BEFORE THE PUBLIC UTILITY COMMISSION

OF OREGON

UG 490

In the Matter of NORTHWEST NATURAL GAS COMPANY, dba NW Natural, Request for a General Rate Revision.	)	ALLIANCE OF WESTERN ENERGY CONSUMERS' RESPONSE TO NW NATURAL'S MOTION TO STRIKE

Alliance of Western Energy Consumers ("AWEC") files this response to NW Natural's Motion to Strike portions of AWEC's brief. The Public Utility Commission of Oregon ("Commission") has a duty to set fair, just, and reasonable rates under ORS 757.210. In order to do that, the Commission balances the interest of NW Natural and its shareholders, and the interest of, and impact on, NW Natural's customers. A critical part of the analysis is looking at the impact of a proposed rate increase on customers and applying concepts like gradualism and rate shock, matters that are within the specialized knowledge of the Commission.

The evidentiary record in this matter has significant discussion of the impact of NW Natural's proposed rate increase on customers, including large volume customers. This includes discussion from AWEC and other parties about the overall size of the increase, the rate spread of the increase, the results of the long run incremental cost study, and the Oregon Citizens' Utility Board's rate shock proposal.

Under OAR 860-001-0460, the Commission may take official notice of "**general,** technical, or scientific **facts** *within the specialized knowledge of the agency*." (emphasis added). The rate impact on customers, or potential rate shock of NW Natural's proposed

$95 million rate increase, certainly falls within "general…facts within the specialized knowledge of the agency."

While discussing the concept of rate shock, a concept that is within the "specialized knowledge" of the Commission, AWEC used two real world examples of industrial plant closures that were at least in part caused by the significant energy and environmental cost facing large volume customers. These two real world examples were not referenced in AWEC's testimony. NW Natural seeks to strike portions of AWEC's brief even though the references at issue will have little or no impact on the outcome of this proceeding. These references are intended to show that the arguments on rate shock are not just theoretical, and impact the some of the largest companies in the state and their employees. The Commission should be allowed to take official notice of facts that demonstrate, corroborate or contradict the parties' arguments on rate shock under OAR 860-001-0460. The concept of rate shock, which specifically addresses the impacts of a rate increase on customers, is well within the specialized knowledge of the agency.

Notwithstanding the above, the reference to the two plant closures is not necessary to AWEC's argument on rate shock, and will have no impact on the outcome of this proceeding. While AWEC views NW Natural's motion to strike as overly litigious, and NW Natural's claims that allowing the referenced information would "unfairly prejudice NW Natural and deprive the Company of due process"[1] falls flat, AWEC does not object to striking the language shown on the exhibit to NW Natural's Motion to Strike. If the portion NW Natural objects to is stricken, AWEC's brief would state:

[1] NW Natural's Motion to Strike Portions of the Coalition's and AWEC's Briefs and Evidence Outside the Record.

"If the Commission approves such a mechanism, however, it should apply to all customers, not just residential customers. All utility customers are facing increased energy costs and pressures. AWEC's members provide 1000s of living wage jobs to residential customers, and are facing the same cost pressures as other customers. If the Commission were to adopt CUB's rate shock proposal, it should apply to all customers."

Dated this 9th day of September 2024.

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