

April 8, 2021

VIA ELECTRONIC FILING

Mark L. Johnson, Executive Director and Secretary
Washington Utilities and Transportation Commission
621 Woodland Square Loop S.E.
Lacey, Washington 98503

RE: UG-210194—NW Natural Comments

In compliance with paragraph 46 of the Washington Utilities and Transportation Commission's (Commission) Policy Statement issued in docket UG-190818, Northwest Natural Gas Company, dba NW Natural (NW Natural), provides the following comments in response to Puget Sound Energy's (PSE) proposal in Advice No. 2021-07 in docket UG-210194.

Use of Electronic Tracking and Verification System

In its filing, PSE has identified the use of the Midwest Renewable Energy Tracking System (M-RETS) as the tracking and verification system it will use for renewable thermal certificates (RTCs). NW Natural agrees that use of an electronic tracking system for RTCs has several benefits, including preventing double-counting of environmental attributes and facilitating compliance reporting and tracking. We support the use of M-RETS for tracking RTCs and verifying environmental attributes for renewable natural gas programs in Washington.

Cost Allocation

PSE has indicated their intention to recover start-up costs associated with the implementation of its voluntary RNG program from all natural gas customers. NW Natural supports this proposal as being consistent with cost causation principles.

We agree that costs incurred (most notably information technology costs) to stand up a voluntary RNG program that gas utilities are statutorily mandated to offer should be borne by all customers that have the option to participate in the program. In addition, these costs may be considerable and recovering them from only program participants would likely result in unsustainable price points for a new program offering. In order to meet the statutory mandate, gas utilities must offer the voluntary program to all gas customers; it follows that the cost associated with enabling the initial option to participate should be recovered from all gas customers. NW Natural recognizes that our position and PSE's proposal differs from the Commission's UG-190818 Policy Statement and encourages the Commission to revisit this issue in the context of PSE's filing.

NW Natural appreciates the opportunity to provide these comments. Please contact me at (503) 610-7074 if you have questions.

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Sincerely,

/s/ Natasha Siores

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