

**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 the
Increase in Regulatory Fee Costs

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 for the increase in the Regulatory fee costs that are not currently in rates. NW Natural seeks to defer these costs from June 9, 2022 going forward, to track and preserve them for separate ratemaking treatment. The Company will file a proposal to amortize the deferred costs where the prudence of these costs will be reviewed.

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
Senior 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(1)(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. Factual Background

6 On March 24, 2022, SB 5634 was enacted. SB 5634 increases the regulatory annual fee rate from 0.02 percent to 0.04 percent. As a result of the increase, NW Natural requests in this petition to defer the incremental amount for regulatory annual fees not captured in its last general rate case.

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).

C. Reasons for Deferral

7 NW Natural supports the increased regulatory annual fee and believes the additional funding to the Commission will benefit its customers. However, the increase in the 2022 regulatory annual fee will not be captured by the Company's rates and would require the Company to bear this increase, but for a deferral application or filing a new rate case. While the amounts deferred may not be significant, NW Natural seeks authorization to defer these costs because the increase in annual fees is not a regularly scheduled event, which makes planning for the fee increase difficult to align with ordinary rate case planning, and because it is appropriate policy to provide for a pass through of the WUTC regulatory annual fee. For this reason, NW Natural respectfully requests to recover the incremental costs through deferred accounting.

8 As a result of the increase, NW Natural requests in this reauthorization to defer the incremental amount for annual fees not captured in its last general rate case, representing the increase in SB 5634.

D. Estimated Amounts Subject to Deferral

9 NW Natural estimates that around \$175 thousand will be recorded in the deferred account for the 12-month period subsequent to this Application.

E. Proposed Accounting

10 Beginning on June 9, 2022, and until NW Natural's next general rate case effective date, the Company proposes to account for the costs associated with the incremental increase in the annual WUTC regulatory fee by recording the deferral in Account 186. In the absence of approval of deferral accounting, NW Natural would record the amounts in account 408, an "other tax" account affecting the Company's income statement.

III. RELIEF REQUESTED

11 NW Natural requests authorization to defer the regulatory annual fee, as described above,
plus interest at the published FERC rate.

12 WHEREFORE, the Company respectfully requests that the Commission enter an order
approving deferred accounting treatment for the regulatory annual fee, as described in this
Petition.

Dated this 9th day of June 2022.

Respectfully Submitted,

/s/ Kyle Walker

NORTHWEST NATURAL GAS COMPANY

Kyle Walker, CPA
Rates/Regulatory Manager
250 SW Taylor Street
Portland, OR 97204-3038
Phone: (503) 610-7051
Email: kyle.walker@nwnatural.com

Ryan Sigurdson
Regulatory Attorney (WSBA #39733)
250 SW Taylor Street
Portland, OR 97204-3038
Phone: (503) 610-7570
Email: ryan.sigurdson@nwnatural.com