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August 8, 2025

VIA ELECTRONIC FILING

Jeff Killip, Executive Director and Secretary
Washington Utilities and Transportation Commission
621 Woodland Square Loop S.E.
Lacey, Washington 98503

RE: U-210590—Response to Notice of Opportunity to File Written Comments

Dear Mr. Killip:

Northwest Natural Gas Company, dba NW Natural (NW Natural or Company), submits the following comments in response to the Washington Utilities and Transportation Commission's (Commission) Notice of Opportunity to File Written Comments (Notice) issued on July 3, 2025, in the above-referenced docket.

NW Natural notes that these comments are in addition to NW Natural's participation in the Joint Utility Comments to the Notice submitted separately but concurrently in this docket.

Comments

NW Natural's comments are provided using the same organization as the categories and questions listed in the Notice.

Established Metric Clarification

1. Please provide detailed information about any established metric, definition, or calculation you believe requires clarification. The established metrics are attached as Appendix A. Additionally, please provide detailed feedback for specific metrics based on the following questions:
 - a. What challenges have you encountered in interpreting or implementing the established metrics? (e.g., clarity of definitions, internal capacity, or technical barriers)
 - b. Which types of data required under the established metrics are most difficult to obtain, process, or report accurately? Please consider factors including, but not limited to, data availability, security, standardization, reliability, and timeliness, and explain your response. Feel free to include other relevant considerations.
 - c. What formats or tools for submitting compliance data have proven effective or challenging in practice?
 - d. While the Commission is not committing to developing standardized templates, would format guidance or templates be helpful for reporting on the established metrics? If so, please specify which metrics would benefit from such resources and explain your response.

Response:

Please note that NW Natural has not yet filed a general rate case under the multi-year rate case statute to establish its performance metrics. As such, the Company has not yet had to compile, report and/or file performance metrics and these comments reflect NW Natural's preliminary review and analysis of how these metrics would be calculated and implemented.

Defining "highly impacted communities" has been challenging for NW Natural. The Commission provided guidance in the U-210590 Policy Statement that "...Named Communities shall include both Highly Impacted Communities and Vulnerable Populations as defined in the Clean Energy Transformation Act (CETA) of 2019." However, NW Natural notes that "Highly Impacted Communities" as identified by the Washington Department of Health through their health disparities map did not include assistance or tools for a natural gas utility to easily identify the Named Communities in its service territory. Additionally, determining how to identify vulnerable populations is also challenging, and requires extensive research and/or the use of third-party consultants to better understand how to identify vulnerable populations in a utility's service territory.

NW Natural's customer information system now incorporates census tracts for the purpose of metric calculation. The Company notes that implementing this enhancement required significant technical effort, resources, and time.

NW Natural does not recommend the use of templates, as they could create unnecessary complexity, delays, and risk of errors. Utilities have different reporting capabilities, corporate structures, and operational complexities that will make it difficult to develop templates that will be suitable for all utilities.

Goal 4 and GETs Meric Proposals

2. Interested parties proposed metrics for Goal 4 – Environmental Improvements during the policy-making process that led to the Interim Policy Statement.² While the Commission did not reject the proposed metrics, it determined that further discussion was needed to evaluate utility performance in a meaningful way. The proposed Goal 4 metrics are attached as Appendix B.
 - a. Do any parties currently propose adopting any of the proposed Goal 4 metrics? Please explain your response.
 - b. Please provide any recommended modifications to the proposed Goal 4 metrics or submit proposals for other metric language, including calculation methodology and any necessary definitions.

Response:

- a. Outcome 1 - NW Natural currently submits comprehensive emissions data for our Washington service territory to the Department of Ecology. In order to facilitate emissions reporting at the census tract level, enhancements to our customer information system would be required for accurate calculation and reporting. As previously indicated in our response above, the distinction between "Named" and "Non-named Communities" requires additional research and analysis to determine and may likely be an iterative exercise. Regarding question 28, the Company maintains that such tracking would present significant administrative challenges while offering minimal practical benefit.

Outcome 2 – Question 29 appears to be written for electric utilities only. Gas utilities could incorporate metrics measuring the impact on demand response and/or energy efficiency. Question 30 appears to be for electric utilities only.

Outcome 3 – Question 31 is important for identifying which programs and/or investments are most effective. This assessment is currently included in utility integrated resource plans from a planning perspective. The metric can be applied to evaluate programs and/or investments and to monitor progress over time, potentially contributing to operating efficiency. Regarding question 32, the Company annually reports total CO₂e to the Department of Ecology. Electric utilities should account for generation emissions both within and outside Washington state.

- b. Another metric that could be used is the average greenhouse gas emission reduction cost per residential customer. This would show the percentage and dollar amount of an average residential bill allocated to greenhouse gas emission reduction programs or investments. The specific programs or investments included should be clearly defined and remain consistent over time to ensure comparability.
3. Interested parties proposed metrics regarding GETs during the policy-making process that led to the Policy Statement Addressing Initial Reported Performance Metrics. The Commission declined to include these metrics in the policy statement, in favor of fully developing GETs metrics through a collaborative process. The proposed GETs metrics are attached as Appendix C.
 - a. Which Goal would be best suited to incorporate GETs metrics? Current Goals are: (1) Resilient, reliable, and customer-focused distribution system, (2) Customer affordability, (3) Advancing equity in utility operations, and (4) Environmental improvements.
 - b. Do any parties currently propose adopting any of the proposed GETs metrics as provided in Appendix C? Please explain your response.

Response:

Grid enhancing technologies are not applicable to NW Natural, so we have no response to these questions.

Conclusion

As mentioned above, NW Natural's comments to the remaining sections of the Notice that are applicable to NW Natural are provided in the Joint Utility Comments submitted concurrently and separately in this docket.

NW Natural appreciates the opportunity to comment in this proceeding. If you have any questions about these comments, please contact me at kyle.walker@nwnatural.com or (503) 610-7051 with copies to the following:

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Sincerely,

/s/ Kyle Walker
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