

November 29, 2021

VIA ELECTRONIC FILING

Amanda Maxwell, Executive Director and Secretary
Washington Utilities and Transportation Commission
621 Woodland Square Loop S.E.
Lacey, Washington 98503

Re: U-210590—NW Natural Response to Notice of Opportunity to File Written Comments

Dear Ms. Maxwell:

Northwest Natural Gas Company, dba NW Natural (“NW Natural” or the “Company”), submits the following in response to the Washington Utilities and Transportation Commission’s (“Commission”) Second Notice of Opportunity to File Written Comments issued on October 20, 2021 (“Notice”).

NW Natural believes the scope and timing of the Draft Work Plan in Appendix A to the Notice establishes a workable timeline to meet the goals of the recently passed legislation, codified as RCW 80.25.425. With respect to the process outlined for the proceeding, NW Natural notes that there is only one stakeholder workshop scheduled in March 2022 that will address proceeding scope, goals, and expectations. NW Natural suggests that as we begin to have more specific discussions around “Regulatory Objectives, Principles for Metric Design” and “Identifying Performance Metrics,” the Commission and stakeholders may benefit from additional workshops that: i) analyze and test the impact and value of the performance metrics; and ii) further refine and set expectations for each set of written comments that will be filed.

NW Natural is also uncertain how the second set of written comments filed in June 2022 will inform the third set of written comments in October 2022. NW Natural’s assumption would be that a resolution or shared understanding of the “Regulatory Objectives, Principles for Metric Design” will be needed before undertaking the October 2022 comments that have a more specific objective of “Identifying Performance Metrics.” As such, it may be beneficial for the Commission to provide guidance to stakeholders prior to the final Policy Statement, and potentially after the June 2022 comments are filed.

Finally, it is important to acknowledge at the outset of the scoping phase, that each utility is different in many ways, including size, geography, current operations, and the need for and timing of filing multiyear rate plans. Specific performance mechanisms may be appropriate for one utility but the application of the same performance mechanism on another utility may not drive to the same goals or outcome. While a policy statement will be important for guidance and providing underlying principles for performance-based regulation, the use and application of performance metrics should be flexible based on the specific goals for each utility. Additionally, any established goals should have clear, attainable metrics to evaluate performance in achieving those goals. Finally, natural gas utilities and electric utilities are subject to different laws and regulations as they relate to reducing emissions, and any performance mechanism should be tailored to the applicable emissions reduction framework.

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NW Natural appreciates the opportunity to comment in this proceeding. If you have any questions about these comments, please contact me at zachary.kravitz@nwnatural.com or (503) 610-7617 with copies to the following:

eFiling
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Sincerely,

/s/ Zachary Kravitz
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