



250 SW Taylor Street
Portland, OR 97204

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nwnatural.com

March 18, 2022

VIA ELECTRONIC FILING

Public Utility Commission of Oregon
Attn: Filing Center
201 High Street SE, Suite 100
Post Office Box 1088
Salem, Oregon 97308-1088

Re: UM 1766 – NW Natural’s Application for Reauthorization to Use Deferred Accounting for the Annual Regulatory Fee

In accordance with ORS 757.259 and OAR 860-027-0300, Northwest Natural Gas Company, dba NW Natural (“NW Natural” or “Company”), files herewith an Application for Reauthorization (“Application”) to use deferred accounting for the Public Utility Commission of Oregon’s annual regulatory fee that NW Natural pays.

A notice concerning this Application will be sent to parties participating in the Company’s current general rate case, UG 435. A copy of the notice and the certificate of service are attached to the application.

Please address correspondence on this matter to me with copies to the following:

eFiling
Rates & Regulatory Affairs
NW Natural
250 SW Taylor Street
Portland, Oregon 97204
Phone: (503) 610-7330
Fax: (503) 220-2579
eFiling@nwnatural.com

If you have any questions, please contact me at (503) 610-7051.

Sincerely,

/s/ Kyle Walker, CPA

Kyle Walker, CPA
Rates/Regulatory Manager

Enclosures

**BEFORE THE PUBLIC UTILITY COMMISSION
OF OREGON**

UM 1766

In the Matter of

NORTHWEST NATURAL GAS
COMPANY, dba, NW NATURAL

For Reauthorization to Use Deferred
Accounting for the Annual Regulatory
Fee Pursuant to ORS 757.259

Application

1 Northwest Natural Gas Company, dba NW Natural (“NW Natural” or the
2 “Company”), hereby files with the Public Utility Commission of Oregon (the
3 “Commission”) this application (“Application”) seeking reauthorization to use
4 deferred accounting pursuant to ORS 757.259 and OAR 860-027-0300, for the 12-
5 month period beginning March 23, 2022 through March 22, 2023 for the annual
6 regulatory fee that NW Natural pays to the Commission pursuant to OAR 860-021-
7 0034.

8 In Order No. 21-117, entered in this docket on April 22, 2021, the Commission
9 approved the Company’s most recent request to continue deferring the amount of the
10 annual regulatory fee not captured in the Company’s last general rate case. On
11 February 24, 2022, the Commission issued Order No. 22-062 increasing the annual
12 fee rate from 0.375 percent to 0.43 percent. As a result of the increase, NW Natural
13 requests in this reauthorization to continue deferring the amount for annual fees not
14 captured in its last general rate case, and increasing that amount by 0.055 percent,

1 representing the increase approved by the Commission in Order No. 22-062.

2 In support of this Application, NW Natural states:

3 **A. NW Natural.**

4 NW Natural is a public utility in the State of Oregon and is subject to the
5 jurisdiction of the Commission regarding rates, service, and accounting practices.

6 NW Natural also provides retail natural gas service in the States of Oregon and
7 Washington.

8 **B. Statutory Authority.**

9 This application is filed pursuant to ORS 757.259, which empowers the
10 Commission to authorize the deferral of expenses or revenues of a public utility for
11 later inclusion in rates.

12 **C. Communications.**

13 Communications regarding this Application should be addressed to:

14 NW Natural
15 e-Filing for Regulatory Affairs
16 250 SW Taylor St.
17 Portland, Oregon 97204
18 Phone: (503) 610-7330
19 Email: eFiling@nwnatural.com;

20
21 Eric Nelsen
22 Senior Regulatory Attorney (OSB# 192566)
23 250 SW Taylor St.
24 Portland, Oregon 97204
25 Phone: (503) 610-7618
26 Email: eric.nelsen@nwnatural.com;

27 and

1 Kyle Walker, CPA
2 Rates/Regulatory Manager
3 250 SW Taylor St.
4 Portland, Oregon 97204
5 Phone: (503) 610-7051
6 Email: kyle.walker@nwnatural.com

7 **D. Description of the Expenses or Revenues for which Deferred**
8 **Accounting is Requested – OAR 860-027-0300(3)(a).**

9 In this Application, the Company is requesting authorization to defer the costs
10 that represent the difference in the regulatory fee currently embedded in rates and
11 the new regulatory fee established in Order No. 22-062. Specifically, NW Natural
12 requests to defer the difference between the annual fee amounts that are currently
13 being collected through rates and the increased annual fee.

