



COLE ALBEE
Main (503) 595-3922
cole@mrg-law.com

February 26, 2024

VIA E-MAIL TO

Public Utility Commission of Oregon
Filing Center
201 High Street SE, Suite 100
Salem, Oregon 97301-3398

**Re: Docket UG 490 - In the Matter of Northwest Natural Gas Company, dba NW
Natural, Request for a General Rate Revision**

Attached please find the First Partial Multi-Party Stipulation Regarding Cost of Long-Term Debt.

Please contact this office with any questions.

Sincerely,

Cole Albee
Paralegal
McDowell Rackner Gibson PC

**BEFORE THE PUBLIC UTILITY COMMISSION
OF OREGON**

UG 490

In the Matter of
NORTHWEST NATURAL GAS COMPANY,
dba NW Natural
Application for a General Rate Revision

**FIRST PARTIAL MULTI-PARTY
STIPULATION REGARDING COST OF
LONG-TERM DEBT**

I. INTRODUCTION

The purpose of this First Partial Multi-Party Stipulation (“Stipulation”) is to resolve one component of cost of capital—the cost of long-term debt—among Northwest Natural Gas Company d/b/a NW Natural (“NW Natural” or the “Company”), Staff of the Public Utility Commission of Oregon (“Staff”), the Oregon Citizens’ Utility Board (“CUB”), and the Alliance of Western Energy Consumers (“AWEC”) (each individually “Stipulating Party” or collectively, “Stipulating Parties”) in Docket UG 490. The Coalition of Communities of Color, Climate Solutions, Verde, Columbia Riverkeeper, Oregon Environmental Council, Community Energy Project, and Sierra Club (“the Coalition”) is also a party to these proceedings but does not join the Stipulation. Although the Coalition does not join the Stipulation, the Coalition does not oppose the Stipulation.

II. BACKGROUND

On December 29, 2023, NW Natural filed a request for a general rate increase (the “Initial Filing”) to become effective November 1, 2024. The Company’s Initial Filing requested a revision to customer rates that would increase the Company’s annual Oregon jurisdictional revenues by \$154.9 million which would have resulted in an approximate 16.62 percent increase to current customer rates. Administrative Law Judge (“ALJ”) Sarah Spruce convened a prehearing conference on January 29, 2024.

On February 5, 2024, ALJ Spruce issued a Prehearing Conference Memorandum detailing the procedural schedule for this proceeding. In accordance with the procedural schedule, on

February 12, 2024, the parties held a settlement conference regarding cost of capital. As a result of the settlement discussions, the Stipulating Parties reached a partial settlement regarding cost of capital; in particular, the Stipulating Parties resolved the cost of long-term debt. This Stipulation memorializes the Stipulating Parties' agreements.

III. TERMS OF AGREEMENT

The Stipulating Parties agree to the following:

1. Cost of Debt. The Stipulating Parties agree to a cost of long-term debt of 4.712 percent. No other components of Cost of Capital are included in this Stipulation.
2. The Stipulating Parties agree that this Stipulation is in the public interest, and will result in rates that are fair, just and reasonable, consistent with the standard in ORS 756.040.
3. This Stipulation will be offered into the record as evidence pursuant to OAR 860-001-0350(7). The Stipulating Parties agree to support this Stipulation throughout these consolidated proceedings and any appeal, provide witnesses to sponsor this Stipulation at hearing, and recommend that the Commission issue an order adopting this Stipulation. The Stipulating Parties also agree to cooperate in drafting and submitting joint testimony or a brief in support of this Stipulation in accordance with OAR 860-001-0350(7).
4. If this Stipulation is challenged, the Stipulating Parties agree that they will continue to support the Commission's adoption of the terms of this Stipulation. The Stipulating Parties agree to cooperate in cross-examination and put on such a case as they deem appropriate to respond fully to the issues presented, which may include raising issues that are incorporated in the settlements embodied in this Stipulation.
5. The Stipulating Parties have negotiated this Stipulation as an integrated document. If the Commission rejects all or any material portion of this Stipulation or imposes additional material conditions in approving this Stipulation, any of the Stipulating Parties are entitled to withdraw from this Stipulation or exercise any other rights provided in OAR 860-001-0350(9).

6. By entering into this Stipulation, no Stipulating Party approves, admits, or consents to the facts, principles, methods, or theories employed by any other Stipulating Party in arriving at the terms of this Stipulation, other than those specifically identified in the body of this Stipulation. No Stipulating Party shall be deemed to have agreed that any provision of this Stipulation is appropriate for resolving issues in any other proceeding, except as specifically identified in this Stipulation.


7. The substantive terms of this Stipulation are not enforceable by any Stipulating Party unless and until adopted by the Commission in a final order. Each Stipulating Party avers that it is signing this Stipulation in good faith and that it intends to abide by the terms of this Stipulation unless and until this Stipulation is rejected or adopted only in part by the Commission. The Stipulating Parties agree that the Commission has exclusive jurisdiction to enforce or modify this Stipulation. If the Commission rejects or modifies this Stipulation, any Stipulating Party or Parties reserve the right to seek reconsideration or rehearing of the Commission order under ORS 756.561 and OAR 860-001-0720 or to appeal the Commission order under ORS 756.610.

8. This Stipulation may be executed in counterparts and each signed counterpart shall constitute an original document.

This Stipulation is entered into by each Stipulating Party on the date entered below such Stipulating Party's signature.

DATED this 26th day of February, 2024.

NW NATURAL COMPANY D/B/A NW
NATURAL

By: 
Date: February 26, 2024

STAFF OF PUBLIC UTILITY COMMISSION
OF OREGON

By: /s/ Stephanie Andrus
Date: February 26, 2024

OREGON CITIZENS' UTILITY BOARD

By: /s/ Michael P. Goetz
Date: February 26, 2024

ALLIANCE OF WESTERN ENERGY
CONSUMERS

By: /s/ Chad M. Stokes
Date: February 26, 2024