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March 22, 2023

***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 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 (“Application”) 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 parties who participated in the Company’s last 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  
Phone: (503) 610-7330  
Fax: (503) 220-2579  
eFiling@nwnatural.com

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

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 Use Deferred  
Accounting for the Annual Regulatory  
Fee 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, 2023 through March 22, 2024 for the annual  
6 regulatory fee that NW Natural pays to the Commission pursuant to OAR 860-021-  
7 0034.

8 In Order No. 22-062, entered in this docket on February 24, 2022, 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 and temporary rates. On March 1, 2023, the Commission approved that the  
12 fee remain at 0.43 percent in Order No. 23-057. When the Company receives the  
13 invoice from the Commission, a deferral of the previous year is recorded on the  
14 Company books for the difference of the fee embedded in rates and the actual fee

1 charged.

2 In support of this Application, NW Natural states:

3 **A. NW Natural.**

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

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

8 **B. Statutory Authority.**

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

12 **C. Communications.**

13 Communications regarding this Application should be addressed to:

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

20  
21 Eric Nelsen  
22 Senior Regulatory Attorney (OSB# 192566)  
23 250 SW Taylor St.  
24 Portland, Oregon 97204  
25 Phone: (503) 610-7618  
26 Email: eric.nelsen@nwnatural.com;

27 and

1 Kyle Walker, CPA  
2 Rates/Regulatory Manager  
3 250 SW Taylor St.  
4 Portland, Oregon 97204  
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 In this Application, the Company is requesting authorization to defer the costs  
10 that represent the difference in the regulatory fee embedded in rates and the  
11 regulatory fee established in Order No. 23-057 for calendar year 2022 gross  
12 operating revenues. Specifically, NW Natural requests to defer the difference  
13 between the annual fee amounts that are collected through rates and the annual fee.

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

16 ORS 757.259(2)(e) allows the deferral of utility expenses where necessary to  
17 minimize the frequency of rate changes or the fluctuation of rate levels or to match  
18 appropriately the costs borne by and benefits received by ratepayers. The Company  
19 requests deferral of the costs associated with the difference in the amount collected  
20 and the actual regulatory fee. NW Natural does not seek to defer the costs  
21 associated with the annual fee that have already been included in rates, and only  
22 seeks to defer the incremental costs until such time as any increased fee amount  
23 can be included in NW Natural's established rates. While the amounts deferred may  
24 not be significant, NW Natural seeks this reauthorization because the 2022 increase  
25 to the annual fee was not a regularly scheduled event, which makes planning for any

1 fee increase difficult to align with ordinary rate case planning. The revenues received  
2 from January to October 2022 had a lower fee embedded in rates. For this reason,  
3 the Company respectfully requests the reauthorization to defer any incremental  
4 costs of the annual fee.

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

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

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

12 The Company estimates the amount to be recorded in the deferred account  
13 for the 12-month period beginning March 23, 2023 through March 22, 2024 to be  
14 approximately \$385,773.

15 **H. Description of Entries Deferred Under UM 1766 – OAR 860-027-0300(4)(a)**

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

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

20 The deferral is forecasted to continue until a full calendar year of revenue  
21 received from rates is consistent with the regulatory fee charged by the Commission.  
22 The recovery of any incremental regulatory fee aligns the cost with the customers  
23 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 2023 PGA filing work papers  
9 and in the electronic file entitled "Proposed Temps Oregon 2023-24 PGA  
10 filing.xlsx."

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

12 This application is for the 12-month period beginning March 23, 2023 and  
13 ending March 22, 2024.

- 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. 22-392.

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

18 \$580,068.85 was deferred during the last deferral year of March 23, 2022  
19 through March 22, 2023. This amount includes \$24,641 of interest.

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

21 \$129,819 was amortized in rates November 1, 2022 through December  
22 31, 2022.





UM 1766

**NOTICE OF APPLICATION FOR REAUTHORIZATION TO USE DEFERRED  
ACCOUNTING FOR THE ANNUAL REGULATORY FEE**

March 22, 2023

**To All Parties Who Participated in UG 435**

Please be advised that on **March 22, 2023**, 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 who participated in the Company's last general rate case, UG 435, 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 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 2068

I hereby certify that on March 22, 2023, 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 NW Natural's last general rate case, UG 435.

**UG 435**

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DATED March 22, 2023, Portland, OR.

/s/ Radiah Gaines  
Radiah Gaines  
Rates & Regulatory Affairs, NW Natural