NW Natural®

250 SW Taylor Street
Portland, OR 97204

503-226-4211
nwnatural.com

August 12, 2024

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: UG 490 – Application of NW Natural for a General Rate Revision
Third Partial Multi-Party Stipulation

Attached for filing in the above-mentioned proceeding is the Third Partial Multi-Party Stipulation filed on behalf of Northwest Natural Gas Company, dba NW Natural ("NW Natural" or the "Company"), the Coalition of Communities of Color, Climate Solutions, Verde, Columbia Riverkeeper, Oregon Environmental Council, Community Energy Project, and Sierra Club ("Coalition"), and the Oregon Citizens' Utility Board ("CUB").

Please address correspondence on this matter to me with copies to the following:

Eric Nelsen
NW Natural
Senior Regulatory Attorney
250 SW Taylor Street
Portland, Oregon 97204
Telephone: (503) 610-7618
eric.nelsen@nwnatural.com
OSB #192566

eFiling
NW Natural
Rates and Regulatory Affairs
250 SW Taylor Street
Portland, Oregon 97204
Telephone: (503) 610-7330
eFiling@nwnatural.com

Jocelyn Pease
McDowell Rackner & Gibson PC
419 SW 11th Ave, Ste. 400
Portland, OR 97205
Telephone: (503) 595-3620
dockets@mrg-law.com
OSB #102065

Respectfully submitted,

NW Natural

/s/ Zachary Kravitz

Zachary Kravitz
Vice President, Rates & Regulatory Affairs
zachary.kravitz@nwnatural.com

Enclosure

BEFORE THE PUBLIC UTILITY COMMISSION OF OREGON

UG 490

In the Matter of NORTHWEST NATURAL GAS COMPANY, dba NW Natural Application for a General Rate Revision	**THIRD PARTIAL MULIT-PARTY STIPULATION**

I. INTRODUCTION

The purpose of this Third Partial Multi-Party Stipulation ("Third Stipulation") is to resolve certain issues among Northwest Natural Gas Company d/b/a NW Natural ("NW Natural" or the "Company"), the Coalition of Communities of Color, Climate Solutions, Verde, Columbia Riverkeeper, Oregon Environmental Council, Community Energy Project, and Sierra Club ("Coalition"), and the Oregon Citizens' Utility Board ("CUB") (collectively, the "Stipulating Parties") in Docket UG 490. The Stipulating Parties support all terms in this Third Stipulation. The other parties to this proceeding, the Staff of the Public Utility Commission of Oregon and the Alliance of Westen Energy Consumers, neither join nor oppose this Third Stipulation.

This Third Stipulation resolves all contested issues raised in Docket No. UG 490 related to post-enrollment verification in the Company's bill discount program, for the purposes of this rate case.

II. BACKGROUND

On December 29, 2023, NW Natural filed its request for a general rate increase (the "Initial Filing") to become effective November 1, 2024 (the "Rate Effective Date"). The Company's Initial Filing requested a revision to customer rates that would increase

the Company's annual Oregon jurisdictional revenues by $154.9 million, which would have resulted in an approximately 16.62 percent increase to current customer rates.[1] Administrative Law Judge ("ALJ") Sarah Spruce convened a prehearing conference on January 29, 2024.

On February 5, 2024, ALJ Spruce issued a memorandum establishing the procedural schedule. Thereafter, on February 12, 2024, the parties held their first settlement conference. As a result of the settlement discussions, NW Natural, Staff, CUB, and AWEC reached a partial settlement on the cost of long-term debt and filed the First Partial Multi-Party Stipulation ("First Stipulation") contemporaneously with Joint Testimony in Support of the First Partial Multi-Party Stipulation on February 26, 2024. The Coalition did not join but did not oppose the First Stipulation.

On February 23, 2024, the Company filed Supplemental Testimony relating to the recently invalidated Climate Protection Plan ("CPP") and its effect on the Company's rate request. On March 6, 2024, ALJ Spruce issued an additional memorandum clarifying the procedural schedule and setting a date for a public comment hearing to be held at the Commission. On April 16, 2024, the Commission conducted the public comment hearing and received a number of comments from community members and associations interested in the outcome of NW Natural's rate request.[2]

On April 18, 2024, Staff, CUB, AWEC, and the Coalition filed their Opening Testimony. Staff filed Supplemental and Corrected Testimony on May 17, 2024. Staff additionally conducted a public energy justice workshop on April 25, 2024, to provide a

[1] Initial Filing, Executive Summary at 1.
[2] Staff incorporated comments presented at the public hearing into the record in Staff's Supplemental Opening Testimony, Staff/2200, Nottingham.

forum for the public to weigh in on and improve procedural equity in NW Natural's rate case.

The parties held additional settlement conferences on May 3, 2024, and June 17, 2024; however, these discussions did not result in any additional settlement, leading parties to file additional rounds of testimony. NW Natural filed its Reply Testimony on June 4, 2024, updating its revenue requirement request to $152.3 million.[3] Staff and intervenors filed Rebuttal Testimony on July 2, 2024.

