

**BEFORE THE WASHINGTON
UTILITIES AND TRANSPORTATION COMMISSION**

In the Matter of the Petition of

NORTHWEST NATURAL GAS
COMPANY d/b/a NW NATURAL,

Petitioner,

For an Accounting Order Authorizing
Deferred Accounting Treatment of the
Residential Arrearage Management
Program

DOCKET UG-240920

ORDER 01

APPROVING DEFERRED
ACCOUNTING TREATMENT

BACKGROUND

1 On July 27, 2023, Northwest Natural Gas Company d/b/a NW Natural (NW Natural or Company) filed with the Washington Utilities and Transportation Commission (Commission) a revision to its Tariff WN U-6, Schedule J, Sheet J.1 to increase funding of its low-income Gas Residential Energy Assistance Tariff (GREAT) program.

2 NW Natural’s GREAT program provides energy assistance to customers with income at or below 200 percent of the Federal Poverty Level. GREAT has been helping low-income customers since May 2009. NW Natural works collaboratively with its GREAT Advisory Group (GREAT AG) to address issues related to the GREAT program and other low-income programs and topics.

3 On August 11, 2023, the Company’s previous funding-related filing was approved at the Commission’s regularly scheduled open meeting.¹

4 Prior to this filing, NW Natural consulted its GREAT AG to gain support from its members. NW Natural has maintained consistent communication and transparency with its GREAT AG while developing and preparing to implement the Arrearage Management Program (AMP).

5 In 2023, NW Natural requested, and the Commission approved, its Residential Bill Discount program, which became effective January 1, 2024. As a condition of approval,

¹ UG-230758

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.²

6 This item was heard at the Commission’s regularly scheduled Open Meeting on January 16, 2025.

DISCUSSION

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.

8 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 as the creation of the program was required by the Commission in Order 01 in UG-230739.

9 The Company seeks to defer costs related to implementation of the AMP and will annually file a true-up at the same time as its annual Purchased Gas Adjustment filing.

10 NW Natural proposes calculation of AMP costs beginning Nov. 11, 2024; the date of this filing. The Company proposes to account for the costs associated with the AMP 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.

11 NW Natural seeks deferral of the costs related to its Residential Arrearage Management Program, including assistance funds plus interest at the Company’s actual cost of debt, to be updated semi-annually.

² UG-230739, Order 01

12 Commission staff (Staff) has reviewed the filing, including any associated workpapers. Staff supports the Petition as presented by NW Natural and believes the Commission should issue an Order granting NW Natural deferred accounting treatment in accordance with its Petition.

FINDINGS AND CONCLUSIONS

13 (1) The Commission is an agency of the State of Washington vested by statute with the authority to regulate the rates, rules, regulations, practices, accounts, securities, transfers of property, and affiliated interests of public service companies, including electric companies.

14 (2) NW Natural is a public service company subject to Commission jurisdiction, providing service as a natural gas company.

15 (3) WAC 480-07-370(3) allows companies to file petitions including that for which NW Natural seeks approval.

16 (4) Staff has reviewed the Petition in Docket UG-240920.

17 (5) Staff believes the Petition is in the public interest and recommends the Commission grant the Petition.

18 (6) This matter came before the Commission at its regularly scheduled meeting on January 16, 2025.

19 (7) After reviewing NW Natural's Petition filed in Docket UG-240920, associated statutes and regulations, and giving due consideration to all relevant matters and for good cause shown, the Commission finds that the Petition should be granted through the following Order.

ORDER

THE COMMISSION ORDERS:

- 20 (1) Northwest Natural Gas Company d/b/a NW Natural's Petition for an Accounting Order Authorizing Deferred Accounting Treatment for Implementation of the Residential Arrearage Management Program is granted, subject to the conditions that the Company must track the revenues in FERC Account 186.
- 21 (2) This Order shall not affect the Commission's authority over rates, services, accounts, valuations, estimates, or determination of costs, on any matters that may come before it. Nor shall this Order granting Petition be construed as an agreement to any estimate or determination of costs, or any valuation of property claimed or asserted.
- 22 (3) The Commission retains jurisdiction over the subject matter and Northwest Natural Gas Company d/b/a NW Natural to effectuate the provisions of this Order.
- 23 The Commissioners, having determined this Order to be consistent with the public interest, directed the Secretary to enter this Order.

DATED at Lacey, Washington, and effective January 16, 2025.

WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

JEFF KILLIP
Executive Director and Secretary