

March 22, 2023

**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 2068 – Application for Reauthorization 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 for Reauthorization (“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 who participated in the Company’s last general rate case, UG 435. A copy of the notice and the certificate of service are attached to this 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 2068**

In the Matter of

NORTHWEST NATURAL GAS  
COMPANY, dba, NW NATURAL

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

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

1 Northwest Natural Gas Company, dba NW Natural (“NW Natural” or  
2 “Company”), hereby files with the Public Utility Commission of Oregon  
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 24, 2023 through March 23, 2024, 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.

1 **B. Statutory Authority.**

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

5 **C. Communications.**

6 Communications regarding this Application should be addressed to:

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

14  
15 Eric Nelsen  
16 Senior Regulatory Attorney (OSB #192566)  
17 250 SW Taylor Street  
18 Portland, Oregon 97204-3038  
19 Phone: (503) 610-7618  
20 Email: eric.nelsen@nwnatural.com;

21  
22 and

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

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

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

32 On September 24, 2020, the Oregon Commission held a Special Public  
33 Meeting, at which the Commission adopted a stipulation incorporating the Energy  
34 Term Sheet developed during the Commission’s investigation under docket UM

1 2114, Order No. 20-324. The Term Sheet describes the types of revenues and  
2 expenses that can be deferred related to COVID-19. Pursuant to Order No. 20-324,  
3 the Company has and will continue to provide the Commission with reports that  
4 itemize the utility costs, savings, and benefits resulting from COVID-19 as described  
5 in the Term Sheet.

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

8 ORS 757.259 is a “statutorily authorized exception to the general prohibition  
9 against retroactive ratemaking” that allows a “means to address utility expenses or  
10 revenues outside of the utility’s general rate case proceeding.”<sup>1</sup> Under ORS  
11 757.259(2)(e), the Commission has discretion to authorize a deferral of “[i]dentifiable  
12 utility expenses or revenues, the recovery or refund of which the commission finds  
13 should be deferred in order to minimize the frequency of rate changes . . . or to  
14 match appropriately the costs borne by and benefits received by rate payers.” Due  
15 to the unpredictable and unprecedented nature of the emergency, these costs are  
16 not currently recovered in rates, outside normal business risk, and, accordingly,  
17 deferred accounting treatment will match appropriately the costs borne by and the  
18 benefits received by customers.

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

20 Beginning on March 24, 2023, and ending 12 months from this date, NW  
21 Natural proposes to account for the expenses incurred as a result of COVID-19 by

---

<sup>1</sup> *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 recording a deferral in Account 186. In the absence of approval of deferred  
 2 accounting, NW Natural would record costs associated with the COVID-19 public  
 3 health emergency to various expense accounts.

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

5 NW Natural is unable to predict an estimate of incurred expense related to  
 6 COVID-19. It does expect overall direct costs to be at levels much lower than  
 7 previously experienced due to the resumption of fees and charges that occurred  
 8 October 1, 2022, consistent with the UM 2114 stipulation. The remaining expected  
 9 costs are related to arrearage management program (“AMP”) time payment  
 10 arrangement matching grants and adjustments.

11 **H. Entries into deferred account during past 12 months – OAR 860-027-  
 12 0300(4)(a)**

13 Deferred costs in calendar year 2022 are below:

Term Sheet						
Category	COVID Itemization:	Q1 2022	Q2 2022	Q3 2022	Q4 2022	OR 2022 Total
Item a	Direct Costs*	120,808	78,355	26,087	16,874	242,124
Item a	Direct Savings and Benefits*	(120,567)	(29,771)	17,623	(4,728)	(137,443)
Item b	Late Payment Fees Not Assessed*	464,074	469,580	156,348	18,663	1,108,665
Item c	Bad Debt Expense Above Baseline	248,738	(661,061)	1,188,183	887,739	1,663,597
Item d	Reconnections and Field Visits April 1, 2021-October 1, 2022				-	-
Item e	Foregone Reconnection Charges Incurred through November 15, 2020				-	-
Item f	COVID-19 Bill Payment Assistance Program	2,295,925	2,802,261	372,945	92,497	5,563,627
Total		3,008,977	2,659,364	1,761,185	1,011,045	8,440,571

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

15 The Company continues to incur net expenses related to the COVID-19  
 16 pandemic. As mentioned above, due to the resumption of fees and charges that  
 17 occurred October 1, 2022, consistent with the UM 2114 stipulation, the remaining  
 18 expected costs to be deferred are related to AMP time payment arrangement  
 19 matching grants and any related adjustments.

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 a future PGA filing. Due to the  
9 ongoing nature of the pandemic, the Company has not determined when  
10 to seek recovery through rates, but it will not be seeking recovery of the  
11 deferral in the upcoming PGA.

