



250 SW Taylor Street
Portland, OR 97204

503-226-4211
nwnatural.com

February 27, 2024

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 2233 - NW Natural's Application for Reauthorization of Deferred Accounting for Costs and Revenues Associated with HB 2475

In accordance with OAR 757.259 and OAR 860-027-0300, Northwest Natural Gas Company, dba NW Natural ("NW Natural" or the "Company"), files herewith its application for reauthorization of deferred accounting for costs and revenues associated with Oregon House Bill 2475, the Energy Affordability Act ("HB 2475").

A notice concerning this application will be sent to all parties who participated in the Company's last completed 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
Telecopier: (503) 220-2579
Phone: (503) 610-7330
eFiling@nwnatural.com

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

Sincerely,

/s/ Kyle Walker, CPA

Kyle Walker, CPA
Senior Manager, Rates & Regulatory Affairs

Enclosures

**BEFORE THE PUBLIC UTILITY COMMISSION
OF OREGON**

UM 2233

In the Matter of

NORTHWEST NATURAL GAS
COMPANY, dba, NW NATURAL

For Reauthorization of Deferred
Accounting for Costs and Revenues
Associated with House Bill 2475

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 February 28, 2024 through February 27, 2025 for all
6 expenses associated with activities and programs developed pursuant to Oregon
7 House Bill 2475, the Energy Affordability Act (“HB 2475”). NW Natural proposed to
8 use a balancing account to track the costs and revenues associated with HB 2475
9 activities and programs. One such program is the Company’s Residential Bill
10 Discount Program. In 2022, NW Natural received approval for, and launched, its
11 low-income bill discount program and associated tariff change to facilitate cost
12 recovery of the program.¹

¹ Advice No. 22-02, Residential Low-Income Bill Discount Program (filed April 18, 2022), as amended by Advice No. 22-02A (filed July 6, 2022). At the public meeting on July 12, 2022, the Commission adopted Staff’s recommendation to approve NW Natural’s filing in the matter docketed as ADV 1390.

1 In support of this Application, NW Natural states:

2 **A. NW Natural.**

3 NW Natural is a public utility in the State of Oregon and is subject to the
4 jurisdiction of the Commission regarding rates, service, and accounting practices.
5 NW Natural also provides retail natural gas service in the States of Oregon and
6 Washington.

7 **B. Statutory Authority.**

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

11 **C. Communications.**

12 Communications regarding this Application should be addressed to:

13
14 NW Natural
15 e-Filing for Rates & Regulatory Affairs
16 250 SW Taylor Street
17 Portland, Oregon 97204
18 Phone: (503) 610-7330
19 Fax: (503) 220-2579
20 Email: eFiling@nwnatural.com;

21
22 Ryan Sigurdson (OSB# 201722)
23 Regulatory Attorney
24 250 SW Taylor Street
25 Portland, Oregon 97204
26 Phone: (503) 610-7570
27 Email: ryan.sigurdson@nwnatural.com;

28
29 and

1 Kyle Walker, CPA
2 Senior Manager, Rates & Regulatory Affairs
3 250 SW Taylor Street
4 Portland, Oregon 97204
5 Phone: (503) 610-7051
6 Email: kyle.walker@lnwnatural.com
7

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

10 In this Application, the Company is requesting that the Commission
11 reauthorize the deferral of costs and revenues associated with HB 2475 activities
12 and programs, including the low-income bill discount program.

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

15 ORS 757.259 is a “statutorily authorized exception to the general prohibition
16 against retroactive ratemaking” that allows a “means to address utility expenses or
17 revenues outside of the utility’s general rate case proceeding.”² Under ORS
18 757.259(2)(e), the Commission has discretion to authorize a deferral of “[i]dentifiable
19 utility expenses or revenues, the recovery or refund of which the commission finds
20 should be deferred in order to minimize the frequency of rate changes . . . or to
21 match appropriately the costs borne by and benefits received by rate payers.” To
22 determine whether an expense or revenue should be deferred, the Commission
23 “utilizes a flexible, fact-specific approach that acknowledges the wide range of
24 reasons why deferred accounting might be beneficial to customers.”³ Of those

² *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 (October 5, 2005).

³ *Id.* at 5.

