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August 1, 2014

NWN OPUC Advice No. 14-13 /UG _____
(UM 1027)

VIA ELECTRONIC FILING

Public Utility Commission of Oregon
3930 Fairview Industrial Drive SE
Post Office Box 1088
Salem, Oregon 97308-1088

Attn: Filing Center

**Re: REQUEST FOR AMORTIZATION OF CERTAIN NON-GAS COST
DEFERRED ACCOUNTS RELATING TO:**

UM 1027: Distribution Margin Normalization (“Decoupling”)

Northwest Natural Gas Company, dba NW Natural (“NW Natural” or the “Company”), files herewith revisions to its Tariff, P.U.C. Or. 25 stated to become effective with service on and after November 1, 2014, as follows:

Third Revision of Sheet 190-1
Schedule 190
“Partial Decoupling Mechanism.”

The purpose of this filing is to request amortization of the deferred balances relating to Docket UM 1027, Distribution Margin Normalization (“Decoupling”) to be effective November 1, 2014. The Company revises rates for this purpose annually; the last filing was effective November 1, 2013.

The net effect of the removal of current temporary adjustments applied to rates effective November 1, 2013 and the application of the new temporary adjustment is to reduce the Company’s annual revenues by \$4,908,529, or about 0.73%.

The deferral amount requested for amortization also includes a correction of an error first discovered in October 2013. The error relates to an incorrect calculation of the weather normalization adjustment included in the residential and commercial decoupling deferrals. The correction, including interest through October 2014, results in a credit of \$618,093 and \$259,698 to residential and commercial customers, respectively. These amounts are captured in the commercial and residential deferral balances shown in Exhibit A at pages 3, 5, and 7.

The monthly bill of the average residential customer served under Rate Schedule 2 using 53 therms per month will decrease by about 84 cents. The monthly increase for the average commercial Rate Schedule 3 customer using 232 therms per month

is about \$1.00, and the monthly increase for the average commercial Rate Schedule 31 customer using 3,514 therms is about \$15.11.

The proposed adjustments for the amortization of the Decoupling account are \$0.00035 per therm for residential Rate Schedule 2 customers and \$0.02951 per therm for commercial Rate Schedule 3 and Rate Schedule 31 customers.

The number of customers affected by the proposed change is 563,128 residential customers and 57,665 commercial customers.

This filing is in compliance with ORS 757.259 (2003), which authorizes deferred utility expenses or revenues to be allowed (amortized) in rates to the extent authorized by the Commission in a proceeding to change rates. The deferral included in this filing occurred with appropriate application by Commission authorization, in accordance with a rate order or under an approved tariff.

In accordance with ORS 757.259(4) (2003) and ORS 757.262, the amortization of amounts deferred under Docket UM 1027 is not subject to an earnings test.

In addition to the supporting materials submitted as part of this filing, the Company will separately submit work papers in electronic format, all of which are incorporated herein by reference.

The Company requests that the tariff sheets filed herewith be permitted to become effective with service on and after November 1, 2014.

Copies of this letter and the filing made herewith are available in the Company's main office in Oregon and on its website at www.nwnatural.com.

The Company waives paper service in this proceeding. Please address correspondence on this matter to me at ork@nwnatural.com, with copies to the following:

eFiling
Rates & Regulatory Affairs
NW Natural
220 NW Second Avenue
Portland, Oregon 97209
Telecopier: (503) 721-2516
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Sincerely,

NW NATURAL

/s/ Onita R. King

Onita R. King
Rates & Regulatory Affairs

Attachments: Exhibit A – Supporting Materials

NORTHWEST NATURAL GAS COMPANY

P.U.C. Or. 25

Third Revision of Sheet 190-1
Cancels Second Revision of Sheet 190-1

SCHEDULE 190 PARTIAL DECOUPLING MECHANISM

PURPOSE:

To (a) describe the partial decoupling mechanism established in accordance with Commission Order in Docket UG -221; and (b) identify the adjustment applicable to rates under the Rate Schedules listed below.

