



250 SW Taylor Street  
Portland, OR 97204

503-226-4211  
nwnatural.com

March 22, 2021

**VIA ELECTRONIC FILING**

Public Utility Commission of Oregon  
Attn: Filing Center  
201 High Street SE, Suite 100  
Post Office Box 1088  
Salem, Oregon 97308-1088he

**Re: UM 1766 – NW Natural’s Application for Reauthorization to Use Deferred Accounting for the Annual Regulatory Fee**

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 to use deferred accounting for the Public Utility Commission of Oregon’s annual regulatory fee that NW Natural pays.

A notice concerning this Application will be sent to all 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/ Kyle Walker, CPA*

Kyle Walker, CPA  
Rates/Regulatory Manager

Enclosures

**BEFORE THE PUBLIC UTILITY COMMISSION  
OF OREGON**

**UM 1766**

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**

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 March 23, 2021 through March 22, 2022 for the annual  
6 regulatory fee that NW Natural pays to the Commission pursuant to OAR 860-021-  
7 0034.

8 In Order No. 20-332, entered in this docket on October 7, 2020, the  
9 Commission approved the Company’s most recent request to continue deferring the  
10 amount of the annual regulatory fee not captured in the Company’s last general rate  
11 case. On February 25, 2021, the Commission issued Order No. 21-066 increasing  
12 the annual fee rate from 0.35 percent to 0.375 percent. As a result of the increase,  
13 NW Natural requests in this reauthorization to continue deferring the amount for  
14 annual fees not captured in its last general rate case, and increasing that amount by

1 .025 percent, representing the increase approved by the Commission in Order No.  
2 21-066.

3 In support of this Application, NW Natural states:

4 **A. NW Natural.**

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

7 NW Natural also provides retail natural gas service in the States of Oregon and  
8 Washington.

9 **B. Statutory Authority.**

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

13 **C. Communications.**

14 Communications regarding this Application should be addressed to:

15 NW Natural  
16 e-Filing for Regulatory Affairs  
17 250 SW Taylor St.  
18 Portland, Oregon 97204-3038  
19 Phone: (503) 610-7330  
20 Fax: (503) 721-2516  
21 Email: eFiling@nwnatural.com;

22  
23 Eric Nelsen  
24 Senior Regulatory Attorney  
25 250 SW Taylor St.  
26 Portland, Oregon 97204-3038  
27 Phone: (503) 610-7618  
28 Email: Eric.Nelsen@nwnatural.com;

29 and

1 Kyle Walker, CPA  
2 Rates/Regulatory Manager  
3 250 SW Taylor St.  
4 Portland, Oregon 97204-3038  
5 Phone: (503) 610-7051  
6 Email: Kyle.Walker@nwnatural.com

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

10 In this Application, the Company is requesting authorization to defer the costs  
11 that represent the difference in the regulatory fee currently embedded in rates and  
12 the new regulatory fee established in Order No. 21-066. Specifically, NW Natural  
13 requests to defer the difference between the annual fee amounts that are currently  
14 being collected through rates and the increased annual fee.

15 **E. Reasons for Application for Reauthorization of Deferred Accounting –**  
16 **OAR 860-027-0300(3)(b).**  
17

18 ORS 757.259(2)(e) allows the deferral of utility expenses where necessary to  
19 minimize the frequency of rate changes or the fluctuation of rate levels or to match  
20 appropriately the costs borne by and benefits received by ratepayers. The Company  
21 requests deferral of the costs associated with the incremental increase of the  
22 regulatory fee. NW Natural does not seek to defer the costs associated with the  
23 annual fee that have already been included in rates, and only seeks to defer the  
24 incremental costs until such time as any increased fee amount can be included in  
25 NW Natural's established rates. While the amounts deferred may not be significant,  
26 NW Natural seeks this reauthorization because the 2021 increase to the annual fee  
27 was not a regularly scheduled event, which makes planning for any fee increase  
28 difficult to align with ordinary rate case planning. For this reason, the Company

1 respectfully requests the reauthorization to defer any incremental costs of the annual  
2 fee.

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

4 NW Natural proposes to account for the deferred expenses related to any  
5 increased regulatory fee by recording the deferral in a sub-account of Account 186  
6 (Defer PUC Fee). In the absence of deferred accounting, the Company would  
7 record the incremental increase in expenses in the appropriate sub-account of  
8 FERC Account 909.

