

Rates and Regulatory Affairs  
Facsimile: 503.721.2532



August 8, 2005


***VIA ELECTRONIC FILING***

Public Utility Commission of Oregon  
ATTN: Filing Center  
550 Capitol Street NE, Suite 215  
Post Office Box 2148  
Salem, Oregon 97308-2148

RE: Supplemental Filing to NW Natural's Stipulation and Testimony in  
OPUC Docket No. UG 163

Enclosed for filing is Attachment 1, proposed Schedule 190. Attachment 1 was inadvertently not attached to NW Natural's Stipulation and Testimony filed in Docket No. UG 163 on Friday, August 5, 2005, OPUC tracking # 1077. An electronic copy of this supplemental filing will also be served on all parties listed on the attached certificate of service.

Sincerely,



C. Alex Miller  
Director, Regulatory Affairs & Forecasting

Enclosures

cc: Service List

# NORTHWEST NATURAL GAS COMPANY

P.U.C. Or. 24

Fifth Revision of Sheet 190-1  
Cancels Fourth Revision of Sheet 190-1

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## SCHEDULE 190

### PARTIAL DECOUPLING MECHANISM

#### **PURPOSE:**

To (a) describe the partial decoupling mechanism established in accordance with a Stipulation and Agreement adopted by the Oregon Public Utility Commission (OPUC) in Docket UG 143, Order No. 02-634 dated September 12, 2002; and (b) identify the adjustment applicable to rates under the Rate Schedules listed below.

#### **TERM:**

This Schedule shall automatically terminate on September 30, 2009.

(C)

#### **APPLICABLE:**

To Residential and Commercial Customers served on the following Rate Schedules of this Tariff:

<b><u>Residential</u></b>	<b><u>Commercial</u></b>
<b>Schedule 1</b>	Schedule 1
<b>Schedule 2</b>	Schedule 3(FS)
	Schedule 3(FT)
	Schedule 31(FS)
	Schedule 31(IS)
	Schedule 31(FT)

#### **ADJUSTMENT TO RATE SCHEDULES:**      **Effective: October 1, 2004**

The Temporary Adjustments for Residential and Commercial Customers taking service on the above-listed Rate Schedules includes the following adjustment:

Residential Rate Schedules:	\$0.00347 per therm
Commercial Rate Schedules:	\$0.00441 per therm

#### **PARTIAL DECOUPLING DEFERRAL ACCOUNT:**

1. Each month, the company will calculate the difference between weather-normalized usage and the calculated baseline usage for each Residential and Commercial Customer group. The resulting usage differential shall be multiplied by the per therm distribution margin for the applicable customer group.

The Company shall defer and amortize, with interest, 100% of the distribution margin differential in a sub-account of Account 186. The deferral will be a credit (accruing a refund to customers) if the differential is positive, or a debit (accruing a recovery by the company) if the differential is negative.

(C)

(continue to Sheet 190-2)

Issued August \_\_\_\_, 2005  
NWN Advice No. OPUC 05-\_\_\_\_

Effective with service on  
and after October 1, 2005

**SCHEDULE 190****PARTIAL DECOUPLING MECHANISM**  
(continued)**PARTIAL DECOUPLING DEFERRAL ACCOUNT (continued):**

2. The baseline usage shall be determined from actual weather normalized usage for the 12-months ended September 30.

The following is an example baseline usage calculation for the Residential Group:

September 30 weather-normalized volume, divided by September 30 Residential Customers, equal	<u>330,164,716</u> 450,709
Normalized use per therm per customer	733
October 1 price decrease	-10%
Volume increase due to price elasticity (-10% x -0.172)	1.72%
Estimated volume increase due to price elasticity (Sept. 30 volumes x % of volume increase)	5,678,833
Total New Baseline Volumes: (Sept. 30 normalized volumes plus estimated volume increase), divided by September 30 customers, equal	<u>335,843,549</u> 450,709
Reset baseline usage per therm per customer	745

3. Weather-normalized usage is calculated using the approach to weather normalization adopted in the Company's last general rate case, Docket UG 152.
4. The baseline volumes will be adjusted to reflect the actual customers billed each month.
5. The per therm distribution margins to be used in the deferral calculation effective October 1, 2004 is \$0.43205 per therm for Residential customers and \$0.29485 per therm for Commercial customers.

(continue to Sheet 190-3)

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SCHEDULE 190

PARTIAL DECOUPLING MECHANISM  
(continued)

**PARTIAL DECOUPLING DEFERRAL ACCOUNT (continued):**

6. Coincident with the Company's annual Purchased Gas Cost and Technical Rate Adjustment filing commencing with the filing effective October 1, 2003, and each year thereafter during the term of this Schedule, the Company shall apply an adjustment to Residential and Commercial rates to amortize over the following 12 months, the balance in the balancing account as of July 31.
7. This Schedule is an "automatic adjustment clause" as defined in ORS 757.210, and is subject to review by the Commission at least once every two (2) years. The Company shall not be required to apply for annual reauthorization for deferrals under ORS 757.259.

**SPECIAL CONDITIONS:**

1. The existence of this Partial Decoupling Mechanism will not affect the Company's service line and main extension policies. (D)
2. Other terms and conditions as specified in the Stipulation and Agreement.

**GENERAL TERMS:**

This Schedule is governed by the terms of this Schedule, the General Rules and Regulations contained in this Tariff and by all rules and regulations prescribed by regulatory authorities, as amended from time to time.


Issued August \_\_\_\_, 2005  
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CERTIFICATE OF SERVICE

I hereby certify that on the 8th day of August, 2005, I served the foregoing Supplemental Filing to NW Natural's Stipulation and Testimony in OPUC Docket No. UG 163 upon all parties on the service list in this docket via electronic mail.

  
Kelley C. Miller, Staff Assistant  
Rates & Regulatory Affairs  
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**OPUC DOCKET NO. UG 163**  
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