

**Exh. JL-2  
Docket UG-181053  
Witness: Jing Liu**

**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-181053**

**EXHIBIT TO TESTIMONY  
OF**

**Jing Liu**

**STAFF OF WASHINGTON UTILITIES AND  
TRANSPORTATION COMMISSION**

*Comparison of Decoupling Mechanisms in Washington State*

**June 6, 2019**

Comparison of Decoupling Mechanisms in Washington State

	Puget Sound Energy (Electric and Gas)	Puget Sound Energy (Electric and Gas)	Avista (Electric and Gas)	PacifiCorp (Electric Only)	Cascade (Gas Only)	Northwest Natural Proposal (Gas Only)
<b>Period</b>	Jul. 1, 2013 - Dec. 18, 2017	Dec. 19, 2017 - Dec. 19 2021	Jan. 1, 2015 - Dec 31, 2019	Sept. 15, 2016 - Sept 14, 2021	Sept. 1, 2016 - Aug. 31, 2020	Nov. 1, 2019 - Oct. 31, 2023
<b>Authorizing Dockets</b>	UE-121697, UG-121705, UE-130137 and UG-130138, Order 07	UE-170033 and UG-170034, Order 08	UE-140188, Order 05	UE-152253, Order 12	UG-152286, Order 04	UG-181053, NWN Proposal Modified by Settlement
<b>Duration</b>	Coincide with the multi-year rate plan (July 2013 - Dec 2017)	Four Years	Five Years	Five Years	Not Specified	Five Years
<b>True Up Effective Date</b>	May 1	May 1	Nov. 1	Feb. 1	Nov. 1	Nov. 1
<b>True Up Threshold</b>	None	None	None	Rate adjustments is triggered for a decoupled rate class only if the balance exceeds plus or minus 2.5 percent of allowed revenue at the end of deferral period.	None	None
<b>Authorized Revenue</b>	Revenue per customer	Revenue per customer for electric delivery and gas delivery; Fixed revenue for electric fixed production.	Revenue per customer	Revenue per customer	Revenue per customer	Revenue per customer
<b>Soft Cap for Decoupling Surcharge</b>	3% for both electric and gas	3% for both electric; 5% for gas	3%	5%	3%	5%
<b>Decoupled Groups</b>	Two Groups for both Electric and Gas: 1. Residential; 2. Non-Residential.  Electric Schedules 12/26 and 10/31 are separate groups decoupled based on KW sales.	Seven Groups for Electric: 1. Schedule 7 residential; 2. Schedule 8/24 small commercial; 3. Schedules 7A, 11, 25, 29, 35 & 43 medium demand, irrigation, interruptible; 4. Schedule 40 campus; 5. Schedule 12/26 large demand; 6. Schedule 10/31 primary voltage; 7. Schedules 46 and 49 high voltage.  Three Groups for Gas: 1. Schedule 23, residential; 2. Schedule 31/31T, small volume; 3. Schedules 41/41T/86/86T, large volume and limited interruptible.	Two Groups for both Electric and Gas: 1. Residential; 2. Non-Residential.	Four Groups: 1. Schedule 16/18, residential; 2. Schedule 24, small general service; 3. Schedule 36, large general service; 4. Schedule 40, irrigation.	Eight Groups (merged to five groups now). 1. Schedule 503 residential; 2. Schedule 504 commercial; 3. Schedule 505 industrial; 4. Schedule 511 large volume; 5. Schedule 570 interruptible.	Five Groups: 1. Schedule 1, residential non-gas heating; 2. Schedule 2, residential gas heating; 3. Schedule 1, commercial non-gas heating; 4. Schedule 3, commercial and multifamily residential; 5. Schedule 41 and 42, commercial and interruptible.
<b>Earnings Test</b>	utility and rate payers share equally any earnings that exceed the authorized rate of return	utility and rate payers share equally any earnings that exceed the authorized rate of return	utility and rate payers share equally any earnings that exceed the authorized rate of return	utility and rate payers share equally any earnings that exceed the authorized rate of return	utility and rate payers share equally any earnings that exceed the authorized rate of return	utility and rate payers share equally any earnings that exceed the authorized rate of return
<b>Calculation of Actual Revenue</b>	weighted average rate for each decoupled group	weighted average rate for each electric decoupled group; billing determinants multiplied by tariff rates for gas decoupled groups.	Billing determinants multiplied by tariff rates	Billing determinants multiplied by tariff rates	Billing determinants multiplied by tariff rates	Billing determinants multiplied by tariff rates
<b>Evaluation Report</b>	Yes	No	Yes	Yes	Yes	No. Only evaluation report on low income programs.
<b>Conservation Achievement Goals</b>	achieve 5% more for electric conservation; Participate in NEEA on gas conservation.	achive 5% more gas conservation	achieve 5% over the target on electric conservation	increase annual conservation targets by 2.5% for 2016-2017, by 5% thereafter	Commitments are not specifically tied to the decoupling mechanism.	Commitments are not specifically tied to the decoupling mechanism.