

**Exh. JL-8  
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 OF**

**Jing Liu**

**STAFF OF WASHINGTON UTILITIES  
AND TRANSPORTATION COMMISSION**

*NW Natural's Explanation on the Incremental Operating and Maintenance Cost*

**July 18, 2019**



**Rates & Regulatory Affairs**  
UG-181053  
2018 WA General Rate Revision  
**Data Request Response**

DR Request: July 12, 2019  
Date of Response: July 16, 2019  
Responder: Kyle Walker  
Telephone: (503) 226-4211 ext. 5858  
Email: kyle.walker@nwnatural.com  
Witness: Kyle Walker

**Request No.:** UG-181053 WUTC DR 204

Please refer to NW Natural's response to UTC Staff Data Request No. 202, Attachment 2, in which the Company provided the incremental O&M cost of \$54.55 per customer. Please explain in detail how the Company developed the incremental O&M cost. Please provide the supporting source data and calculations.

**Response:**

The Company has derived the incremental O&M cost by first identifying specific O&M accounts that have a direct association with serving new customers. Specifically, those accounts are uncollectible, customer contact center, field services, billing and the Company's resource management center. The Company takes the costs for these O&M accounts and divides them by the Company's total customer count for both Oregon and Washington. The result is an incremental cost per customer. See "UG-181053 WUTC DR 204 Attachment 1.xlsx" for the analysis that derived the \$54.55 per customer amount.

The Company amended its response to data request 202 and updated the actual 2018 customer counts for the per customer O&M portion of the cost of service (WUTC DR 202 Attachment 2). After updating the customer counts, the total cost per customer is \$54.05. The original calculation and the new calculation are both included in Attachment 1 to this data request response.

**Attachments will be provided upon request.**