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March 13, 2020

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 - Application for Reauthorization for Deferred Accounting for NW Natural's 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 parties participating in the Company's current 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
Telecopier: (503) 220.2579
Telephone: (503) 610.7330
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 860-27-300, for the 12-
5 month period beginning March 23, 2020 through March 22, 2021 for the annual
6 regulatory fee that NW Natural pays to the Commission pursuant to OAR 860-021-
7 0034.

8 In Order No. 19-118, entered in this docket on April 11, 2019, the Commission
9 approved the Company’s most recent request to continue deferring the amount of the
10 annual regulatory fee not captured in the Company’s last general rate case. On
11 February 26, 2020, the Commission issued Order No. 20-054, increasing the annual
12 fee rate from 0.3 percent to 0.35 percent. As a result of the increase, NW Natural
13 requests in this reauthorization to continue deferring the amount for annual fees not
14 captured in its last general rate case, and increasing that amount by .05 percent,
15 representing the increase approved by the Commission in Order No. 20-054.

1 In support of this Application, NW Natural states:

2 **A. NW Natural.**

3 NW Natural is a public utility in the State of Oregon and is subject to the
4 jurisdiction of the Commission regarding rates, service, and accounting practices.
5 NW Natural also provides retail natural gas service in the States of Oregon and
6 Washington.

7 **B. Statutory Authority.**

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

11 **C. Communications.**

12 Communications regarding this Application should be addressed to:

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

20
21 Eric Nelsen
22 Senior Regulatory Attorney
23 250 SW Taylor St.
24 Portland, Oregon 97204-3038
25 Phone: (503) 721-2476
26 Email: Eric.Nelsen@nwnatural.com;

27
28 Kyle Walker, CPA
29 Rates/Regulatory Manager
30 250 SW Taylor St.
31 Portland, Oregon 97204-3038
32 Phone: (503) 610-7051
33 Email: Kyle.Walker@nwnatural.com

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

4 In this Application, the Company is requesting authorization to defer the costs
5 that represent the difference in the regulatory fee currently embedded in rates and
6 the new regulatory fee established in Order No. 20-054. Specifically, NW Natural
7 requests to defer the difference between the annual fee amounts that are currently
8 being collected through rates and the increased annual fee.

9 **E. Reasons for Application for Reauthorization of Deferred Accounting –**
10 **OAR 860-027-0300(3)(b).**
11

12 ORS 757.259(2)(e) allows the deferral of utility expenses where necessary to
13 minimize the frequency of rate changes or the fluctuation of rate levels or to match
14 appropriately the costs borne by and benefits received by ratepayers. The Company
15 requests deferral of the costs associated with the incremental increase of the
16 regulatory fee. NW Natural does not seek to defer the costs associated with the
17 annual fee that have already been included in rates, and only seeks to defer the
18 incremental costs until such time as any increased fee amount can be included in
19 NW Natural's established rates. While the amounts deferred may not be significant,
20 NW Natural seeks this reauthorization because the 2020 increase to the annual fee
21 was not a regularly scheduled event, which makes planning for any fee increase
22 difficult to align with ordinary rate case planning. For this reason, the Company
23 respectfully requests the reauthorization to defer any incremental costs of the annual
24 fee.

25 **F. Accounting – OAR 860-027-0300(3)(c)**
26

NW Natural proposes to account for the deferred expenses related to any

1 increased regulatory fee by recording the deferral in a sub-account of Account 186
2 (Defer PUC Fee). In the absence of deferred accounting, the Company would
3 record the incremental increase in expenses in the appropriate sub-account of
4 FERC Account 909.

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

6 The Company estimates the amount to be recorded in the deferred account
7 for the 12-month period beginning March 23, 2020, through March 22, 2021, to be
8 approximately \$320,104.

9 **H. Descriptions of Entries Deferred under UM 1766 – OAR 860-027-
10 0300(4)(a)**

11 The entries being deferred would reflect the incremental difference in the
12 regulatory fee currently embedded in rates and any new increased regulatory fee
13 ordered by the Commission.
14

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

16 The deferral is forecasted to continue until rates go into effect in the current
17 rate case (UG 388)¹, or a subsequently filed general rate case that would include
18 any increased regulatory fee in revenue requirement. The recovery of any
19 incremental regulatory fee aligns the cost with the customers who benefit from the
20 governance the Commission provides.

21 **J. Requirements per Commission Order No. 09-263**

22 Below is the information required per Commission Order No. 09-263, issued

¹ As filed, the revenue requirement in UG 388 does not include the incremental increase in the regulatory fee.

1 in docket UM 1286, Staff's Investigation into Purchase Gas Adjustment

2 Mechanisms:

3 **1. A completed Summary Sheet, the location in the PGA filing, and an**
4 **account map that highlights the transfer of dollars from one account**
5 **to another.**

6 The Summary Sheet will be included in the 2020 PGA filing work papers
7 and in the electronic file entitled "Proposed Temps Oregon 2020-21 PGA
8 filing.xlsx."

9 **2. The effective date of the deferral.**

10 This application is for the 12-month period beginning March 23, 2020, and
11 ending March 22, 2021.

12 **3. Prior year Order Number approving the deferral.**

13 Approval to defer costs associated with the incremental regulatory fee was
14 last granted under Commission Order No. 19-118.

15 **4. The amount deferred last year.**

16 \$136,486 was deferred during the last deferral year of March 23, 2019,
17 through March 22, 2020. This amount includes \$6,367 of interest.

18 **5. The amount amortized last year.**

19 \$25,880 was amortized in rates November 1, 2019 through December 31,
20 2019.

21 **6. The interest rate that will apply to the accounts.**

22 The interest rate for deferral accounts is 7.317%.



UM 1766

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

March 13, 2020

To All Parties Participating in UG 388

Please be advised that on March 13, 2020 Northwest Natural Gas Company, dba NW Natural ("NW Natural" or "Company"), applied for REAUTHORIZATION TO DEFER CERTAIN EXPENSES OR REVENUES FOR THE ANNUAL REGULATORY FEE.

This is not a rate case. The purpose of this Notice is to inform parties participating in the Company's most recent general rate case, UG 388, that a Reauthorization of 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 by April 7, 2020. The granting of this Reauthorization of 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
UM 1766**

I hereby certify that on March 13, 2020, I have served by electronic mail the foregoing NOTICE OF APPLICATION FOR REAUTHORIZATION TO DEFER CERTAIN EXPENSES OR REVENUES FOR THE ANNUAL REGULATORY FEE upon all parties of record for the Company's most recent general rate case, UG 388.

UG 388

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DATED March 13, 2020, Portland, OR.

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