

BEFORE THE
WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

In the Matter of

NORTHWEST NATURAL GAS
COMPANY dba NW NATURAL

For an Accounting Order Authorizing
Deferred Accounting Treatment of Damage
and Restoration Costs Associated with an
Outage in White Salmon.

DOCKET NO. UG- _____

PETITION

1 Pursuant to WAC 480-07-370(3)(b), Northwest Natural Gas Company (“NW Natural” or “the
Company”) petitions the Washington Utilities and Transportation Commission (the
“Commission”) for an order authorizing the deferred accounting treatment, beginning on the
date of this Petition, for costs associated with addressing damage, keeping customers safe,
restoring service and relighting customers’ homes due to a motor vehicle accident that
damaged a Williams NW Pipeline (“Williams”) district regulator, causing the regulator to be
shut down and approximately 5,500 customers in White Salmon, Washington and Hood River,
Oregon to lose natural gas service.

2 In support of this Petition, NW Natural states as follows:

I. NAME OF PETITIONER

3 NW Natural is in the business of furnishing natural gas service within the State of Washington
as a public service company and is subject to the regulatory authority of the Commission as to
its rates, service, facilities, and practices. Its full name and mailing address for the purposes
of this proceeding are:

Northwest Natural Gas Company
c/o Zachary Kravitz
Director of Rates and Regulatory Affairs
250 SW Taylor Street
Portland, OR 97204-3038

4 The name and address of the Company's attorney for purposes of this proceeding are:

Ryan Sigurdson
Regulatory Attorney (WSBA #39733)
250 SW Taylor Street
Portland, OR 97204-3038

II. SUPPORT FOR PETITION

A. Legal Authority

5 The Commission is vested by statute with the authority to regulate, among other things, the rates and accounts of public service companies, including gas companies.¹ WAC 480-07-370(3)(b) allows public service companies to file petitions, including petitions for deferred accounting.² The Commission grants petitions for deferred accounting where “good cause” is shown.³

B. Background

6 On Sunday, December 20, 2020, at approximately 11:50 PM, a vehicle accident damaged Williams’ regulator station, causing it to be shut down. This resulted in approximately 1,400 NW Natural customers in the White Salmon area losing natural gas service. NW Natural is working with emergency officials to restore gas service in the area as soon as possible. The Company has also filed a similar deferral application with the Public Utility Commission of

¹ RCW 80.01.040, RCW 80.04.160, RCW 80.28.020; *see also In the Matter of the Petition of Nw. Nat. Gas Co. for an Accounting Order Authorizing Deferred Accounting Treatment of Certain Costs Associated with Environmental Remediation*, Docket UG-110199, Order 01 (June 30, 2011).

² *See* UG-110199, Order 01 ¶ 6.

³ UG-110199, Order 01 ¶ 10; *see also In the Matter of the Petition of Avista Corp. d/b/a Avista Utils. for an Accounting Order Authorizing Deferred Accounting Treatment for Residential and Farm Energy Exchange Benefit Amounts*, Docket UE-071091, Order 01 ¶ 11 (Aug. 29, 2007).

Oregon for costs it incurs in restoring service to approximately 4,100 customers in the Hood River, Oregon area. If this Application is approved, NW Natural will seek amortization of deferred amounts in a future Commission proceeding.

C. Reasons for Deferral

7 NW Natural's rates do not currently capture the costs of restoring service to its White Salmon customers. To restore service, NW Natural technicians must, among other things, go door-to-door to each of its approximately 5,500 customers in the White Salmon and Hood River areas to restore service and relight their equipment. With impending cold weather, it is vital that NW Natural employees work extended hours and potentially utilize mutual assistance agreements to restore service. To ensure customer safety, the Company has informed its customers to not attempt to relight their equipment, but instead wait to be contacted by NW Natural. In the absence of a deferral, NW Natural would be required to bear the costs of manually restoring service as soon as possible that are not otherwise captured in rates.

D. Estimate of Amounts

8 At the time of filing this Petition, damage to the Williams Pipeline had occurred less than 24 hours ago and NW Natural is still in the process of developing estimated costs. Estimated costs may include the direct costs of NW Natural employees and contract personnel responding to the restoration and relight efforts (including incremental labor, overtime, travel, meals and lodging and personal protective equipment), mobilization of CNG and LNG trailers, materials and supplies needed for restoration and relight, interim measures to assist customers during expected cold weather during the outage (including provisions to keep customers safe), and other costs related to this event that the Company is not able to predict at this time. This situation is evolving and the Company will provide more detail when estimates become

available. NW Natural will document and track all costs known to be incurred by the event described in this Petition.

E. Proposed Accounting

9 NW Natural proposes to accrue costs, plus interest at the published FERC rate, for later inclusion in customer rates. In the absence of approval of deferred accounting, NW Natural would record costs associated with the repair and restoration of service in the impacted area in several accounts affecting the Company's income statement and balance sheet.

III. RELIEF REQUESTED

10 NW Natural requests authorization to defer the costs associated with repairing damage and restoring service, as described above, with interest at the published FERC rate, for later cost recovery.

11 WHEREFORE, good cause exists for the authorization requested in this Petition and the Company respectfully requests that the Commission enter an order approving deferred accounting treatment for the costs associated with damage and restoration costs as described in this Petition.

Dated this 21st day of December, 2020.

Respectfully Submitted,

/s/ Ryan Sigurdson

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