

ORDER NO. 25-460

ENTERED Nov 25 2025

**BEFORE THE PUBLIC UTILITY COMMISSION
OF OREGON**

UM 1101(22)

In the Matter of

NORTHWEST NATURAL GAS
COMPANY, dba NW NATURAL,

Application for Reauthorization for
Deferred Accounting of Intervenor
Funding Grants.

ORDER

DISPOSITION: STAFF'S RECOMMENDATION ADOPTED

At its public meeting on November 25, 2025, the Public Utility Commission of Oregon adopted Staff's recommendation in this matter. The Staff Report with the recommendation is attached as Appendix A.

BY THE COMMISSION:

Alison Lackey
Chief Administrative Law Judge



A party may request rehearing or reconsideration of this order under ORS 756.561. A request for rehearing or reconsideration must be filed with the Commission within 60 days of the date of service of this order. The request must comply with the requirements in OAR 860-001-0720. A copy of the request must also be served on each party to the proceedings as provided in OAR 860-001-0180(2). A party may appeal this order by filing a petition for review with the Circuit Court for Marion County in compliance with ORS 183.484.

ITEM NO. CA4

**PUBLIC UTILITY COMMISSION OF OREGON
STAFF REPORT
PUBLIC MEETING DATE: November 25, 2025**

REGULAR _____ **CONSENT** X **EFFECTIVE DATE** _____ **N/A**

DATE: November 10, 2025

TO: Public Utility Commission

FROM: Kathy Zarate

THROUGH: Scott Gibbens and Michelle Scala **SIGNED**

SUBJECT: NW Natural:
(Docket No. UM 1101(22))
Application for Reauthorization to Defer Costs Associated with Intervenor
Funding Grants

STAFF RECOMMENDATION:

Staff recommends that the Commission approve Northwest Natural Gas Company's (NW Natural, NWN, or Company) request for reauthorization to defer costs related to Intervenor Funding Grants for the 12-month period beginning July 1, 2025.

DISCUSSION:

Issue

Whether the Commission should approve Northwest Natural's request for reauthorization to record and defer costs related to intervenor funding grants for the 12-month period beginning July 1, 2025.

Applicable Law

ORS 757 .072 authorizes a utility to enter funding agreements with organizations that represent broad customer interests in Commission proceedings. When a public utility provides financial assistance under a funding agreement, ORS 757.072(4) states that the Commission shall allow a public utility to defer inclusion of the funding provided in rates as provided in ORS 757.259. A deferral may be authorized under ORS 757.259(2) for a period not to exceed 12 months beginning on or after the date of application.

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OAR 860-027-0300(4) requires the utility to provide certain information in an application for deferred accounting. This includes: a description of the expense or revenue for which deferral is requested, the basis for the request, the accounts proposed for recording the amounts to be deferred, an estimate of the amounts to be recorded in the deferred account, and a copy of the notice of the application for deferred accounting.

Analysis

Background

The Intervenor Funding Agreement set forth the amount of funding to be contributed by each utility and the procedures for budget submittals by intervenors, Commission approval of budgets, and the payment of grants by utilities.

It also established the three funds from which “Intervenor Funding Grants” can be made: CUB Fund, Preauthorized Matching Fund (hereinafter also referred to as the “NWIGU Fund,” because it was for the exclusive use of NWIGU when applicable to NW Natural) and Issue Fund.

Description of Expenses

This includes any payments made to CUB under any prior or subsequent Commission-approved intervenor funding agreement.

The request is pursuant to the terms of the Fifth Amended and Restated Intervenor Funding Agreement, approved by the Commission in Order No. 22-506.

Proposed Accounting

The Company proposes continuing to record payment of Intervenor Funding Grants in a subaccount of FERC Account 186.

Reasons for Deferral

This request is made in accordance with ORS 757.259(3) that allows for the deferral of Intervenor funds, and Commission Order No. 22-506 in Docket No. UM 2264, which directs NW Natural to pay CUB the amounts made available for the CUB Fund Grants as defined and provided for in the Fifth Amended and Restated Intervenor Funding Agreement.

Estimate of Amounts

The estimated amounts are \$123,376 for CUB fund in 2025.

Under the current Amended and Restated Intervenor Funding Agreement, the estimated amounts for 2025 are as seen on the next page.

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Estimated amounts of the CUB Fund and Issue Fund – General Account increased by three percent each year, since 2024.

<u>Fund</u>	
CUB Fund	\$123,376
Preauthorized Matching Fund (AWEC Fund)	\$ 81,868
Issue Fund- General Account	\$ 175,380
Issue Fund- Case Certified Account	\$ 10,000
Total	<u>\$ 390,624</u>

The Amount Deferred Last Year

	Issue Fund	CUB Fund	AWEC Fund	Equity & Environmental Fund
	Acct 151878	Acct 151886	Acct 151870	Acct 151876
Deferred amounts July 1, 2024 through May 31, 2025	\$262,643	\$123,376	\$12,893	\$198,394

The Amount Amortized Last Year

	CUB Fund	AWEC Fund
	Acct 151880	Acct 151882
Amortized amounts November 1, 2024 through May 31, 2025 with interest	\$275,289	\$68,818

Information Related to Future Amortization

- Earnings Review – Pursuant to Commission Order No. 22-506, Appendix A, page 29, paragraph 7.9: If a Participating Public Utility seeks rate recovery through a deferred account, the account and amortization of the account shall be exempt from the amortization caps and earnings test set forth in Subsections 5,6,7,8, and 10 of ORS 757.259, as such subsections may be amended from time to time and shall not be included in any calculation of the amortization cap for other deferred accounts.
- Prudence Review – For amortization, the prudence review should be limited to verification of the accounting methodology used to determine the final amortization balance.
- Sharing – This deferral is not subject to a sharing mechanism.

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- Rate Spread/Design – Account balances are to be spread to the appropriate customer classes per Order No. 18-017, Appendix A, page 27, paragraph 7.7(b).
- Three Percent Test (ORS 757.259(6)) – The three percent test does not apply to amortization of this deferral. See "Earnings Review" above.

Conclusion

The Company's application meets the requirements of ORS 757.259 and OAR 860-027-0300 for deferred accounting.

Staff finds that the reason for the deferral costs, related to intervenor funding grants, is still valid.

Therefore, Staff recommends the Commission approve NW Natural's application for reauthorization to record and defer costs associated with Intervenor Funding Grants.

PROPOSED COMMISSION MOTION:

Approve NW Natural's Application to defer the costs associated with Intervenor funding grants for the 12-month period beginning July 1, 2025.

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