9 **G. Estimate of Amounts – OAR 860-027-0300(3)(d)**

10 The Company estimates the amount to be recorded in the deferred account  
11 for the 12-month period beginning March 23, 2021, through March 22, 2022, to be  
12 approximately \$403,983.

13 **H. Descriptions of Entries Deferred under UM 1766 – OAR 860-027-  
14 0300(4)(a)**

15  
16 The entries being deferred would reflect the incremental difference in the  
17 regulatory fee currently embedded in rates and any new increased regulatory fee  
18 ordered by the Commission.

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

20 The deferral is forecasted to continue until rates go into effect in a  
21 subsequently filed general rate case that would include any increased regulatory fee  
22 in revenue requirement. The recovery of any incremental regulatory fee aligns the  
23 cost with the customers who benefit from the governance the Commission provides.

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 the 2021 PGA filing work papers  
9 and in the electronic file entitled "Proposed Temps Oregon 2021-22 PGA  
10 filing.xlsx."

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

12 This application is for the 12-month period beginning March 23, 2021, and  
13 ending March 22, 2022.

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

15 Approval to defer costs associated with the incremental regulatory fee was  
16 last granted under Commission Order No. 20-332.

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

18 \$335,037 was deferred during the last deferral year of March 23, 2020,  
19 through March 22, 2021. This amount includes \$14,934 of interest.

- 20 5. **The amount amortized last year.**

21 \$61,444 was amortized in rates November 1, 2020 through December 31,  
22 2020.





UM 1766

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

March 22, 2021

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

Please be advised that on March 22, 2021 Northwest Natural Gas Company, dba NW Natural ("NW Natural" or "Company"), applied for REAUTHORIZATION TO USE DEFERRED ACCOUNTING FOR THE ANNUAL REGULATORY FEE.

**This is not a rate case.** The purpose of this Notice is to inform parties that participated in the Company's most recent general rate case, UG 388, 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 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  
UM 1766**

I hereby certify that on March 22, 2021, I have served by electronic mail the foregoing NOTICE OF APPLICATION FOR REAUTHORIZATION TO USE DEFERRED ACCOUNTING FOR THE ANNUAL REGULATORY FEE upon all parties of record for the Company's most recent general rate case, UG 388.

**UG 388**

OREGON CITIZENS' UTILITY BOARD  
[dockets@oregoncub.org](mailto:dockets@oregoncub.org)

WILLIAM GEHRKE  
OREGON CITIZENS' UTILITY BOARD  
[will@oregoncub.org](mailto:will@oregoncub.org)

MICHAEL GOETZ  
OREGON CITIZENS' UTILITY BOARD  
[mike@oregoncub.org](mailto:mike@oregoncub.org)

LISA RACKNER  
MCDOWELL RACKNER & GIBSON PC  
[dockets@mrg-law.com](mailto:dockets@mrg-law.com)

MARIANNE GARDNER  
PUBLIC UTILITY COMMISSION  
[marianne.gardner@state.or.us](mailto:marianne.gardner@state.or.us)

STEPHANIE ANDRUS  
DEPARTMENT OF JUSTICE  
[stephanie.andrus@state.or.us](mailto:stephanie.andrus@state.or.us)

TOMMY A BROOKS  
CABLE HUSTON LLP  
[tbrooks@cablehuston.com](mailto:tbrooks@cablehuston.com)

CHAD M. STOKES  
CABLE HUSTON LLP  
[cstokes@cablehuston.com](mailto:cstokes@cablehuston.com)

EDWARD FINKLEA  
ALLIANCE OF WESTERN ENERGY  
CONSUMERS  
[efinklea@awec.solutions](mailto:efinklea@awec.solutions)

KEITH KUENY  
COMMUNITY ACTION PARTNERSHIP  
OF OREGON  
[keith@caporegon.org](mailto:keith@caporegon.org)

JANET MERRELL  
COMMUNITY ACTION PARTNERSHIP  
OF OREGON  
[janet@caporegon.org](mailto:janet@caporegon.org)

ERIC NELSEN  
NW NATURAL  
[eric.nelsen@nwnatural.com](mailto:eric.nelsen@nwnatural.com)

NW NATURAL  
[efiling@nwnatural.com](mailto:efiling@nwnatural.com)

DATED March 22, 2021, Troutdale, OR.

/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](mailto:erica.lee-pella@nwnatural.com)