

**BEFORE THE WASHINGTON  
UTILITIES AND TRANSPORTATION COMMISSION**

In the Matter of	DOCKET UG-
NORTHWEST NATURAL GAS COMPANY, d/b/a NW NATURAL,	NW NATURAL GAS COMPANY
Limited Exemption from WAC 480-85-050.	NW NATURAL'S PETITION FOR LIMITED EXEMPTION FROM WAC 480-85-050

**I. INTRODUCTION**

1 Pursuant to WAC 480-85-070, Northwest Natural Gas Company, dba NW Natural (NW Natural or Company), respectfully petitions the Washington Utilities and Transportation Commission (Commission) for a limited exemption from the requirements of WAC 480-85-050(1), which requires that rate schedule usage data for any cost of service study must come from “the best available source” – i.e., either from advanced metering technology or a load study.

**II. BACKGROUND**

2 NW Natural is a natural gas utility and public service company doing business in the State of Washington and is subject to the jurisdiction of the Commission regarding rates and terms of natural gas service in Washington. The Company’s principal place of business is 250 SW Taylor Street, Portland, Oregon 97204. Communications regarding this petition should be addressed to:

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### III. DISCUSSION

3 Under WAC 480-85-070, the Commission may grant an exemption from the rules of Chapter 480-85 under the standards and procedures set forth in WAC 480-07-110, if consistent with the public interest, the purposes underlying regulation, and applicable statutes. The standard for determination is the “public interest standard” – i.e., whether it would cause an “undue hardship” and would be “contrary to the underlying purposes of the rule and public interest.”<sup>1</sup>

4 In the near future, the Company plans to file a general rate case and provide a cost of service study to support its rate spread proposal among customer service schedules. Out of an abundance of caution, the Company is filing this Petition prior to such general rate filing, so that it is not deemed deficient. NW Natural, as is true with most other jurisdictional natural gas utilities, has never prepared a load study comprised of daily usage data for natural gas as contemplated in WAC 480-85-050. The Company also does not advanced metering infrastructure (AMI) described in WAC 480-85-050(1)(a) or other advanced metering technology in WAC 480-85-050(1)(c). While the Company is in the process of installing new meter sets that have daily advanced meter reading (AMR)

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<sup>1</sup> WAC 480-07-110(2)(c).

capabilities described in WAC 480-85-050(1)(b), it does not currently have consistent daily data representative of all its customer classes for a minimum of twelve months.<sup>2</sup> The Company will continue these installations through 2021 and expects to have daily read capabilities for a representative sample of its customers by the end of that year. Until the Company completes these installations and collects a minimum twelve months of daily read data, it cannot currently complete a load study as defined in WAC 480-85-030(5) and required by WAC 480-85-050(1)(d). With the exception of WAC 480-85-050(1), the Company believes that the studies it plans to present in an upcoming rate filing will meet all of the requirements set forth in WAC Chapter 480-85.

5 Absent advanced metering technology or a load study, the Company has utilized the best available source for usage data, namely billing data no older than five years. Until such time as NW Natural has the data to comply with WAC 480-85-050(1), and for purposes of an upcoming rate proceeding, the Company believes the public interest standard is satisfied with existing information. Cost-of-service studies are a guide to rate spread among many other factors.<sup>3</sup> It would not be in the public interest and it would be an undue hardship to deprive NW Natural of the opportunity to seek rate relief through strict application of all provisions of WAC Chapter 480-85 without providing a transition period by granting the limited exemption requested.

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<sup>2</sup> See WAC 480-85-030(5) (defining “load study” as “a statistical analysis of load data collected from sampled customers to estimate the load profiles of customer classes over a minimum twelve-month period.”).

<sup>3</sup> See WAC 480-85-010 (“The cost of service study is one factor among many the commission considers when determining rate spread and rate design. The commission may also consider, as appropriate, such factors as fairness, perceptions of equity, economic conditions in the service territory, gradualism, and rate stability.”).

6 For the foregoing reasons, NW Natural respectfully requests a limited, one-time exemption, from the requirements of WAC 480-85-050(1) until December 31, 2022 when, as described above, it expects to have capability to satisfy this requirement.

Respectfully submitted this 25<sup>th</sup> day of November, 2020.

**NW NATURAL**

*/s/ Ryan Sigurdson*

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