APPLICABLE:

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

Residential	Commercial
Rate Schedule 2	Rate Schedule 3 CSF
	Rate Schedule 31 CSF

ADJUSTMENT TO RATE SCHEDULES:

Effective: November 1, 2014

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

Residential Rate Schedules: **\$0.00035** per therm (R)
Commercial Rate Schedules: **\$0.02951** per therm (I)

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.

(continue to Sheet 190-2)

Issued August 1, 2014
NWN OPUC Advice No. 14-13

Effective with service on
and after November 1, 2014

EXHIBIT A

BEFORE THE PUBLIC UTILITY COMMISSION
OF OREGON

NW NATURAL
SUPPORTING MATERIALS

Non-Gas Cost Deferral Amortizations
UM 1027
Distribution Margin Normalization ("Decoupling")

NWN OPUC Advice No. 14-13 / UG _____
August 1, 2014



Exhibit A
Supporting Materials
Non-Gas Cost Deferral Amortizations - UM 1027
Distribution Margin Normalization ("Decoupling")

NWN OPUC Advice No. 14-13 / UG ____

Page No.

Calculation of Increments Allocated on Equal Cent Per Therm Basis	1
Summary of Deferred Accounts	2
186275 Deferral - Residential Decoupling	3
186277 Amortization - Residential Decoupling	4
186270 Deferral - Commercial Decoupling	5
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2013-14 Interest on prior PGA corrections	7
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NW Natural
Rates & Regulatory Affairs
2014-15 PGA - Oregon: August Filing
Calculation of Increments Allocated on the EQUAL CENT PER THERM BASIS
ALL VOLUMES IN THERMS

