

**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 Arrearage Management Program

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 Arrearage Management Program costs that are not currently in rates. NW Natural seeks to defer these amounts from the date of this filing going forward, in support of NW Natural’s Residential Arrearage Management program. The Company will separately file a tariff advice proposing the Residential Arrearage Management program in compliance with Order 01 in docket UG-230739. The Company anticipates it will seek recovery of the costs deferred for the Residential Arrearage Management program annually, at the time of the annual Purchase Gas Adjustment filings.

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
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4 The name and address of the Company's attorney for purposes of this proceeding are:

Ryan Sigurdson
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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 In 2023, NW Natural requested, and the Commission approved, its Residential Bill Discount program, which became effective January 1, 2024.⁴ As a condition of approval, the Commission required the Company to develop an arrearage management program in collaboration with its Gas Residential Energy Assistance (“GREAT”) Advisory Group, with tariff revisions to implement the program filed by December 31, 2024. Since the beginning of 2024, NW Natural has been working with its GREAT Advisory Group on the design of the Residential Arrearage Management program and will make a tariff filing to implement the program by the end of 2024, in compliance with Order 01.

C. Reasons for Deferral

7 NW Natural’s anticipated tariff filing for the Residential Arrearage Management program will include a new adjustment Schedule intended to facilitate the recovery of the costs associated with the program. These expected costs include, but are not limited to: 1) the cost of the arrearage grants applied and incremental costs for program administration, 2) implementation, and 3) administration and outreach. NW Natural requests in this petition to defer the program costs, which are not currently reflected in customer rates. 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 of this program. In addition, Cascade Natural Gas has recently been granted a deferral for its Residential Arrearage Management program. In that case, the Commission found that Cascade’s program was “an extraordinary circumstance because this is a cost beyond the

⁴ *In the Matter of the Petition of Northwest Natural Gas Company dba NW Natural, Petitioner, For a Revision to Northwest Natural Gas Company’s Tariff WN U-6, introducing Schedule L and Schedule 231, Docket UG-230739, Order 01 (Dec. 22, 2023).*

Company’s control,” and, therefore deferral accounting was appropriate.⁵ For these reasons, NW Natural respectfully requests to recover the costs of the program through deferred accounting.

8 NW Natural requests in this authorization to defer the costs of the Residential Arrearage Management Program not captured in its last general rate case.

D. Estimated Amounts Subject to Deferral

9 NW Natural is unable to estimate the amounts to be deferred under this petition because the costs central to the program will depend on the number of customers that participate and the amount of arrearages they have.

E. Proposed Accounting

10 Beginning from the date of this filing, the Company proposes to account for the costs associated with the Residential Arrearage Management program by recording the deferral of costs in a regulatory asset account in Account 186. In the absence of approval of deferral accounting, NW Natural would record the amounts in account 401, which is an Operating Expense account, affecting the Company’s income statement.

III. RELIEF REQUESTED

11 NW Natural requests authorization to defer the costs associated with the Residential Arrearage Management program as described above, plus interest at the Company’s actual cost of debt, updated semi-annually.

⁵ *In the Matter of the Petition of Cascade Natural Gas Corp., For An Accounting Order Authorizing Deferred Accounting Treatment of Expenses Related to the Low-Income Energy Discount Program and Arrearage Management Program*, Docket UG-230243, Order 01, ¶ 9 (July 27, 2023).

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

Dated this 22nd day of November 2024.

Respectfully Submitted,

/s/ Kyle Walker

NORTHWEST NATURAL GAS COMPANY

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