

**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 UG-200264

ORDER 03

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.
- 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access to essential services after Proclamation 20-23 expires and the moratorium on disconnections and late fees is no longer in effect.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,<sup>1</sup> in which the Commission expressly adopted four guiding principles identified in Commission staff’s (Staff) Revised Term Sheet. The Commission also determined that it would consider each utility’s deferred accounting petition in the docket it which it was filed, and

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

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

- 5 The Revised Term Sheet provided guidance to all the utilities on how to calculate the amount of late payment fees and disconnection and reconnection charges they would be allowed to defer for 2021, as well as 2022, should the resumption date plus 180 days extend into 2022.
- 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 late payment fees and disconnection and reconnection charges.
- 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 Docket U-210800.
- 11 On December 14, 2022, NW Natural filed an amended COVID-19 deferral petition (First Amended Petition) in response to the Commission’s decision in Docket U-200281. First Amended Petition only requested approval to modify the previously approved timeframe for its bad debt deferral (2020 to 2022) to extend to December 31, 2023. On December 22, 2022, the Commission entered Order 02, Granting Amended Accounting Petition (Order 02) in this Docket, which approved the First Amended Petition.
- 12 On December 15, 2022, NW Natural filed another amended COVID-19 deferral petition (Amended Petition) also in response to the Commission’s decision in Docket U-200281.

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<sup>2</sup> *Id.* at ¶26.

The Amended Petition requests approval to modify both the approved timeframe for its bad debt deferral and its late payment fees and disconnection and reconnection charges until 30 days after the Commission issues its order adopting rules or otherwise determines the propriety of the fee and deposit rules in Docket U-210800.

13 Because the Commission already acted on the Company's request to extend its bad debt deferral to December 31, 2023, per Order 02, the Commission is only addressing NW Natural's additional request to modify the timeframe for the Company's late payment fees and disconnection and reconnection charges.

### **DISCUSSION**

14 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 deferral of its late payment fees and disconnection and reconnection charges should be extended until 30 days after the Commission issues its order adopting rules or otherwise determines the propriety of the fee and deposit rules. Accordingly, we grant the Company's Amended Petition.

### **FINDINGS AND CONCLUSIONS**

- 15 (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.
- 16 (2) NW Natural is a public service company regulated by the Commission, providing service as a natural gas company.
- 17 (3) The Commission has jurisdiction over the subject matter of this proceeding and over NW Natural.
- 18 (4) WAC 480-07-370(3) allows regulated companies to file petitions, including the Amended Petition NW Natural filed in this Docket.
- 19 (5) Staff has reviewed the Amended Petition in Docket UG-200264.
- 20 (6) Staff recommends the Commission grant the Amended Petition.
- 21 (7) This matter came before the Commission at its regularly scheduled meeting on January 12, 2023.

- 22 (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:**

- 23 (1) Northwest Natural Gas Company d/b/a NW Natural's Amended Petition is granted.
- 24 (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 Amended 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.
- 25 (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 January 12, 2023.

WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

AMANDA MAXWELL  
Executive Director and Secretary