

**Exh. JL-3
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**

NW Natural's Operating Expense Per Customer

June 6, 2019

NWN's Operating Expense per Customer

Northwest Natural Gas Company
UG - 181053
Data Request 39 - Attachment 1 - Amended

	2013	2014	2015	2016	2017	2018 [3]
Rate Base (13 mo. AMA) [1]	\$ 123,150,067	\$ 119,010,214	\$ 132,839,004	\$ 138,926,929	\$ 153,689,010	\$ 173,466,052
Normalized O&M [2]	\$ 7,836,109	\$ 7,777,827	\$ 7,816,248	\$ 8,309,275	\$ 9,357,223	\$ 9,177,903
Normalized A&G	\$ 4,298,363	\$ 4,649,322	\$ 4,904,947	\$ 5,683,632	\$ 5,967,620	\$ 8,412,866
Number of Customers	73,255	75,010	77,026	79,263	81,842	84,650

[1] Consistent with the Commission Basis Report, the accumulated deferred income taxes are included with rate base as a simple average of the previous year and current year end balance.

All other components of rate base are based on a 13 month average of monthly averages (AMA)

[2] Represents the uncollectible accrual for gas sales and other operating and maintenance expense from the Commission Basis Report (not A&G expense)

[3] Due to the Washington Commission Basis Report and Oregon Results of Operations being due on May 1, these numbers are subject to change.

UTC Staff Calculation Based on NWN's Response to Staff Data Request No. 39

	Compound Annual Growth Rate
Rate Base	7.1%
Normalized Operating and Maintenance Expense	7.7%
Number of Customers	2.9%

	2013	2014	2015	2016	2017	2018	Compound Annual Growth Rate
Normalized O&M and A&G Expense per Customer	\$ 166	\$ 166	\$ 165	\$ 177	\$ 187	\$ 208	4.6%