		Oregon PGA	Residential Decoupling			Commercial Decoupling			
		Volumes page,	Proposed Amount:	124,004	Temporary Increment	5,966,269	Temporary Increment		
		Column F	Revenue Sensitive Multiplier:	N/A rev sensitive factor is built in			N/A rev sensitive factor is built in		
			Amount to Amortize:	124,004	to residential	5,966,269	to commercial 3 and 31		
Schedule	Block	A	Multiplier	Volumes	Increment	Multiplier	Volumes	Increment	
			K	L	M	N	O	P	
2R		356,638,984	1.0	356,638,984	0.00035	0.0	0	0.00000	
3C Firm Sales		157,954,905	0.0	0	0.00000	1.0	157,954,905	0.02951	
3I Firm Sales		4,657,733	0.0	0	0.00000	0.0	0	0.00000	
27 Dry Out		796,593	0.0	0	0.00000	0.0	0	0.00000	
31C Firm Sales	Block 1	20,699,674	0.0	0	0.00000	1.0	20,699,674	0.02951	
	Block 2	23,498,664	0.0	0	0.00000	1.0	23,498,664	0.02951	
31C Firm Trans	Block 1	388,881	0.0	0	0.00000	0.0	0	0.00000	
	Block 2	545,978	0.0	0	0.00000	0.0	0	0.00000	
31I Firm Sales	Block 1	4,173,740	0.0	0	0.00000	0.0	0	0.00000	
	Block 2	10,396,538	0.0	0	0.00000	0.0	0	0.00000	
31I Firm Trans	Block 1	165,160	0.0	0	0.00000	0.0	0	0.00000	
	Block 2	807,983	0.0	0	0.00000	0.0	0	0.00000	
32C Firm Sales	Block 1	16,554,938	0.0	0	0.00000	0.0	0	0.00000	
	Block 2	6,660,345	0.0	0	0.00000	0.0	0	0.00000	
	Block 3	1,153,455	0.0	0	0.00000	0.0	0	0.00000	
	Block 4	248,040	0.0	0	0.00000	0.0	0	0.00000	
	Block 5	0	0.0	0	0.00000	0.0	0	0.00000	
	Block 6	0	0.0	0	0.00000	0.0	0	0.00000	
32I Firm Sales	Block 1	4,334,225	0.0	0	0.00000	0.0	0	0.00000	
	Block 2	5,158,108	0.0	0	0.00000	0.0	0	0.00000	
	Block 3	1,793,731	0.0	0	0.00000	0.0	0	0.00000	
	Block 4	516,050	0.0	0	0.00000	0.0	0	0.00000	
	Block 5	0	0.0	0	0.00000	0.0	0	0.00000	
	Block 6	0	0.0	0	0.00000	0.0	0	0.00000	
32 Firm Trans	Block 1	11,412,253	0.0	0	0.00000	0.0	0	0.00000	
	Block 2	15,830,951	0.0	0	0.00000	0.0	0	0.00000	
	Block 3	9,285,426	0.0	0	0.00000	0.0	0	0.00000	
	Block 4	16,096,253	0.0	0	0.00000	0.0	0	0.00000	
	Block 5	21,498,809	0.0	0	0.00000	0.0	0	0.00000	
	Block 6	2,621,489	0.0	0	0.00000	0.0	0	0.00000	
32C Interr Sales	Block 1	6,122,694	0.0	0	0.00000	0.0	0	0.00000	
	Block 2	8,160,076	0.0	0	0.00000	0.0	0	0.00000	
	Block 3	4,328,184	0.0	0	0.00000	0.0	0	0.00000	
	Block 4	5,489,488	0.0	0	0.00000	0.0	0	0.00000	
	Block 5	242,825	0.0	0	0.00000	0.0	0	0.00000	
	Block 6	0	0.0	0	0.00000	0.0	0	0.00000	
32I Interr Sales	Block 1	7,354,982	0.0	0	0.00000	0.0	0	0.00000	
	Block 2	9,533,015	0.0	0	0.00000	0.0	0	0.00000	
	Block 3	5,139,982	0.0	0	0.00000	0.0	0	0.00000	
	Block 4	10,419,813	0.0	0	0.00000	0.0	0	0.00000	
	Block 5	4,025,372	0.0	0	0.00000	0.0	0	0.00000	
	Block 6	173,013	0.0	0	0.00000	0.0	0	0.00000	
32 Interr Trans	Block 1	8,967,105	0.0	0	0.00000	0.0	0	0.00000	
	Block 2	15,920,961	0.0	0	0.00000	0.0	0	0.00000	
	Block 3	11,590,796	0.0	0	0.00000	0.0	0	0.00000	
	Block 4	30,144,365	0.0	0	0.00000	0.0	0	0.00000	
	Block 5	57,187,852	0.0	0	0.00000	0.0	0	0.00000	
	Block 6	78,650,314	0.0	0	0.00000	0.0	0	0.00000	
33		0	0.0	0	0.00000	0.0	0	0.00000	
TOTALS		957,339,742		356,638,984	0.00035		202,153,242	0.02951	
Sources for line 2 above:									
Inputs page			Line 55			Line 57			
Tariff Schedules									
Rate Adjustment Schedule			Sched 190			Sched 190			

	Account	Balance 6/30/2014	Adjustment	Jul-Sep Estimated Activity	Jul-Oct Interest	Estimated Balance 10/31/2014	Interest Rate During Amortization	Estimated Interest During Amortization	Total Estimated Amount for (Refund) or Collection	Amounts Excluded from PGA Filing	Amounts Included in PGA Filing
	A	B	C	D	E	F	G1	G2	H	I	J
						F = sum B thru E		1.77%	H = F + G2		Excl. Rev Sens
1	Decoupling Deferrals and Amortizations										
2	186277 RESIDENTIAL DECOUPLING AMORTIZATION	(1,642,814)		(752,508)	(8,863)	(2,404,184)					
3	186275 RESIDENTIAL DECOUPLING DEFERRAL	2,462,522		0	64,485	2,527,007					
4	Total	819,708	0	(752,508)	55,622	122,823	1.77%	1,181	124,004		124,004
5											
6											
7	186271 COMMERCIAL DECOUPLING AMORTIZATION	921,784		(1,021,550)	2,183	(97,583)					
8	186270 COMMERCIAL DECOUPLING DEFERRAL	5,853,752		0	153,290	6,007,042					
9	Total	6,775,536	0	(1,021,550)	155,473	5,909,459	1.77%	56,810	5,966,269		5,966,269

