

TAMY S LINVER
Strategic Planning
Tel: 503.220.2430
email: tsl@nwnatural.com



Via Electronic Filing

September 21, 2018

Mr. Mark L. Johnson
Executive Director and Secretary
Washington Utilities and Transportation Commission
1300 South Evergreen Park Drive S.W.
P.O. Box 47250
Olympia, Washington 98504-7250

State Of WASH.
UTIL. AND TRANSP.
COMMISSION
09/21/18 16:16
Received
Records Management

Re: Docket U-161024 – Competitive Resource Acquisition by Request for Proposals (RFP),
WAC 480-107.

Northwest Natural Gas Company, dba NW Natural (“NW Natural” or the “Company”) appreciates the opportunity to offer comments to the Washington Utilities and Transportation Commission (“WUTC” or “Commission”) in the above-captioned rulemaking proceeding. NW Natural’s comments will focus on the initial questions in Question 1 directed to natural gas utilities.

Issue 1, Question 1. Natural Gas. The proposed draft rules apply to electric utilities only. Should the Commission propose similar competitive procurement rule language for natural gas utilities?

The Commission should not propose similar competitive procurement language for natural gas utilities, because for conventional resources, almost all natural gas commodity is procured in a robust open market. Because the Company receives numerous and diverse bids on the open market, NW Natural does not believe that an additional request for proposals (RFP) process would provide additional value sufficient to justify the increased administrative burden. Accordingly, NW Natural does not see any need to use an RFP process to procure conventionally sourced natural gas. If, at some point in the future, natural gas utilities begin to acquire significant amounts of unconventional resources and the Commission determines that it would be appropriate to develop competitive procurement rules for natural gas utilities, NW Natural would be open to discussing this topic further in separate rulemaking proceeding.

Issue 1, Question 2. Natural Gas. How would the competitive procurement rules for natural gas utilities need to be different than those for electric utilities?

Any competitive procurement rule language must recognize the inherent differences of the natural gas industry. In particular, natural gas utilities do not typically own production or transmission (interstate pipeline) assets. Because the current rulemaking has focused on procurement by electric utilities, certain provisions in the current proposed rules may be entirely inapplicable to procurement by natural gas utilities. For this reason, to the extent that the Commission determines that it is appropriate in the future to develop competitive procurement rules for natural gas utilities, NW Natural believes that the Commission should open a new natural gas-specific rulemaking proceeding to consider such rules rather than trying to adapt the competitive procurement rules for electric utilities.

Issue 1, Question 3. Natural Gas. Should there be similar language for natural gas conservation and delivery of services procurement?

An RFP process may be appropriate for identifying non-pipeline distribution system alternatives and ensuring that all cost-effective conservation resources are acquired. However, NW Natural believes it would be most appropriate to explore competitive procurement of natural gas conservation and delivery of services in a separate natural gas-specific proceeding.

NW Natural appreciates this opportunity to comment and commends the WUTC for its consideration for the similarities and distinctions of natural gas and electric systems and their respective planning processes. If you have questions regarding these comments, please feel free to call me at 503.220.2430.

Sincerely,

/s/ Tamy S. Linver

Tamy S. Linver
Strategic Planning Senior Director
NW Natural
220 NW Second Avenue
Portland, OR 97209
503-220-2430
tsl@nwnatural.com