



250 SW Taylor Street
Portland, OR 97204

503-226-4211
nwnatural.com

March 24, 2020

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: Application to Defer Costs Associated with the COVID-19 Public Health Emergency

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 to use deferred accounting for costs associated with the COVID-19 public health emergency.

A notice concerning this Application will be sent to all parties participating in the Company's current general rate case, UG 388. 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
Telecopier: (503) 220.2579
Telephone: (503) 610.7330
eFiling@nwnatural.com

If you have any questions, please contact me.

Sincerely,

/s/ Kyle Walker, CPA

Kyle Walker, CPA
Rates/Regulatory Manager

Enclosures

**BEFORE THE PUBLIC UTILITY COMMISSION
OF OREGON**

UM _____

In the Matter of

NORTHWEST NATURAL GAS
COMPANY, dba, NW NATURAL

For Authorization to Defer Certain
Expenses or Revenues Pursuant
to ORS 757.259

**APPLICATION TO DEFER COSTS
ASSOCIATED WITH THE COVID-19
PUBLIC HEALTH EMERGENCY**

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 authorization to use
4 deferred accounting pursuant to ORS 757.259 and OAR 860-027-0300, for the
5 12-month period beginning March 24, 2020 through March 23, 2021, for amounts
6 associated with the COVID-19 public health emergency.

7 In support of this Application, NW Natural states:

8 **A. NW Natural.**

9 NW Natural is a public utility in the State of Oregon and is subject to the
10 jurisdiction of the Commission regarding rates, service, and accounting practices.
11 NW Natural also provides retail natural gas service in the States of Oregon and
12 Washington.

13 **B. Statutory Authority.**

14 This application is filed pursuant to ORS 757.259, which empowers the

1 Commission to authorize the deferral of expenses or revenues of a public utility
2 for later inclusion in rates.

3 **C. Communications.**

4 Communications regarding this Application should be addressed to:

5 NW Natural
6 e-Filing for Rates & Regulatory Affairs
7 250 SW Taylor Street
8 Portland, Oregon 97204-3038
9 Telephone: (503) 610-7330
10 Facsimile: (503) 220-2579
11 Email: eFiling@nwnatural.com;

12
13 Eric Nelsen
14 Senior Regulatory Attorney (OSB #192566)
15 250 SW Taylor Street
16 Portland, Oregon 97204-3038
17 Phone: (503) 721-2476
18 Email: Eric.Nelsen@nwnatural.com;

19
20 and

21
22 Kyle Walker, CPA
23 Manager, Rates & Regulatory Affairs
24 250 SW Taylor Street
25 Portland, Oregon 97204-3038
26 Phone: (503) 610-7051
27 Email: Kyle.Walker@nwnatural.com

28 **D. Description of the Expenses or Revenues for which Deferred**

29 **Accounting is Requested – OAR 860-027-0300(3)(a).**

30 On March 8, 2020, Oregon Governor Brown declared a state of
31 emergency over the COVID-19 pandemic. NW Natural has suspended all
32 service disconnections in order to help limit the impact on customers as they
33 navigate difficult economic times. The public health emergency is expected to
34 drive significant accounts receivable write-off expense. Additionally, NW Natural

1 expects to experience other costs related to the emergency that the Company is
2 currently unable to predict. NW Natural will document all costs known to be
3 incurred as a result of the COVID-19 public health emergency.

4 **E. Reasons for Application for Deferred Accounting – OAR 860-027-
5 0300(3)(b).**

6 ORS 757.259 is a “statutorily authorized exception to the general
7 prohibition against retroactive ratemaking” that allows a “means to address utility
8 expenses or revenues outside of the utility’s general rate case proceeding.”¹

9 Under ORS 757.259(2)(e), the Commission has discretion to authorize a deferral
10 of “[i]dentifiable utility expenses or revenues, the recovery or refund of which the
11 commission finds should be deferred in order to minimize the frequency of rate
12 changes . . . or to match appropriately the costs borne by and benefits received
13 by rate payers.” Due to the unpredictable and unprecedented nature of the
14 emergency, these costs are not currently recovered in rates, outside normal
15 business risk, and, accordingly, deferred accounting treatment will match
16 appropriately the costs borne by and the benefits received by customers.

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

18 Beginning on March 24, 2020, and ending twelve months from this date,
19 NW Natural proposes to account for the expenses incurred as a result of COVID-
20 19 by recording a deferral, in Account 186. In the absence of approval of
21 deferred accounting, NW Natural would record costs associated with the COVID-
22 19 public health emergency to various expense accounts. NW Natural proposes

¹ *In re Matter Public Utility Commission of Oregon Staff Request to Open Investigation Related to Deferred Accounting*,
Docket UM 1147, Order No. 05-1070 at 2 (Oct. 5, 2005).

1 to amortize the deferral coincident with its annual Purchased Gas Adjustment
2 (“PGA”) filing.

3 **G. Estimated Accounts Subject to Deferral – OAR 860-027-0300(3)(d).**

4 NW Natural is unable to predict an estimate of incurred expense related to
5 COVID-19. The emergency is still fluid and changing rapidly.

6 **H. Requirement per Commission Order No. 09-263**

7 Pursuant to Commission Order No. 09-263, issued in docket UM 1286,
8 NW Natural is required to provide a completed Summary Sheet, the location in
9 the PGA filing of the backup workpapers, and an accounting map that highlights
10 the transfer of dollars from one account to another. The Summary Sheet will be
11 included in the 2020 PGA filing workpapers and in the electronic file entitled
12 “Proposed Temps Oregon 2020-21 PGA filing.xlsx.”

13 **I. Notice – OAR 800-027-0300(6).**

14 A notice of this Application has been served to all parties who are
15 participating in the Company’s current general rate case, UG 388, and is
16 attached to this Application.

17 NW Natural respectfully requests that the Commission issue an order
18 authorizing the Company to defer the amounts described in this Application
19 associated with the COVID-19 public health emergency, beginning on March 24,
20 2020.

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Date this 24th day of March, 2020.

Respectfully Submitted,

NW NATURAL

/s/ Kyle Walker, CPA
Kyle Walker, CPA
Rates/Regulatory Manager

/s/ Zachary D. Kravitz
Zachary D. Kravitz
Director, Rates & Regulatory Affairs
250 SW Taylor Street
Portland, Oregon 97204-3038
Phone: (503) 610-7617
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UM_____

**NOTICE OF APPLICATION TO DEFER COSTS ASSOCIATED WITH
THE COVID-19 PUBLIC HEALTH EMERGENCY**

March 24, 2020

To All Parties Participating in UG 388

Please be advised that on March 24, 2020 Northwest Natural Gas Company, dba NW Natural ("NW Natural" or "Company"), applied for AUTHORIZATION TO DEFER COSTS ASSOCIATED WITH THE COVID-19 PUBLIC HEALTH EMERGENCY.

This is not a rate case. The purpose of this Notice is to inform parties participating in the Company's most recent general rate case, UG 388, that a Deferral 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) 378-6636**

Any person may submit to the Commission written comments on this matter by April 18, 2020. The granting of this Deferral Application will not authorize a change in rates, but will permit the Company to defer amounts in rates to a subsequent proceeding.

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CERTIFICATE OF SERVICE

I hereby certify that on March 24, 2020, I have served by electronic mail the foregoing NOTICE OF APPLICATION TO DEFER COSTS ASSOCIATED WITH THE COVID-19 PUBLIC HEALTH EMERGENCY upon all parties of record for the Company's most recent general rate case, UG 388.

UG 388

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DATED March 24, 2020, Portland, OR.

/s/ Erica Lee-Pella
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