Company: Northwest Natural Gas Company
 State: Oregon
 Description: Deferral of Oregon Residential Decoupling
 Account Number: 186275
 Authorized in dockets UG 143 and UM 1027
 Last deferral reauthorization was Order 13-485 in UM 1027

		January 2013 - April 2014 Balances Corrected						January 2013 - April 2014 Prior to Correction					
		Deferral	Transfers	Interest	Interest Rate	Activity	Total Balance	Deferral	Transfers	Interest	Interest Rate	Activity	Total Balance
Month/Year	Note	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)	(m)	(n)
Beginning Balance													
Oct-12		1,357,207		106,910	8.618%	1,464,117	15,672,015	1,357,207		106,910	8.618%	1,464,117	15,672,015
Nov-12	1	1,472,772	(15,672,015)	4,774	7.78%	(14,194,469)	1,477,547	1,472,772	(15,672,015)	4,774	7.78%	(14,194,469)	1,477,547
Dec-12		(435,221)		8,169	7.78%	(427,052)	1,050,494	(435,221)		8,169	7.78%	(427,052)	1,050,494
Jan-13		97,525		7,127	7.78%	104,652	1,155,146	482,332		8,374	7.78%	490,707	1,541,201
Feb-13		(567,542)		5,649	7.78%	(561,893)	593,254	(865,323)		7,187	7.78%	(858,136)	683,065
Mar-13		2,615,450		12,325	7.78%	2,627,775	3,221,028	3,199,584		14,801	7.78%	3,214,384	3,897,449
Apr-13		(953,717)		17,791	7.78%	(935,925)	2,285,103	(1,083,882)		21,755	7.78%	(1,062,127)	2,835,322
May-13		(303,932)		13,830	7.78%	(290,102)	1,995,001	(303,932)		17,397	7.78%	(286,535)	2,548,787
Jun-13		434,761		14,344	7.78%	449,105	2,444,106	434,761		17,934	7.78%	452,695	3,001,482
Jul-13		427,732		17,233	7.78%	444,965	2,889,071	427,732		20,846	7.78%	448,578	3,450,061
Aug-13		635,017		20,789	7.78%	655,806	3,544,877	635,017		24,426	7.78%	659,443	4,109,504
Sep-13		(562,377)		21,160	7.78%	(541,218)	3,003,659	(562,377)		24,820	7.78%	(537,557)	3,571,947
Oct-13		(1,831,355)		13,537	7.78%	(1,817,818)	1,185,841	(1,831,355)		17,221	7.78%	(1,814,134)	1,757,813
Nov-13	2	472,967	(1,757,813)	(2,175)	7.78%	(1,287,021)	(101,180)						
Dec-13		2,106,762		6,173	7.78%	2,112,936	2,011,756						
Jan-14		(1,327,521)		8,740	7.78%	(1,318,782)	692,974						
Feb-14		(871,792)		1,667	7.78%	(870,125)	(177,151)						
Mar-14		1,063,171		2,298	7.78%	1,065,469	888,318						
Apr-14		(394,135)		4,482	7.78%	(389,654)	498,664						
May-14		2,126,359		10,126	7.78%	2,136,485	2,635,149						
Jun-14		(189,099)		16,472	7.78%	(172,628)	2,462,522						
Jul-14				15,965	7.78%	15,965	2,478,487						
Aug-14				16,069	7.78%	16,069	2,494,556						
Sep-14				16,173	7.78%	16,173	2,510,729						
Oct-14				16,278	7.78%	16,278	2,527,007						

History truncated for ease of viewing

NOTES

1 - October balance transferred to account 186277 for amortization.

