



250 SW Taylor Street  
Portland, OR 97204

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nwnatural.com

**VIA ELECTRONIC FILING**

December 21, 2020

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 Restoration of Service Due to Damage to Williams Pipeline District Regulator Station**

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 restoration of service due to damage to the Williams Pipeline district regulator station.

A notice concerning this Application will be sent to all parties who participated in the Company's most recent 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  
Phone: (503) 610.7330  
Fax: (503) 220.2579  
eFiling@nwnatural.com

If you have any questions, please contact me.

Sincerely,

*/s/ Natasha Siores*

Natasha Siores  
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  
RESTORATION OF SERVICE  
DUE TO DAMAGE TO WILLIAMS  
PIPELINE DISTRICT REGULATOR  
STATION

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 period beginning December 21, 2020, for amounts associated with addressing  
6 damage, keeping customers safe, restoring service and relighting customers’  
7 homes due to a motor vehicle accident that damaged a Williams NW Pipeline  
8 (“Williams”) district regulator, causing the regulator to be shut down and  
9 approximately 5,500 customers in Hood River, Oregon and White Salmon,  
10 Washington to lose natural gas service. If this Application is approved, NW  
11 Natural will seek amortization of the amounts that are deferred in a future  
12 Commission proceeding.

13 In support of this Application, NW Natural states:

1 **A. NW Natural.**

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

4 NW Natural provides retail natural gas service in the States of Oregon and  
5 Washington.

6 **B. Statutory Authority.**

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

10 **C. Communications.**

11 Communications regarding this Application should be addressed to:

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

18  
19 Ryan Sigurdson (OSB #201722)  
20 Regulatory Attorney  
21 250 SW Taylor Street  
22 Portland, Oregon 97204  
23 Phone: (503) 610-7570  
24 Email: ryan.sigurdson@nwnatural.com;

25  
26 and

27  
28 Natasha Siores  
29 Rates/Regulatory Manager  
30 250 SW Taylor Street  
31 Portland, Oregon 97204  
32 Phone: (503) 610-7074  
33 Email: natasha.siores@nwnatural.com

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

3 NW Natural requests an accounting order authorizing it to defer the costs  
4 associated with restoring service to its Hood River customers. On Sunday,  
5 December 20, 2020, at approximately 11:50 PM, a vehicle accident damaged  
6 Williams’ regulator station, causing it to be shut down. This resulted in  
7 approximately 4,100 NW Natural customers in the Hood River area losing natural  
8 gas service. NW Natural is working with emergency officials to restore gas  
9 service in the area as soon as possible. The Company has also filed a similar  
10 deferral application with the Washington Utilities and Transportation Commission  
11 for costs it incurs in restoring service to approximately 1,400 customers in the  
12 White Salmon, Washington area.

13 **E. Reasons for Application for Deferred Accounting – OAR 860-027-**  
14 **0300(3)(b).**

15 ORS 757.259 is a “statutorily authorized exception to the general  
16 prohibition against retroactive ratemaking” that allows a “means to address utility  
17 expenses or revenues outside of the utility’s general rate case proceeding.<sup>1</sup>  
18 Under ORS 757.259(2)(e), the Commission has discretion to authorize a deferral  
19 of “[i]dentifiable utility expenses or revenues, the recovery or refund of which the  
20 commission finds should be deferred in order to minimize the frequency of rate  
21 changes . . . or to match appropriately the costs borne by and benefits received  
22 by rate payers.”

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<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 (October 5, 2005).

1           NW Natural's rates do not currently capture the costs of restoring service  
2 to its Hood River customers. To restore service, NW Natural technicians must,  
3 among other things, go door-to-door to each of its approximately 5,500  
4 customers in the Hood River and White Salmon areas to restore service and  
5 relight their equipment. With impending cold weather, it is vital that NW Natural  
6 employees work extended hours and potentially utilize mutual assistance  
7 agreements to restore service. To ensure customer safety, the Company has  
8 informed its customers to not attempt to relight their equipment, but instead wait  
9 to be contacted by NW Natural. In the absence of a deferral, NW Natural would  
10 be required to bear the costs of manually restoring service as soon as possible  
11 that are not otherwise captured in rates. Granting this Application will match  
12 appropriately the costs borne by and benefits received by customers.

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

14           Beginning on December 21, 2020, NW Natural proposes to account for  
15 the costs associated with the restoration of service due to the Williams Pipeline  
16 outage by recording the deferral in Account 186. In the absence of approval of  
17 deferred accounting, NW Natural would record the amounts in several accounts  
18 affecting the Company's income statement and balance sheet.

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

20           At the time of filing this Application, damage to the Williams Pipeline had  
21 occurred less than 24 hours ago and NW Natural is still in the process of  
22 developing estimated costs. Estimated costs may include the direct costs of NW  
23 Natural employees and contract personnel responding to the restoration and

1 relight efforts (including incremental labor, overtime, travel, meals and lodging  
2 and personal protective equipment), mobilization of CNG and LNG trailers,  
3 materials and supplies needed for restoration and relight, interim measures to  
4 assist customers during expected cold weather during the outage (including  
5 provisions to keep customers safe), and other costs related to this event that the  
6 Company is not able to predict at this time. This situation is evolving and the  
7 Company will provide more detail when estimates become available.

8 **H. Notice – OAR 800-027-0300(6).**

9 A notice of this Application has been served on the all parties who  
10 participated in the Company's most recent general rate case, UG 388, and is  
11 attached to this Application.

12 NW Natural respectfully requests that the Commission issue an order  
13 authorizing the Company to defer the expenses described in the Application to  
14 ensure that the Company will be authorized to seek to recover costs associated  
15 with restoring service to its Hood River customers beginning on December 21,  
16 2020.

17 Dated this 21<sup>st</sup> of December 2020.

18 Respectfully Submitted,

19 NW NATURAL

20 /s/ Natasha Siores  
21 Natasha Siores  
22 Rates/Regulatory Manager

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



UM\_\_\_\_\_

**NOTICE OF APPLICATION FOR AUTHORIZATION TO  
DEFER CERTAIN EXPENSES OR REVENUES**

December 21, 2020

**To All Parties Who Participated in UG 388**

Please be advised that on December 21, 2020 Northwest Natural Gas Company, dba NW Natural ("NW Natural" or "Company"), applied for AUTHORIZATION TO DEFER COSTS ASSOCIATED WITH THE RESTORATION OF SERVICE DUE TO DAMAGE TO WILLIAMS PIPELINE DISTRICT REGULATOR STATION.

**This is not a rate case.** The purpose of this Notice is to inform parties who participated 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 within 25 days of this filing. 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**  
**UM \_\_\_\_\_**

I hereby certify that on December 21, 2020, I have served by electronic mail the foregoing NOTICE OF APPLICATION FOR AUTHORIZATION TO DEFER COSTS ASSOCIATED WITH THE RESTORATION OF SERVICE DUE TO DAMAGE TO WILLIAMS PIPELINE DISTRICT REGULATOR STATION upon all parties of record for the Company's most recent general rate case, UG 388.

**UG 388**

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DATED December 21, 2020, Troutdale, OR.

*/s/ Erica Lee-Pella*  
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