14 **E. Reasons Reauthorization of Deferred Accounting is Being Requested –**
15 **OAR 860-027-0300(3)(b).**

16 ORS 757.259(2)(e) allows the deferral of utility expenses where necessary to
17 minimize the frequency of rate changes or the fluctuation of rate levels or to match
18 appropriately the costs borne by and benefits received by ratepayers. The Company
19 requests deferral of the costs associated with the incremental increase of the
20 regulatory fee. NW Natural does not seek to defer the costs associated with the
21 annual fee that have already been included in rates, and only seeks to defer the
22 incremental costs until such time as any increased fee amount can be included in
23 NW Natural's established rates. While the amounts deferred may not be significant,
24 NW Natural seeks this reauthorization because the 2022 increase to the annual fee
25 was not a regularly scheduled event, which makes planning for any fee increase

1 difficult to align with ordinary rate case planning. For this reason, the Company
2 respectfully requests the reauthorization to defer any incremental costs of the annual
3 fee.

4 **F. Accounting – OAR 860-027-0300(3)(c)**

5 NW Natural proposes to account for the deferred expenses related to any
6 increased regulatory fee by recording the deferral in a sub-account of Account 186
7 (Defer PUC Fee). In the absence of deferred accounting, the Company would
8 record the incremental increase in expenses in the appropriate sub-account of
9 FERC Account 909.

10 **G. Estimate of Amounts Subject to Deferral – OAR 860-027-0300(3)(d)**

11 The Company estimates the amount to be recorded in the deferred account
12 for the 12-month period beginning March 23, 2022 through March 22, 2023 to be
13 approximately \$555,427.

14 **H. Description of Entries Deferred Under UM 1766 – OAR 860-027-0300(4)(a)**

15 The entries being deferred would reflect the incremental difference in the
16 regulatory fee currently embedded in rates and any new increased regulatory fee
17 ordered by the Commission.

18 **I. Reason for Continued Deferral – OAR 860-027-0300(4)(b)**

19 The deferral is forecasted to continue until rates go into effect in a
20 subsequently filed general rate case that would include any increased regulatory fee
21 in revenue requirement. The recovery of any incremental regulatory fee aligns the
22 cost with the customers who benefit from the governance the Commission provides.

1 **J. Requirements per Commission Order No. 09-263**

2 Below is the information required per Commission Order No. 09-263, issued
3 in docket UM 1286, Staff's Investigation into Purchase Gas Adjustment
4 Mechanisms:

- 5 1. **A completed Summary Sheet, the location in the PGA filing, and an**
6 **account map that highlights the transfer of dollars from one account**
7 **to another.**

8 The Summary Sheet will be included in the 2022 PGA filing work papers
9 and in the electronic file entitled "Proposed Temps Oregon 2022-23 PGA
10 filing.xlsx."

- 11 2. **The effective date of the deferral.**

12 This application is for the 12-month period beginning March 23, 2022 and
13 ending March 22, 2023.

- 14 3. **Prior year Order Number approving the deferral.**

15 Approval to defer costs associated with the incremental regulatory fee was
16 last granted under Commission Order No. 21-117.

- 17 4. **The amount deferred last year.**

18 \$421,906 was deferred during the last deferral year of March 23, 2021
19 through March 22, 2022. This amount includes \$17,923 of interest.

- 20 5. **The amount amortized last year.**

21 \$71,887 was amortized in rates November 1, 2021 through December 31,
22 2021.



UM 1766

**NOTICE OF APPLICATION FOR REAUTHORIZATION TO USE DEFERRED
ACCOUNTING FOR THE ANNUAL REGULATORY FEE**

March 18, 2022

To Parties Participating in UG 435

Please be advised that on March 18, 2022, Northwest Natural Gas Company, dba NW Natural ("NW Natural" or "Company"), applied for REAUTHORIZATION TO USE DEFERRED ACCOUNTING FOR THE ANNUAL REGULATORY FEE.

This is not a rate case. The purpose of this Notice is to inform parties participating in the Company's current general rate case, UG 435, that a deferral reauthorization application has been filed.

Parties who desire more information or who wish to obtain a copy of the filing, or notice of the time and place of any hearing, if scheduled, should contact the Company or the Commission as follows:

**NW Natural
Attn: Kyle Walker
250 SW Taylor Street
Portland, Oregon 97204
Telephone: (503) 610-7051**

**Public Utility Commission of Oregon
Attn: Filing Center
201 High Street SE, Suite 100
PO Box 1088
Salem, Oregon 97308-1088
Telephone: (503) 378-6678**

Any person may submit to the Commission written comments on this matter within 25 days of the service of this notice. The granting of this deferral reauthorization application will not authorize a change in rates but will permit the Company to defer amounts in rates to a subsequent proceeding.

* * * * *



CERTIFICATE OF SERVICE
UM 1766

I hereby certify that on March 18, 2022, I have served by electronic mail the foregoing NOTICE OF APPLICATION FOR REAUTHORIZATION TO USE DEFERRED ACCOUNTING FOR THE ANNUAL REGULATORY FEE upon parties of record for the Company's current general rate case, UG 435.

UG 435

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DATED March 18, 2022, Troutdale, OR.

/s/ Erica Lee-Pella
Erica Lee-Pella
Rates & Regulatory Affairs
NW Natural