



250 SW Taylor Street  
Portland, OR 97204

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nwnatural.com

February 28, 2022

**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\_\_\_ - NW Natural's Application for Deferred Accounting of 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 authorization for deferred accounting of 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 participating in the Company's current 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) 610-7074.

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 for Deferred  
Accounting of Costs and Revenues  
Associated with House Bill 2475  
Energy Affordability Act

**APPLICATION FOR  
DEFERRED ACCOUNTING**

1 Northwest Natural Gas Company, d/b/a NW Natural (NW Natural or the  
2 Company), requests authorization to use deferred accounting pursuant to ORS  
3 757.259(2)(e) and OAR 860-027-0300 for amounts associated with activities and  
4 programs developed pursuant to Oregon House Bill 2475, the Energy  
5 Affordability Act (HB 2475). NW Natural will make a filing in 2022 detailing a low-  
6 income bill discount program and associated tariff changes to facilitate cost  
7 recovery of the program. NW Natural proposes to use a balancing account to  
8 track the costs and revenues associated with HB 2475 activities and programs if  
9 authorized for deferred accounting in this application.

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

1 Communications regarding this Application should be addressed to:

NW Natural  
e-Filing for Rates & Regulatory Affairs  
250 SW Taylor Street  
Portland, Oregon 97204-3038  
Phone: (503) 610-7330  
Facsimile: (503) 220-2579  
Email: eFiling@nwnatural.com

Ryan Sigurdson  
Regulatory Attorney (OSB #201722)  
250 SW Taylor Street  
Portland, Oregon 97204-3038  
Phone: (503) 610-7570  
Email: ryan.sigurdson@nwnatural.com

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

2 **I. BACKGROUND**

3 HB 2475 became effective in May 2021, amending ORS 757.230(1) to  
4 allow utilities to take into account the “differential energy burdens on low-income  
5 customers and other economic, social equity or environmental justice factors that  
6 affect affordability for certain classes of utility customers” when designing rates.  
7 The changes also provide energy utilities with the opportunity to offer a bill  
8 discount to income-qualified residential customers. NW Natural will be filing its  
9 proposal for a low-income bill discount program for residential customers in the  
10 coming months, with an expected effective date on or before November 1, 2022.

11 NW Natural respectfully requests authorization for the use of deferred  
12 accounting for the costs and revenues associated with the development,  
13 implementation and administration of HB 2475 activities and programs for the 12-  
14 month period commencing on the date of this filing.

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**II. APPLICATION**

ORS 757.259 empowers the Commission to authorize the deferral of expenses or revenues of a public utility for later inclusion in rates.<sup>1</sup> The Commission has established rules implementing this statute in OAR 860-027-0300, including specific requirements for deferred accounting applications—each of which is addressed in turn, below.

**A. Description of the Expenses to be Deferred – OAR 860-027-0300(3)(a).**

NW Natural will be filing its proposal for a low-income bill discount program for residential customers in the coming months, with an expected effective date on or before November 1, 2022. NW Natural proposes to use a balancing account to track the costs and revenues associated with HB 2475 activities and programs, including the low-income bill discount program if authorized for deferred accounting in this application.

**B. Reasons Deferred Accounting is Requested – OAR 860-027-0300(3)(b).**

NW Natural requests this deferral under ORS 757.259(2)(e). This deferral will match appropriately the costs borne by and benefits received by customers and will minimize the frequency of rate changes.

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<sup>1</sup> See also *In re Pub. Util. Comm’n of Or. Investigation of the Scope of the Commission’s Authority to Defer Capital Costs*, Docket UM 1909, Order No. 20-147 at 3, 11 (Apr. 30, 2020) (ORS 757.259 “empowers the Commission to authorize the deferral of capital project costs, including depreciation expense and financing costs.”).

1 **C. Accounting Treatment of Expenses With and Without Deferred**  
2 **Accounting – OAR 860-027-0300(3)(c).**

3 NW Natural proposes to account for the costs and revenues associated  
4 with HB 2475 activities and programs by recording them in a balancing account  
5 using Federal Energy Regulatory Commission Account 186. In the absence of  
6 approval of deferred accounting, NW Natural would record relevant expense and  
7 revenue amounts in several accounts affecting the Company's income statement  
8 and balance sheet.

9 **D. Estimation of the Amounts Subject to Deferral – OAR 860-027-**  
10 **0300(3)(d).**

11 NW Natural is still in the process of developing its low-income bill discount  
12 program and does not currently have an estimate of the potential amounts to be  
13 deferred for this program. NW Natural will also incur additional expenses as new  
14 HB 2475 programs and activities are created and developed; as such, the  
15 Company does not have sufficient information at this time to accurately estimate  
16 the amounts subject to deferral for these future activities.

17 **E. Notice of the Application for Deferred Accounting – OAR 860-027-**  
18 **0300(3)(e).**

19 OAR 860-027-0300(3)(e) requires NW Natural to provide a copy of the  
20 notice of application for deferred accounting and list those persons served with  
21 the notice. Notice must be served on all persons who were parties in the  
22 Company's last general rate case.<sup>2</sup>

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<sup>2</sup> OAR 860-027-0300(6).

1 A notice of this Application has been served to all parties who are  
2 participating in the Company's current general rate case, docket UG 435. A copy  
3 of this notice is attached to this Application.

4 **III. CONCLUSION**

5 NW Natural respectfully requests that the Commission issue an order  
6 authorizing deferred accounting treatment to track the incremental costs and  
7 revenues associated with HB 2475, effective for the 12 months beginning the  
8 date of this filing.

9 Dated this 28<sup>th</sup> day of February 2022.

10 Respectfully Submitted,

11 NW NATURAL

12 /s/ Kyle Walker, CPA  
13 Kyle Walker, CPA  
14 Rates/Regulatory Manager  
15 250 SW Taylor Street  
16 Portland, Oregon 97204-3038  
17 Phone: (503) 610-7051  
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19  
20 /s/ Ryan Sigurdson  
21 Ryan Sigurdson  
22 Regulatory Attorney (OSB #201722)  
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UM \_\_\_\_\_

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

February 28, 2022

**To All Parties Participating in UG 435**

Please be advised that on February 28, 2022, Northwest Natural Gas Company, dba NW Natural (“NW Natural” or “Company”), applied for AUTHORIZATION FOR DEFERRED ACCOUNTING OF 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 participating in the Company's current general rate case, UG 435, 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  
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 application will not authorize a change in rates but will permit the Company to defer amounts in rates to a subsequent proceeding.

\* \* \* \* \*



## CERTIFICATE OF SERVICE

I hereby certify that on February 28, 2022, I have served by electronic mail the foregoing NOTICE OF APPLICATION FOR AUTHORIZATION FOR DEFERRED ACCOUNTING OF COSTS AND REVENUES ASSOCIATED WITH HOUSE BILL 2475 ENERGY AFFORDABILITY ACT upon all parties of record for NW Natural's current general rate case, UG 435.

### UG 435

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DATED February 28, 2022, Portland, OR.

/s/ Erica Lee-Pella  
Erica Lee-Pella  
Rates & Regulatory Affairs, NW Natural