1 reasons, the Commission has found that “encourag[ing] utility or customer behavior
2 consistent with regulatory policy” is appropriate for deferred accounting.⁴ This
3 deferral will match appropriately the costs borne by and benefits received by
4 customers and will minimize the frequency of rate changes.

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

6 Beginning on February 28, 2024, and ending 12 months from this date, NW
7 Natural proposes to account for the costs and revenues associated with HB 2475
8 activities and programs by recording them in a balancing account using Federal
9 Energy Regulatory Commission Account 186. In the absence of approval of
10 deferred accounting, NW Natural would record relevant expense and revenue
11 amounts in several accounts affecting the Company’s income statement and
12 balance sheet.

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

14 The Company estimates the amount to be recorded in the deferred account
15 for the cost of the bill discounts associated with the bill discount program for the 12-
16 month period beginning February 28, 2024 through February 27, 2025 to be
17 approximately \$10.18 million.

18 **H. Entries into deferred account during past 12 months – OAR 860-027-
19 300(4)(a).**

20 Exhibit A, which is attached, demonstrates all amounts deferred to date.

⁴ *Id.* at 2.

1 **I. Reason for Continuation of Deferral Account – OAR 860-027-0300(4)(b).**

2 NW Natural seeks continuation of this deferral as this program is ongoing and
3 continues to benefit low-income customers.

4 **J. Requirement per Commission Order No. 09-263.**

5 Below is the information required per Commission Order No. 09-263, issued
6 in Docket UM1286, Staff's Investigation into Purchase Gas Adjustment ("PGA")
7 Mechanisms:

8 1. **A completed Summary Sheet, the location in the PGA filing, and an**
9 **account map that highlights the transfer of dollars from one account**
10 **to another.**

11 The Summary Sheet will be included in the 2024 PGA filing work papers
12 and in the electronic file entitled "Proposed Temps Oregon 2024-25 PGA
13 filing.xlsx."

14 2. **The effective date of the deferral.**

15 This application is for the 12-month period beginning February 28, 2024
16 and ending February 27, 2025.

17 3. **Prior year Order Number approving the deferral.**

18 The Company filed a reauthorization on February 27, 2023, but the
19 Commission has yet to rule on that filing at the time of this application.

20 4. **The amount deferred last year.**

21 NW Natural has deferred, including interest, \$3,080,887 as of February 1,
22 2024.

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/s/ Ryan Sigurdson
Ryan Sigurdson (OSB# 201722)
Regulatory Attorney
250 SW Taylor Street
Portland, OR 97204
Phone: (503) 610-7570
Email: ryan.sigurdson@nwnatural.com

Company: Northwest Natural Gas Company
 State: Oregon
 Description: HB 2475-Low Income Bill Discount Rate Deferral
 Account Number: **151919**

Debit (Credit)

	Month/Year	Note	Deferral	Transfers	Interest Rate	Interest	Activity	Balance
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)
1	Beginning Balance							0.00
26	Nov-22		37,026.84		1.820%	28.08	37,054.92	37,054.92
27	Dec-22		231,971.25		1.820%	232.11	232,203.36	269,258.28
28	Jan-23		340,617.91		5.130%	1,879.15	342,497.06	611,755.34
29	Feb-23		385,524.23		5.130%	3,439.31	388,963.54	1,000,718.88
30	Mar-23		420,188.91		5.130%	5,176.23	425,365.14	1,426,084.02
31	Apr-23		404,648.89		5.130%	6,961.45	411,610.34	1,837,694.36
32	May-23		180,892.62		5.130%	8,242.80	189,135.42	2,026,829.78
33	Jun-23		54,454.33		5.130%	8,781.09	63,235.42	2,090,065.20
34	Jul-23		19,129.26		5.130%	8,975.92	28,105.18	2,118,170.38
35	Aug-23		1,320.05		5.130%	9,058.00	10,378.05	2,128,548.43
36	Sep-23		13,001.66		5.130%	9,127.34	22,129.00	2,150,677.43
37	Oct-23		87,837.12		5.130%	9,381.90	97,219.02	2,247,896.45
38	Nov-23 NEW		373,095.97		5.130%	10,407.25	383,503.22	2,631,399.67
39	Dec-23		770,085.59		5.130%	12,895.29	782,980.88	3,414,380.55
40	Jan-24		640,237.94		5.400%	16,805.25	657,043.19	4,071,423.74

