

**BEFORE THE WASHINGTON
UTILITIES AND TRANSPORTATION COMMISSION**

WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION,	DOCKET UG-181053
Complainant,	ORDER 01
v.	COMPLAINT AND ORDER SUSPENDING TARIFF REVISIONS
NORTHWEST NATURAL GAS, d/b/a NW NATURAL,	
Respondent.	

BACKGROUND

- 1 On December 31, 2018, Northwest Natural Gas, 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 requests authority to increase revenues from base rates by \$8.3 million, which would result in an approximately 12.6 percent increase to overall base rates. NW Natural's requested billed revenue increases range from 5.1 to 18.8 percent, based on customer class. NW Natural also proposes to implement a decoupling mechanism, an environmental cost recovery mechanism, and a mechanism that adjusts rates for the effects of the Tax Cuts and Jobs Act of 2017.¹

DISCUSSION

- 3 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

¹ An Act to provide for reconciliation pursuant to titles II and V of the concurrent resolution on the budget for fiscal year 2018, Pub. L. No. 115-97, 131 Stat. 2054 (2017).

public hearings, if necessary, to determine whether the proposed increases are fair, just, reasonable, and sufficient.

FINDINGS AND CONCLUSIONS

- 4 (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.
- 5 (2) NW Natural is a natural gas company and a public service company subject to Commission jurisdiction.
- 6 (3) The tariff revisions that NW Natural filed on December 31, 2018, would increase charges and rates for service provided by NW Natural and might injuriously affect the rights and interest of the public.
- 7 (4) NW Natural has not demonstrated that the tariff revisions would result in rates that are fair, just, reasonable, and sufficient.
- 8 (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.
- 9 (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.
- 10 (7) The Commission finds that this docket meets the criteria of WAC 480-07-400(2)(b)(i).
- 11 (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.
- 12 (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.
- 13 (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:

- 14 (1) The tariff revisions that Northwest Natural Gas, d/b/a NW Natural, filed on
December 31, 2018, are suspended.
- 15 (2) The Commission will hold hearings at such times and places as may be required.
Such hearings may also examine NW Natural's rates and charges for natural gas
service shown on any tariffs that NW Natural does not propose to revise.
- 16 (3) NW Natural must not change or alter the tariffs filed in these dockets during the
suspension period, unless authorized by the Commission.
- 17 (4) The Commission will institute an investigation of NW Natural's books, accounts,
practices, activities, property, and operations, as described above.
- 18 (5) Discovery will be conducted pursuant to the Commission's discovery rules in
WAC 480-07-400 – 425.
- 19 (6) NW Natural shall pay the expenses reasonably attributable and allocable to the
Commission's investigation, consistent with RCW 80.20.

DATED at Olympia, Washington, and effective January 8, 2019.

WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

DAVID W. DANNER, Chairman

ANN E. RENDAHL, Commissioner

JAY M. BALASBAS, Commissioner

Appendix

Proposed Tariff Revisions to be Effective February 1, 2019

Tariff WN U-6, Natural Gas Service		
11 th Revision Sheet vi	Canceling	10 th Revision Sheet vi
16 th Revision Sheet vii	Canceling	15 th Revision Sheet vii
12 th Revision Sheet viii	Canceling	11 th Revision Sheet viii
1 st Revision Sheet D.1	Canceling	Original Sheet D.1
28 th Revision Sheet 101.1	Canceling	27 th Revision Sheet 101.1
28 th Revision Sheet 102.1	Canceling	27 th Revision Sheet 102.1
16 th Revision Sheet 103.3	Canceling	15 th Revision Sheet 103.3
28 th Revision Sheet 127.1	Canceling	27 th Revision Sheet 127.1
14 th Revision Sheet 141.9	Canceling	13 th Revision Sheet 141.9
9 th Revision Sheet 141.10	Canceling	8 th Revision Sheet 141.10
15 th Revision Sheet 142.10	Canceling	14 th Revision Sheet 142.10
10 th Revision Sheet 142.10.1	Canceling	9 th Revision Sheet 142.10.1
15 th Revision Sheet 142.11	Canceling	14 th Revision Sheet 142.11
14 th Revision Sheet 143.6	Canceling	13 th Revision Sheet 143.6
8 th Revision Sheet 200.1	Canceling	7 th Revision Sheet 200.1
4 th Revision Sheet 200.2	Canceling	3 rd Revision Sheet 200.2
5 th Revision Sheet 207.1	Canceling	4 th Revision Sheet 207.1
5 th Revision Sheet 207.2	Canceling	4 th Revision Sheet 207.2
Original Sheet 300.1		
Original Sheet 300.2		
Original Sheet 303.1		
Original Sheet 303.2		
Original Sheet 303.3		
Original Sheet 305.1		
Original Sheet 305.2		
Original Sheet 305.3		
Original Sheet 305.4		