All parties participated in another settlement conference on July 10, 2024, and engaged in on-going settlement discussions thereafter. As a result of the settlement discussions, the Stipulating Parties agreed to the Second Partial Multi-Party Stipulation ("Second Stipulation") on July 24, 2024, resolving many of the contested issues among the Stipulating Parties. NW Natural filed its Surrebuttal Testimony on the same day that addressed the remaining contested issues not resolved by the Second Stipulation.

Contested issues related to post-enrollment verification in the Company's bill discount program were not resolved in the Second Stipulation. However, subsequent settlement discussions have resulted in this Third Stipulation, which resolves these issues. This Third Stipulation memorializes the Stipulating Parties' agreement from their most recent settlement conference.

III. TERMS OF AGREEMENT

The Stipulating Parties agree to resolve the following issues raised in this proceeding as follows:

[3] NW Natural/2200, Kravitz/4.

1. Post-Enrollment Verification. The Stipulating Parties agree the NW Natural bill discount program's post-enrollment verification will begin no earlier than March of 2025; NW Natural will hold workshops on its verification process after the rate effective date of November 1, 2024, with interested stakeholders, including but not limited to Verde, Community Energy Project, and Coalition of Communities of Color, to receive feedback before starting the process. The Stipulating Parties agree that this Third Stipulation resolves all contested issues related to post-enrollment verification in the Company's bill discount program as described in Paragraph 10(f) of the Second Stipulation, for the purposes of this case.

2. Issues Not Covered by This Third Stipulation. All issues listed in Paragraphs 8, 9, and 10 of the Second Stipulation will continue to be litigated in accordance with the terms of that stipulation, except for the contested issues described in Paragraph 1 above.

3. The Stipulating Parties agree that this Third Stipulation is in the public interest, and will result in rates that are fair, just and reasonable, consistent with the standard in ORS 756.040.

4. This Third Stipulation will be offered into the record as evidence pursuant to OAR 860-001-350(7). The Stipulating Parties agree to support this Third Stipulation throughout these consolidated proceedings and any appeal, provide witnesses to sponsor this Third Stipulation at hearing, and recommend that the Commission issue an order adopting this Third Stipulation. The Stipulating Parties also agree to cooperate in drafting and submitting joint testimony or a brief in support of this Third Stipulation in accordance with OAR 860-001-0350(7).

5. If this Third Stipulation is challenged, the Stipulating Parties agree that they will continue to support the Commission's adoption of the terms of this Third Stipulation. The Stipulating Parties agree to cooperate in cross-examination and put on such a case as they deem appropriate to respond fully to the issues presented, which may include raising issues that are incorporated in the settlements embodied in this Third Stipulation.

6. The Stipulating Parties have negotiated this Third Stipulation as an integrated document. If the Commission rejects all or any material portion of this Third Stipulation or imposes additional material conditions in approving this Third Stipulation, any of the Stipulating Parties are entitled to withdraw from this Third Stipulation or exercise any other rights provided in OAR 860-001-0350(9).

7. By entering into this Third Stipulation, no Stipulating Party approves, admits, or consents to the facts, principles, methods, or theories employed by any other Stipulating Party in arriving at the terms of this Third Stipulation, other than those specifically identified in the body of this Third Stipulation. No Stipulating Party shall be deemed to have agreed that any provision of this Third Stipulation is appropriate for resolving issues in any other proceeding, except as specifically identified in this Third Stipulation.

8. The substantive terms of this Third Stipulation are not enforceable by any Stipulating Party unless and until adopted by the Commission in a final order. Each Stipulating Party avers that it is signing this Third Stipulation in good faith and that it intends to abide by the terms of this Third Stipulation unless and until this Third Stipulation is rejected or adopted only in part by the Commission. The Stipulating Parties agree that the Commission has exclusive jurisdiction to enforce or modify this Third Stipulation. If

the Commission rejects or modifies this Third Stipulation, the Stipulating Parties reserve the right to seek reconsideration or rehearing of the Commission order under ORS 756.561 and OAR 860-001-0720 or to appeal the Commission order under ORS 756.610.

9. This Third Stipulation may be executed in counterparts and each signed counterpart shall constitute an original document.

This Third Stipulation is entered into by each Stipulating Party on the date entered below such Stipulating Party's signature.

DATED August 12, 2024.

NW NATURAL COMPANY D/B/A NW NATURAL

By: /s/ Zachary D. Kravitz
Date: August 12, 2024

OREGON CITIZENS' UTILITY BOARD

By: /s/ Claire Valentine-Fossum
Date: August 12, 2024

COALITION OF COMMUNITIES OF COLOR, CLIMATE SOLUTIONS, VERDE, COLUMBIA RIVERKEEPER, OREGON ENVIRONMENTAL COUNCIL, COMMUNITY ENERGY PROJECT, AND SIERRA CLUB

By: Noorulanne Jan
Date: August 12, 2024