuring that customers experiencing economic hardship as a result of the COVID-19 pandemic maintain access to essential services after Proclamation 20-23 expires and the moratorium on disconnections and late fees is no longer in effect.
- 4 On October 20, 2020, the Commission entered Order 01 in Docket U-200281,¹ in which the Commission expressly adopted four guiding principles identified in Commission staff's (Staff) Revised Term Sheet. The Commission also determined that it will consider each utility's deferred accounting petition in the docket it which it was filed, and that

¹ *In the Matter of Response to the COVID-19 Pandemic*, Docket U-200281, Order 01 ¶23 (Oct. 20, 2020).

“[u]ltimately, the Commission will consider each petition on its merits and render a decision based on the record compiled in each docket.”²

5 The Revised Term Sheet provided guidance to all the utilities on how to calculate the amount of bad debt they would be allowed to defer for 2020, 2021, and 2022 above their existing bad debt baseline.

6 The Company filed a revised petition on November 5, 2020, consistent with the requirements set out in the Revised Term Sheet.

7 On December 10, 2020, in Order 01, the Commission approved NW Natural’s revised petition, allowing the Company to defer several COVID-19 related expenses, including any amount of bad debt incurred in 2020 to 2022 above its bad debt baseline.

8 On July 2, 2021, the Commission issued Order 04, in Docket U-200281, extending the disconnection moratorium to September 30, 2021, aligning with Governor Inslee’s proclamation 20-23.16, and authorizing companies to begin charging waived fees on April 1, 2022.

9 On October 19, 2021, Staff opened a rulemaking in Docket U-210800 to consider possible changes to customer notice, credit and collection rules, late fees, disconnection fees, reconnection fees, and deposits.

10 On March 29, 2022, the Commission issued Order 06 in Docket U-200281, amending Order 03, exempting gas and electric companies from WAC 480-90-113 and WAC 480-100-113, respectively. The Commission’s order extended the suspension of fees and deposits until 30 days after the Commission issues its final order in U-210800.

11 On December 14, 2022, NW Natural filed an amended COVID-19 deferral petition (Amended Petition) in response to the Commission’s decision in Docket U-200281. The Amended Petition requests approval to modify the previously approved timeframe for its bad debt deferral (2020 to 2022) to now extend to December 31, 2023.

DISCUSSION

12 In light of the Commission’s order extending the suspension of fees and deposits and the ongoing rulemaking in Docket U-210800, NW Natural’s approved bad debt deferral

² *Id.* at ¶26.

should be extended to account for the anticipated duration of the extended suspension. Accordingly, we grant the Company's Amended Petition.

FINDINGS AND CONCLUSIONS

- 13 (1) The Commission is an agency of the State of Washington, vested by statute with authority to regulate rates, rules, regulations, practices, and accounts of public service companies, including investor-owned electric and natural gas companies.
- 14 (2) NW Natural is a public service company regulated by the Commission, providing service as an electric and natural gas company.
- 15 (3) The Commission has jurisdiction over the subject matter of this proceeding and over NW Natural.
- 16 (4) WAC 480-07-370(3) allows regulated companies to file petitions, including the Amended Petition NW Natural filed in this Docket.
- 17 (5) Staff has reviewed the Amended Petition in Docket UG-200264.
- 18 (6) Staff recommends the Commission grant the Amended Petition.
- 19 (7) This matter came before the Commission at its regularly scheduled meeting on December 22, 2022.
- 20 (8) After reviewing NW Natural's Amended Petition filed in Docket UG-200264 and giving due consideration to all relevant matters and for good cause shown, the Commission finds that the Amended Petition should be granted.

ORDER

THE COMMISSION ORDERS:

- 21 (1) Northwest Natural Gas Company d/b/a NW Natural's Amended Petition is granted.
- 22 (2) This Order shall not affect the Commission's authority over rates, services, accounts, valuations, estimates, or determination of costs on any matters that may come before it. Nor shall this Order granting Petition be construed as an agreement to any estimate, determination of costs, valuation of property claimed or asserted or to the possible recovery of, or return on, the amounts deferred to the regulatory asset.

- 23 (3) The Commission retains jurisdiction to effectuate the provisions of this Order.

The Commissioners, having determined this Order to be consistent with the public interest, directed the Executive Director and Secretary to enter this Order.

DATED at Lacey, Washington, and effective December 22, 2022.

WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

AMANDA MAXWELL
Executive Director and Secretary