

**BEFORE THE WASHINGTON
UTILITIES AND TRANSPORTATION COMMISSION**

WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION, Complainant, v. NORTHWEST NATURAL GAS COMPANY, d/b/a NW NATURAL, Respondent.	DOCKET UG-200994 ORDER 01 COMPLAINT AND ORDER SUSPENDING TARIFF REVISIONS
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BACKGROUND

- 1 On December 18, 2020, Northwest Natural Gas Company, d/b/a NW Natural, (NW Natural or Company) filed with the Washington Utilities and Transportation Commission (Commission) revisions to its currently effective Tariff WN U-6, Natural Gas Service, as listed in the appendix attached to this Order. The purpose of the Company’s filing is to increase rates and charges for natural gas service provided to customers in the state of Washington.
- 2 In its filing, NW Natural proposes a multi-year rate plan. For Year One, the Company requests authority to increase revenues from base rates by \$6.3 million, which would result in an approximately 8.0 percent increase to overall base rates. NW Natural also proposes suspending the amortization of a regulatory asset associated with its energy efficiency programs during Year One, and to apply proceeds received from the Company’s sale of a property in Portland, Oregon, known as “Block 24” as a credit to customers in Year One. The net impact of the proposed increase to base rates and proposed offsetting measures is an overall increase to rates of \$3.9 million, or 5.0 percent, in Year One.
- 3 For Year Two, the Company requests authority to increase revenues from base rates by \$3.2 million, which would result in an approximately 3.7 percent increase to overall base rates. The Company proposes to implement the rate change for Year Two of the multi-year rate plan through a separate base rate adjustment tariffed as proposed Schedule 306.

DISCUSSION

4 Because these increases might injuriously affect the rights and interests of the public and
NW Natural has not demonstrated that the increases would result in rates that are fair,
just, reasonable, and sufficient, the Commission suspends the tariff filings and will hold
public hearings, if necessary, to determine whether the proposed increases are fair, just,
reasonable, and sufficient.

FINDINGS AND CONCLUSIONS

- 5 (1) The Commission is an agency of the State of Washington vested by statute with
the authority to regulate rates, regulations, practices, accounts, securities, transfers
of property, and affiliated interests of public service companies, including natural
gas companies.
- 6 (2) NW Natural is a natural gas company and a public service company subject to
Commission jurisdiction.
- 7 (3) The tariff revisions that NW Natural filed on December 18, 2020, would increase
charges and rates for service provided by NW Natural and might injuriously affect
the rights and interest of the public.
- 8 (4) NW Natural has not demonstrated that the tariff revisions would result in rates
that are fair, just, reasonable, and sufficient.
- 9 (5) NW Natural's rates and charges for natural gas services shown on any tariffs that
NW Natural does not propose to revise may also be investigated to determine if
they are fair, just, reasonable, and sufficient.
- 10 (6) In order to carry out the duties imposed upon the Commission by law, and as
authorized in RCW 80.04.130, the Commission finds it is necessary to investigate
NW Natural's books, accounts, practices and activities; to make a valuation or
appraisal of NW Natural's property; and to investigate and appraise various
phases of NW Natural's operations.
- 11 (7) The Commission finds that this docket meets the criteria of WAC 480-07-
400(2)(b)(i).
- 12 (8) To facilitate prompt review of the filings and resolution of disputed issues, the
Commission immediately authorizes discovery pursuant to the Commission's
discovery rules in WAC 480-07-400 – 425.

- 13 (9) As required by RCW 80.04.130(4), NW Natural bears the burden of proof to show that the proposed increases are fair, just, reasonable, and sufficient.
- 14 (10) NW Natural may be required to pay the expenses reasonably attributable and allocable to such an investigation, consistent with RCW 80.20.

ORDER

THE COMMISSION ORDERS:

- 15 (1) The tariff revisions that Northwest Natural Gas Company, d/b/a NW Natural, filed on December 18, 2020, are suspended.
- 16 (2) The Commission will hold hearings at such times and places as may be required. Such hearings may also examine Northwest Natural Gas Company's, d/b/a NW Natural, rates and charges for natural gas service shown on any tariffs that Northwest Natural Gas Company, d/b/a NW Natural, does not propose to revise.
- 17 (3) NW Natural Gas Company, d/b/a NW Natural, must not change or alter the tariffs filed in these dockets during the suspension period, unless authorized by the Commission.
- 18 (4) The Commission will institute an investigation of Northwest Natural Gas Company's, d/b/a NW Natural, books, accounts, practices, activities, property, and operations, as described above.
- 19 (5) Discovery will be conducted pursuant to the Commission's discovery rules in WAC 480-07-400 – 425.
- 20 (6) Northwest Natural Gas Company, d/b/a NW Natural, shall pay the expenses reasonably attributable and allocable to the Commission's investigation, consistent with RCW 80.20.

DATED at Lacey, Washington, and effective January 7, 2021.

WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

DAVID W. DANNER, Chairman

ANN E. RENDAHL, Commissioner

JAY M. BALASBAS, Commissioner

Appendix

Proposed Tariff Revisions to be Effective November 1, 2021

Tariff WN U-6, Natural Gas Service		
12 th Revision Sheet vi	Canceling	11 th Revision Sheet vi
17 th Revision Sheet vii	Canceling	16 th Revision Sheet vii
30 th Revision Sheet 101.1	Canceling	29 th Revision Sheet 101.1
30 th Revision Sheet 102.1	Canceling	29 th Revision Sheet 102.1
18 th Revision Sheet 103.3	Canceling	17 th Revision Sheet 103.3
5 th Revision Sheet 110.1	Canceling	4 th Revision Sheet 110.1
3 rd Revision Sheet 110.2	Canceling	2 nd Revision Sheet 110.2
30 th Revision Sheet 127.1	Canceling	219 th Revision Sheet 127.1
16 th Revision Sheet 141.9	Canceling	15 th Revision Sheet 141.9
11 th Revision Sheet 141.10	Canceling	10 th Revision Sheet 141.10
17 th Revision Sheet 142.10	Canceling	16 th Revision Sheet 142.10
12 th Revision Sheet 142.10.1	Canceling	11 th Revision Sheet 142.10.1
17 th Revision Sheet 142.11	Canceling	16 th Revision Sheet 142.11
2 nd Revision Sheet 142.12	Canceling	1 st Revision Sheet 142.12
9 th Revision Sheet 200.1	Canceling	8 th Revision Sheet 200.1
5 th Revision Sheet 200.2	Canceling	4 th Revision Sheet 200.2
6 th Revision Sheet 207.1	Canceling	5 th Revision Sheet 207.1
6 th Revision Sheet 207.2	Canceling	5 th Revision Sheet 207.2
1 st Revision Sheet 207.3	Canceling	Original Sheet 207.3
5 th Revision Sheet 210.1	Canceling	4 th Revision Sheet 210.1
22 nd Revision Sheet 215.1	Canceling	21 st Revision Sheet 215.1
2 nd Revision Sheet 305.1	Canceling	1 st Revision Sheet 305.1
2 nd Revision Sheet 305.2	Canceling	1 st Revision Sheet 305.2
2 nd Revision Sheet 305.3	Canceling	1 st Revision Sheet 305.3
2 nd Revision Sheet 305.4	Canceling	1 st Revision Sheet 305.4

Proposed Tariff Revisions to be Effective November 1, 2022

Tariff WN U-6, Natural Gas Service		
Original Sheet 306.1		Schedule 306 "Multi-Year Rate Plan Adjustment"