2 - Transfer out (column d) represents the October balance prior to the correction of an error discovered in Q4 2013. It was discovered that the weather normalization adjustment for January through April 2013 for decoupling deferral was incorrectly calculated. The January through April 2013 deferrals shown above are the corrected amounts which is in total a \$540,994 deficit owed to customers. In November 2013, the October balance prior to the error correction, in the amount of \$1,757,813, was transferred to account 186277 for amortization, leaving the \$571,972 deficit (\$1,757,813 in column n, line 93 minus \$1,185,841 October balance in column h, line 93) in this account for inclusion in the 2014-15 PGA. This amount is also accruing interest as it is included in the balance included in the interest calculation for November 2013 through October 2014 above.

Company: Northwest Natural Gas Company
 State: Oregon
 Description: Amortization of Oregon Residential Decoupling
 Account Number: 186277
 Dockets UM 1027 and UG 260
 Amortization of 2012-13 deferral balance approved in Order 13-402 in UG 260

1	Debit	(Credit)						
2								
3						Interest		
4	Month/Year	Note	Amortization	Transfers	Interest	Rate	Activity	Balance
5	(a)	(b)	(c)	(d)	(e1)	(e2)	(f)	(g)
6								
7	Beginning Balance							
99	Oct-13		(711,396)		3,210	1.47%	(708,186)	2,267,959
100	Nov-13	old rates	(660,414)		2,374	1.47%	(658,040)	1,609,919
101		new rates (1)	(212,134)	1,757,813	1,900	1.38%	1,547,579	3,157,498
102	Dec-13		(1,034,424)		3,036	1.38%	(1,031,388)	2,126,109
103	Jan-14		(1,087,167)		1,820	1.38%	(1,085,347)	1,040,763
104	Feb-14		(996,491)		624	1.38%	(995,867)	44,896
105	Mar-14		(696,244)		(349)	1.38%	(696,593)	(651,697)
106	Apr-14		(482,284)		(1,027)	1.38%	(483,311)	(1,135,008)
107	May-14		(317,149)		(1,488)	1.38%	(318,637)	(1,453,645)
108	Jun-14		(187,389)		(1,779)	1.38%	(189,169)	(1,642,814)
109	Jul-14	forecast	(123,083)		(1,960)	1.38%	(125,043)	(1,767,856)
110	Aug-14	forecast	(122,933)		(2,104)	1.38%	(125,037)	(1,892,893)
111	Sep-14	forecast	(132,060)		(2,253)	1.38%	(134,312)	(2,027,205)
112	Oct-14	forecast	(374,433)		(2,547)	1.38%	(376,979)	(2,404,184)

114 **History truncated for ease of viewing**

116 **NOTES**

117 **1** - Transfer in is from the October balance of deferral account 186275

Company: Northwest Natural Gas Company
 State: Oregon
 Description: Deferral of Oregon Commercial Decoupling
 Account Number: 186270
 Authorized in dockets UG 143 and UM 1027
 Last deferral reauthorization was Order 13-485 in UM 1027

