

Service Date: September 21, 2021



STATE OF WASHINGTON  
UTILITIES AND TRANSPORTATION COMMISSION

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September 21, 2021

**NOTICE OF ITEM TO BE CONSIDERED AT THE COMMISSION'S REGULARLY  
SCHEDULED OPEN MEETING  
(Set for Thursday, October 28, 2021, at 9:30 a.m.)**

and

**NOTICE OF OPPORTUNITY TO FILE WRITTEN COMMENTS  
(By 5 p.m. on Monday, October 25, 2021)**

RE: Consideration of whether to continue to use the Perpetual Net Present Value Methodology to calculate natural gas line extension allowances, Docket UG-210729

TO ALL INTERESTED PERSONS:

On November 3, 2014, the Washington Utilities and Transportation Commission (Commission) convened a recessed open meeting and workshop to discuss the need for natural gas distribution infrastructure expansion and investigate the options available to implement such an expansion.<sup>1</sup> The Commission heard presentations from Puget Sound Energy (PSE), Avista Corporation d/b/a Avista Utilities (Avista), Cascade Natural Gas Corporation (Cascade) and Northwest Natural Gas Company d/b/a NW Natural (NW Natural) and received comments from interested stakeholders. Participants proposed several modifications to existing line extension policies.

Based on the proposals discussed at the workshop and in comments, Avista filed revisions to its Natural Gas Line Extension Tariff in Docket UG-152394 that included a new methodology for calculating line extension allowances, known as the Perpetual Net Present Value (PNPV) method.<sup>2</sup> Following a presentation at its recessed open meeting, the Commission entered Order

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<sup>1</sup> See Docket UG-143616.

<sup>2</sup> The PNPV method calculates the line extension allowance using the stream of all future incremental

01 on February 26, 2019, authorizing the tariff revisions to become effective for a three-year period. The PNPV method for calculating Avista's natural gas line extensions was made permanent on February 19, 2019.<sup>3</sup>

On July 29, 2016, Cascade filed proposed revisions to its Tariff WN U-3 that adopted the PNPV method to calculate line extension allowances. Following a presentation at the Commission's August 30, 2016, recessed open meeting, the tariff revisions became effective by operation of law on September 1, 2016.

On December 6, 2016, PSE filed a tariff revision proposing to implement Rule No. 6 – Extension of Distribution Facilities, which adopted the PNPV methodology consistent with Avista's and Cascade's line extension tariffs. The Commission authorized the tariff change at its January 12, 2017, open meeting.

On his own motion, Chair Danner seeks input from regulated companies and stakeholders addressing whether natural gas utilities should continue to use the PNPV methodology for calculating natural gas line extension allowances.

## OPEN MEETING

The Commission will hear this matter and allow time for interested persons and stakeholders to provide feedback at its regularly scheduled open meeting on **Thursday, October 28, 2021, beginning at 9:30 a.m.** The Commission's open meetings are conducted virtually via Microsoft Teams. To attend the open meeting by telephone, please call (253) 372-2181 and enter the conference ID: 581 008 258#. To attend via Microsoft Teams, please use the following link: [Click here to join the meeting.](#)

## WRITTEN COMMENTS

The Commission gives notice of the opportunity to submit comments by **5 p.m. on Monday, October 25, 2021.**

Pursuant to WAC 480-07-250(3), written comments must be submitted in electronic form, specifically in searchable .pdf format (Adobe Acrobat or comparable software). As provided in WAC 480-07-140(5), those comments must be submitted via the Commission's web portal at [www.utc.wa.gov/e-filing](http://www.utc.wa.gov/e-filing). If you are unable to submit documents via the portal, you may submit your comments by email to the Commission's Records Center at [records@utc.wa.gov](mailto:records@utc.wa.gov) or by mailing an electronic copy to the Commission's Records Center on a flash drive, DVD, or

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revenues associated with the addition of a new customer, discounted to present.

<sup>3</sup> See Docket UG-180920, Order 01.

compact disc that includes the filed document(s). Comment submissions should include:

- The docket number of this proceeding (Docket UG-210729).
- The commenting party's name.
- The title and date of the comment or comments.

The Commission will post on its website all comments that are provided in electronic format.

The website is located at <https://www.utc.wa.gov/casedocket/2021/210729>.

If you are unable to file your comments electronically the Commission will accept a paper document by mail.

AMANDA MAXWELL

Executive Director and Secretary