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

13 This application is for the 12-month period beginning March 24, 2023 and  
14 ending March 23, 2024.

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

16 On March 22, 2022, the Commission approved NW Natural's application  
17 seeking reauthorization to defer costs associated with the COVID-19  
18 public health emergency in Order No. 22-146.

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

20 \$8,440,571 was deferred from January 1, 2022, through December 31,  
21 2022. This amount includes \$413,874 of interest.

1           **5. The amount amortized last year.**

2           The Company amortized \$3,111,823 between March 2022 and February  
3           2023.

4           **6. The interest rate that will apply to the accounts.**

5           As part of the Term Sheet, the Company has agreed to accrued interest  
6           on the deferrals equal to the modified blended Treasury rate plus 100  
7           basis points.

8           **7. An estimate of the upcoming PGA-period deferral and/or  
9           amortization.**

10          We estimate to amortize \$5,881,101 between November 1 2023 through  
11          October 31 2024.

12   **K. Notice – OAR 800-027-0300(6).**

13          A notice of this Application will be served to parties who participated in the  
14          Company’s last general rate case, UG 435, and is attached to this Application.

15          NW Natural respectfully requests that the Commission issue an order  
16          reauthorizing the Company to defer the amounts described in this Application  
17          associated with the COVID-19 public health emergency, beginning on March 24,  
18          2023.

19          ///

20          ///

21          ///

22          ///

1 Dated this 22<sup>nd</sup> day of March 2023.

2 Respectfully Submitted,

3 NW NATURAL

4 /s/ Kyle Walker, CPA  
5 Kyle Walker, CPA  
6 Rates/Regulatory Manager

7  
8 /s/ Eric Nelsen  
9 Eric Nelsen (OSB# 192566)  
10 Senior Regulatory Attorney  
11 250 SW Taylor Street  
12 Portland, Oregon 97204-3038  
13 Phone: (503) 610-7618  
14 Email: eric.nelsen@nwnatural.com  
15





UM 2068

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

March 22, 2023

**To All Parties Who Participated in UG 435**

Please be advised that on March 22, 2023, Northwest Natural Gas Company, dba NW Natural ("NW Natural" or "Company"), applied for REAUTHORIZATION 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 who participated in the Company's last 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 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 2068

I hereby certify that on **March 22, 2023**, I have served by electronic mail the foregoing NOTICE OF APPLICATION FOR REAUTHORIZATION TO DEFER COSTS ASSOCIATED WITH THE COVID-19 PUBLIC HEALTH EMERGENCY upon all parties of record for NW Natural's last general rate case, UG 435.

**UG 435**

OREGON CITIZENS' UTILITY  
BOARD  
dockets@oregoncub.org

WILLIAM GEHRKE  
OREGON CITIZENS' UTILITY  
BOARD  
will@oregoncub.org

MICHAEL GOETZ  
OREGON CITIZENS' UTILITY  
BOARD  
mike@oregoncub.org

CHAD M. STOKES  
CABLE HUSTON LLP  
cstokes@cablehuston.com

TOMMY A. BROOKS  
CABLE HUSTON LLP  
tbrooks@cablehuston.com

STEPHANIE ANDRUS  
PUBLIC UTILITY COMMISSION  
stephanie.andrus@doj.state.or.us

MATTHEW MULDOON  
PUBLIC UTILITY COMMISSION  
matt.muldoon@puc.oregon.gov

DIANE HENKELS  
SMALL BUSINESS UTILITY  
ADVOCATES  
diane@utilityadvocates.org

JAMES BIRKELUND  
SMALL BUSINESS UTILITY  
ADVOCATES  
james@utilityadvocates.org

DANNY KERMODE  
SMALL BUSINESS UTILITY  
ADVOCATES  
5553dkcpa@gmx.us

JAIMINI PAREKH  
EARTHJUSTICE  
jparekh@earthjustice.org

KRISTEN BOYLES  
EARTHJUSTICE  
kboyles@earthjustice.org

CARRA SAHLER  
LEWIS & CLARK LAW SCHOOL  
sahler@lclark.edu

ADAM HINZ  
EARTHJUSTICE  
ahinz@earthjustice.org

JOCELYN PEASE  
MCDOWELL RACKNER &  
GIBSON PC  
jocelyn@mrg-law.com

MCDOWELL RACKNER &  
GIBSON PC  
dockets@mrg-law.com

ERIC NELSEN  
NW NATURAL  
eric.nelsen@nwnatural.com

NW NATURAL  
efiling@nwnatural.com

DATED March 22, 2023, Portland, OR.

/s/ Radiah Gaines  
Radiah Gaines  
Staff Assistant, Rates & Regulatory Affairs  
NW Natural