		January 2013 - April 2014 Balances Corrected							January 2013 - April 2014 Prior to Correction					
		Deferral	Transfers	Interest	Interest Rate	Activity	Balance	Deferral	Transfers	Interest	Interest Rate	Activity	Total Balance	
Month/Year	Note	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)	(m)	(n)	
7	Beginning Balance													
81	Oct-12	(35,679)		14,483	8.618%	(21,196)	2,013,238	(35,679)		14,483	8.618%	(21,196)	2,013,238	
82	Nov-12	986,054	(2,013,238)	3,196	7.78%	(1,023,988)	989,250	986,054	(2,013,238)	3,196	7.78%	(1,023,988)	989,250	
83	Dec-12	605,899		8,378	7.78%	614,277	1,603,527	605,899		8,378	7.78%	614,277	1,603,527	
84	Jan-13	730,173		12,763	7.78%	742,936	2,346,463	885,243		13,266	7.78%	898,509	2,502,036	
85	Feb-13	(68,526)		14,991	7.78%	(53,535)	2,292,928	(177,675)		15,646	7.78%	(162,029)	2,340,007	
86	Mar-13	662,963		17,015	7.78%	679,978	2,972,906	888,504		18,051	7.78%	906,555	3,246,562	
87	Apr-13	386,448		20,527	7.78%	406,975	3,379,881	342,341		22,158	7.78%	364,499	3,611,061	
88	May-13	(291,502)		20,968	7.78%	(270,534)	3,109,348	(291,502)		22,467	7.78%	(269,035)	3,342,026	
89	Jun-13	434,358		21,567	7.78%	455,925	3,565,272	434,358		23,076	7.78%	457,433	3,799,460	
90	Jul-13	739,812		25,513	7.78%	765,325	4,330,598	739,812		27,031	7.78%	766,844	4,566,303	
91	Aug-13	642,115		30,158	7.78%	672,273	5,002,871	642,115		31,686	7.78%	673,802	5,240,105	
92	Sep-13	(86,000)		32,157	7.78%	(53,844)	4,949,027	(86,000)		33,695	7.78%	(52,306)	5,187,799	
93	Oct-13	(116,769)		31,708	7.78%	(85,062)	4,863,966	(116,769)		33,256	7.78%	(83,513)	5,104,286	
94	Nov-13	929,994	(5,104,286)	1,457	7.78%	(4,172,835)	691,131							
95	Dec-13	1,876,823		10,565	7.78%	1,887,388	2,578,519							
96	Jan-14	(52,092)		16,549	7.78%	(35,544)	2,542,975							
97	Feb-14	576,651		18,356	7.78%	595,008	3,137,983							
98	Mar-14	888,355		23,224	7.78%	911,579	4,049,562							
99	Apr-14	225,491		26,986	7.78%	252,477	4,302,039							
100	May-14	1,308,907		32,135	7.78%	1,341,042	5,643,081							
101	Jun-14	173,522		37,148	7.78%	210,671	5,853,752							
102	Jul-14			37,952	7.78%	37,952	5,891,704							
103	Aug-14			38,198	7.78%	38,198	5,929,902							
104	Sep-14			38,446	7.78%	38,446	5,968,347							
105	Oct-14			38,695	7.78%	38,695	6,007,042							

History truncated for ease of viewing

NOTES

1 - October balance transferred to account 186277 for amortization.

2 - Transfer out (column d) represents the October balance prior to the correction of an error discovered in Q4 2013. It was discovered that the weather normalization adjustment for January through April 2013 for decoupling deferral was incorrectly calculated. The January through April 2013 deferrals shown above are the corrected amounts which is in total a \$540,994 deficit owed to customers. In November 2013, the October balance prior to the error correction, in the amount of \$1,757,813, was transferred to account 186277 for amortization, leaving the \$240,320 deficit (\$4,863,966 in column n, line 93 minus \$5,104,286 October balance in column h, line 93) in this account for inclusion in the 2014-15 PGA. This amount is also accruing interest as it is included in the balance included in the interest calculation for November 2013 through October 2014 above.

Company: Northwest Natural Gas Company
 State: Oregon
 Description: Amortization of Oregon Commercial Decoupling
 Account Number: 186271
 Dockets UM 1027 and UG 260
 Amortization of 2012-13 deferral balance approved in Order 13-402 in UG 260

1	Debit	(Credit)						
2								
3								
4	Month/Year	Note	Amortization	Transfers	Interest	Interest	Activity	Balance
5	(a)	(b)	(c)	(d)	(e)	Rate	(f)	(g)
6								
7	Beginning Balance							
99	Oct-13		(103,409)		189	1.47%	(103,220)	102,696
100	Nov-13	old rates	(91,650)		70	1.47%	(91,581)	11,116
101		new rates (1)	(160,132)	5,104,286	5,778	1.38%	4,949,931	4,961,047
102	Dec-13		(799,120)		5,246	1.38%	(793,875)	4,167,172
103	Jan-14		(925,666)		4,260	1.38%	(921,406)	3,245,766
104	Feb-14		(814,085)		3,265	1.38%	(810,821)	2,434,946
105	Mar-14		(588,320)		2,462	1.38%	(585,858)	1,849,087
106	Apr-14		(424,617)		1,882	1.38%	(422,735)	1,426,352
107	May-14		(297,427)		1,469	1.38%	(295,958)	1,130,394
108	Jun-14		(209,790)		1,179	1.38%	(208,610)	921,784
109	Jul-14	forecast	(213,746)		937	1.38%	(212,809)	708,975
110	Aug-14	forecast	(213,016)		693	1.38%	(212,323)	496,652
111	Sep-14	forecast	(215,679)		447	1.38%	(215,232)	281,420
112	Oct-14	forecast	(379,109)		106	1.38%	(379,004)	(97,583)

