

**BEFORE THE WASHINGTON
UTILITIES AND TRANSPORTATION COMMISSION**

In the Matter of the Petition of

NORTHWEST NATURAL GAS
COMPANY d/b/a NW
NATURAL,

Petitioner,

For an Accounting Order Authorizing
Deferred Accounting Treatment for Costs
and Revenues Associated with the Bill
Discount Program as filed in Docket
UG-230739

DOCKET UG-230740

ORDER 01

GRANTING ACCOUNTING
PETITION

BACKGROUND

- 1 On September 12, 2023, Northwest Natural Gas Company (NW Natural or Company) filed with the Washington Utilities and Transportation Commission (Commission) a petition seeking an Accounting Order (Petition) under WAC 480-07-370(3) authorizing deferred accounting treatment detailed in the Petition for the costs and revenues associated with its Residential Bill Discount Program.
- 2 In 2021, the Legislature enacted Engrossed Substitute Senate Bill 5295 (SB5295), codified as RCW 80.28.068, to update the Commission’s regulation of electric and natural gas utilities’ rates.¹ Among other things, the bill includes requirements that “Each gas or electrical company must propose a low-income assistance program comprised of a discount rate for low-income senior customers and low-income customers as well as grants and other low-income assistance programs.” The Commission is directed to review and approve, approve with modifications, or reject these low-income rates and programs.²
- 3 NW Natural proposes to account for costs and revenues associated with the Residential Bill Discount program by recording the deferral of costs and revenues in a balancing account in FERC Account 186. NW Natural requests to accrue interest at the

¹ See generally LAWS OF 2021, chg. 188.

² *Id.* at ¶3, codified at RCW 80.28.068(1).

Company's actual cost of debt, updated semi-annually.

4 Commission Staff (Staff) has reviewed the Company's Petition and finds that deferral of the costs and revenues associated with the Residential Bill Discount Program is in the public interest.

DISCUSSION

5 We agree with Staff and grant the Company's Petition. We agree that this bill assistance program is an extraordinary circumstance because this is a cost beyond the Company's control. We find that tracking this cost in FERC Account 186 is appropriate, and that incurring interest on the Company's cost of debt, updated semi-annually, is fair.

FINDINGS AND CONCLUSIONS

- 6 (1) The Commission is an agency of the State of Washington vested by statute with the authority to regulate the rates, rules, regulations, practices, accounts, securities, transfers of property, and affiliated interests of public service companies, including natural gas companies.
- 7 (2) Northwest Natural is a natural gas company providing service within the state of Washington. As a public service company, it is subject to Commission jurisdiction.
- 8 (3) WAC 480-07-370(3) allows companies to file petitions, including that for which NW Natural seeks approval.
- 9 (4) Staff has reviewed the Petition filed in Docket UG-230740, including related work papers.
- 10 (5) Staff believes the proposed accounting order NW Natural requests is reasonable and should be granted, and that the Petition is consistent with the public interest.
- 11 (6) This matter came before the Commission at its regularly scheduled meeting on December 21, 2023.
- 12 (7) After reviewing NW Natural's Petition filed in Docket UG-230740 on December 21, 2023, and giving due consideration to all relevant matters and for good cause shown, the Commission finds that the Petition should be granted. The Petition

provides a way for the Company to recover costs incurred to fund the Bill Discount Program and is thus in the public interest.

ORDER

THE COMMISSION ORDERS:

- 13 (1) Northwest Natural Gas Company d/b/a NW Natural's request to use deferred accounting for financial assistance distributed through the Low-Income Bill Discount Program and accrue interest as detailed in the Petition is granted.
- 14 (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 or determination of costs, or any valuation of property claimed or asserted.
- 15 (3) The Commission retains jurisdiction over the subject matter and Northwest Natural Gas Company to effectuate the provisions of this Order.
- 16 The Commissioners, having determined this Order to be consistent with the public interest, directed the Secretary to enter this Order.

DATED at Lacey, Washington, and effective December 21, 2023.

WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

KATHY HUNTER
Acting Executive Director and Secretary