

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
Residential Bill Discount Program Costs and
Revenues

DOCKET NO. UG-_____

PETITION

1 Pursuant to WAC 480-07-370(3)(b), Northwest Natural Gas Company dba NW Natural (“NW
Natural” or the “Company”) petitions the Washington Utilities and Transportation
Commission (the “Commission”) for an order authorizing the deferred accounting treatment
for the Residential Bill Discount Program costs and revenues that are not currently in rates.
NW Natural seeks to defer these amounts in a balancing account from the date of this filing
going forward, in support of NW Natural’s Residential Bill Discount program. The Company
is separately filing a tariff advice proposing the Residential Bill Discount program in
compliance with RCW 80.28.068. The balancing account will be used to track and ensure
costs and revenues of the bill discount program match without under- or over-recovery over
time.

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	eFiling
c/o Kyle Walker, CPA	Rates & Regulatory Affairs
Rates/Regulatory Senior Manager	250 SW Taylor Street
250 SW Taylor Street	Portland, OR 97204-3038
Portland, OR 97204-3038	Phone: (503) 610-7330
Phone: (503) 610-7051	Fax: (503) 220-2579
Email: kyle.walker@nwnatural.com	Email: eFiling@nwnatural.com

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
Phone: (503) 610-7570
Email: ryan.sigurdson@nwnatural.com

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

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).

B. Factual Background

6 On July 25, 2021, the provisions in Washington SB 5295 were codified in RCW 80.28.068, which in part requires each gas utility to propose a low-income assistance program that includes a rate discount for qualifying customers. NW Natural has worked with its Gas Residential Energy Assistance Tariff (GREAT) Advisory Group to develop a Residential Bill Discount program. NW Natural is filing separately a tariff advice for this Residential Bill Discount program. This proposed program is in alignment with RCW.80.28.068 and is a new incremental program that complements NW Natural's existing residential assistance programs, which include the GREAT program, the Gas Assistance Program (GAP), and the Washington Low-Income Energy Efficiency (WALIEE) program, as well as Federally-sponsored and State-administered Low-Income Home Energy Assistance Program (LIHEAP) funding.

C. Reasons for Deferral

7 NW Natural's tariff filing for the Residential Bill Discount program includes a new Schedule 231 intended to facilitate the concurrent recovery of the costs associated with the program. These expected costs include, but are not limited to, the cost of the bill discounts applied and incremental costs for program administration, implementation, and marketing. NW Natural requests in this petition to defer the program costs and collection of revenues, which are not currently reflected in customer rates, in a balancing account. NW Natural seeks authorization to defer these amounts because they are not associated with a regularly scheduled event and because it is appropriate policy to provide for a pass through for the associated costs and revenues. For these reasons, NW Natural respectfully requests to recover the costs and revenues of the program through deferred accounting.

8 NW Natural requests in this authorization to defer the costs and revenues of the Residential Bill Discount Program not captured in its last general rate case.

D. Estimated Amounts Subject to Deferral

9 NW Natural estimates that around \$1,188,000 of costs will be recorded in the deferred account for the 12-month period subsequent to this Application. The Company's proposal to collect the estimated costs of \$1,188,000 concurrently and record the collections in the deferral account will net to a difference between the amount collected and expected cost of the program. If we have perfect foresight, the net balance would be zero.

E. Proposed Accounting

10 Beginning from the date of this filing, the Company proposes to account for the costs and revenues associated with the Residential Bill Discount program by recording the deferral of both costs and revenues in a balancing account in Account 186. In the absence of approval of deferral accounting, NW Natural would record the amounts in accounts 400 and 401, which are Operating Revenues and Operation Expenses, accounts, respectively, affecting the Company's income statement.

III. RELIEF REQUESTED

11 NW Natural requests authorization to defer the costs and revenues associated with the Residential Bill Discount program as described above, plus interest at the Company's actual cost of debt, updated semi-annually.

12 WHEREFORE, the Company respectfully requests that the Commission enter an order approving deferred accounting treatment for the Residential Bill Discount Program, as described in this Petition.

Dated this 12th day of September 2023.

Respectfully Submitted,

/s/ Kyle Walker

NORTHWEST NATURAL GAS COMPANY

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