History truncated for ease of viewing

NOTES

1 - Transfer in is from the October balance of deferral account 186270

NW Natural
Rates & Regulatory Affairs
2014-15 PGA - Oregon: August Filing
Calculation of Interest during 2013-14 PGA year on 2012-13 PGA year Deferral Corrections

NOTE: The amounts below are inherent in the Residential and Commercial Deferral Decoupling Calculations on pages 3 and 5.

Debit (Credit)		Residential					Commercial				
Month/Year	Note	Correction (1)	Interest	Interest Rate	Activity	Total Balance	Correction (2)	Interest	Interest Rate	Activity	Total Balance
(a)	(b)	(i)	(k)	(l)	(m)	(n)	(i)	(k)	(l)	(m)	(n)
Nov-13		(571,972)	(3,708)	7.78%	(575,680)	(575,680)	(240,320)	(1,558)	7.78%	(241,878)	(241,878)
Dec-13			(3,732)	7.78%	(3,732)	(579,413)		(1,568)	7.78%	(1,568)	(243,446)
Jan-14			(3,757)	7.78%	(3,757)	(583,169)		(1,578)	7.78%	(1,578)	(245,024)
Feb-14			(3,781)	7.78%	(3,781)	(586,950)		(1,589)	7.78%	(1,589)	(246,613)
Mar-14			(3,805)	7.78%	(3,805)	(590,755)		(1,599)	7.78%	(1,599)	(248,212)
Apr-14			(3,830)	7.78%	(3,830)	(594,586)		(1,609)	7.78%	(1,609)	(249,821)
May-14			(3,855)	7.78%	(3,855)	(598,440)		(1,620)	7.78%	(1,620)	(251,441)
Jun-14			(3,880)	7.78%	(3,880)	(602,320)		(1,630)	7.78%	(1,630)	(253,071)
Jul-14			(3,905)	7.78%	(3,905)	(606,225)		(1,641)	7.78%	(1,641)	(254,712)
Aug-14			(3,930)	7.78%	(3,930)	(610,156)		(1,651)	7.78%	(1,651)	(256,363)
Sep-14			(3,956)	7.78%	(3,956)	(614,112)		(1,662)	7.78%	(1,662)	(258,025)
Oct-14	3		(3,981)	7.78%	(3,981)	(618,093)		(1,673)	7.78%	(1,673)	(259,698)

NOTES

- 1** - Refer to page 3 regarding the correction.
- 2** - Refer to page 5 regarding the correction.
- 3** - October balances represent the amount INCLUDED in the 186275 Residential Decoupling and 186270 Commercial Decoupling deferral balances as of October 2014.

NW Natural
Rates & Regulatory Affairs
2014-2015 PGA Filing - Oregon: August Filing
PGA Effects on Revenue
Tariff Advice 14-13: Decoupling

	Including Revenue Sensitive Amount
1	
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Temporary Increments	
Removal of Current Temporary Increments	
Amortization of Decoupling (Residential & Commercial)	(\$10,998,802)
Addition of Proposed Temporary Increments	
Amortization of Decoupling (Residential & Commercial)	<u>6,090,273</u>
TOTAL OF ALL COMPONENTS OF RATE CHANGES	<u><u>(\$4,908,529)</u></u>
2013 Oregon Earnings Test Normalized Total Revenues	\$672,195,000
Effect of this filing, as a percentage change (line 12 ÷ line 16)	-0.73%