Amount deferred during Mar 23 - Jan 24 with interest 3,070,704.86

54 History truncated for ease of viewing
 (1)

Company: Northwest Natural Gas Company
 State: Oregon
 Description: HB 2475-Low Income Bill Discount Admin Cost Deferral
 Account Number: **151917**

Debit (Credit)

	Month/Year	Note	Deferral	Transfers	Interest Rate	Interest	Activity	Balance
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)
1	Beginning Balance							0.00
25	Nov-22	NEW	65,827.87		1.820%	89.66	65,917.53	92,120.16
26	Dec-22		45,835.00		1.820%	174.47	46,009.47	138,129.63
27	Jan-23		(5,065.00)		5.130%	579.68	(4,485.32)	133,644.31
28	Feb-23		(1,575.00)		5.130%	567.96	(1,007.04)	132,637.27
29	Mar-23		1,575.00		5.130%	570.39	2,145.39	134,782.66
30	Apr-23		(1,575.00)		5.130%	572.83	(1,002.17)	133,780.49
31	May-23		1,610.00		5.130%	575.35	2,185.35	135,965.84
32	Jun-23		0.00		5.130%	581.25	581.25	136,547.09
33	Jul-23		0.00		5.130%	583.74	583.74	137,130.83
34	Aug-23		0.00		5.130%	586.23	586.23	137,717.06
35	Sep-23		0.00		5.130%	588.74	588.74	138,305.80
36	Oct-23		0.00		5.130%	591.26	591.26	138,897.06
38	Nov-23	NEW	0.00		5.130%	593.78	593.78	139,490.84
39	Dec-23		0.00		5.130%	596.32	596.32	140,087.16
40	Jan-24		2,097.56		5.400%	635.11	2,732.67	142,819.83

Amount deferred during Mar 23 - Jan 24 with interest 10,182.56

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UM 2233

**NOTICE OF APPLICATION FOR REAUTHORIZATION OF DEFERRED
ACCOUNTING FOR COSTS AND REVENUES ASSOCIATED WITH HB 2475**

February 27, 2024

To All Parties Who Participated in UG 435

Please be advised that on February 27, 2024, Northwest Natural Gas Company, dba NW Natural ("NW Natural" or "Company"), applied for REAUTHORIZATION OF DEFERRED ACCOUNTING FOR COSTS AND REVENUES ASSOCIATED WITH HOUSE BILL 2475 ENERGY AFFORDABILITY ACT.

This is not a rate case. The purpose of this Notice is to inform parties who participated in the Company's last completed general rate case, UG 435, that a deferral reauthorization 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
Phone: (503) 610-7051**

**Public Utility Commission of Oregon
Attn: Filing Center
201 High Street SE, Suite 100
PO Box 1088
Salem, Oregon 97308-1088
Phone: (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.

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**CERTIFICATE OF SERVICE
UM 2233**

I hereby certify that on February 27, 2024, I have served by electronic mail the foregoing NOTICE OF APPLICATION FOR REAUTHORIZATION OF DEFERRED ACCOUNTING FOR COSTS AND REVENUES ASSOCIATED WITH HB 2475 upon all parties of record for NW Natural's last completed general rate case, UG 435.

UG 435

OREGON CITIZENS' UTILITY
BOARD
dockets@oregoncub.org

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

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

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

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

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

JAMES BIRKELUND
SMALL BUSINESS UTILITY
ADVOCATES
james@utilityadvocates.org

DIANE HENKELS
SMALL BUSINESS UTILITY
ADVOCATES
diane@utilityadvocates.org

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

JAIMINI PAREKH
EARTHJUSTICE
jparekh@earthjustice.org

ADAM HINZ
EARTHJUSTICE
ahinz@earthjustice.org

KRISTEN BOYLES
EARTHJUSTICE
kboyles@earthjustice.org

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

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

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

ERIC NELSEN
NW NATURAL
eric.nelsen@nwnatural.com

NW NATURAL
efiling@nwnatural.com

DATED February 27, 2024, Portland, Oregon.

/s/ Erica Lee-Pella
Erica Lee-Pella
Rates & Regulatory Affairs, NW Natural
250 SW Taylor Street
Portland, Oregon 97204
(503) 610-7330
erica.lee-pella@nwnatural.com