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August 1, 2014

NWN OPUC Advice No. 14-10 / UG _____
(UM 1101)

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 1101: Intervenor Funding;

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:

Second Revision of Sheet 172-1,
Schedule 172,
“Special Adjustment to Rates for Intervenor Funding.”

The purpose of this filing is to request amortization of amounts deferred under Docket UM 1101 for inclusion in rates 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 the current temporary adjustments applied to rates effective November 1, 2013 and the application of the new temporary adjustments is to increase the Company’s annual revenues by \$91,313 or about 0.01%.

The monthly bill of the average residential customer served under Rate Schedule 2 using 53 therms will decrease by about one cent. The monthly decrease for the average industrial Rate Schedule 3 customer using about 1,302 therms is 25 cents, the average industrial Rate Schedule 31 firm sales customer using 6,227 therms will see a monthly decrease of about \$1.18, and the average industrial Rate Schedule 32 firm sales customer using about 19,285 therms will see a monthly decrease of about \$3.66.

The proposed adjustments for the amortization of the Intervenor Funding Account are \$0.00022 per therm for residential Rate Schedule 2 customers, and \$0.00010 for Rate Schedule 3, Rate Schedule 31 and Rate Schedule 32 industrial customers.

The number of customers affected by the proposed change is 563,128 residential customers and 825 industrial 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. All of the deferrals included in this filing occurred with appropriate application by Commission authorization, as rate orders or under approved tariffs.

In accordance with ORS 757.259(3) (2003) and ORS 757.072 (2003), the amortization of amounts deferred under Docket UM 1101 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
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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

Second Revision of Sheet 172-1
Cancels First Revision of Sheet 172-1

SCHEDULE 172 SPECIAL ADJUSTMENT TO RATES FOR INTERVENOR FUNDING

PURPOSE:

To identify adjustments to rates in the Rate Schedules listed below for the amortization of deferred balances related to Intervenor Funding. The rate adjustments under this Schedule are made pursuant to the Intervenor Funding Agreement in Docket UM 1357 adopted by Commission in Order No. 07-564.

APPLICABLE:

To the following Rate Schedules of this Tariff:

Residential:

Rate Schedule 2

Industrial:

Rate Schedule 3 ISF
Rate Schedule 31 (all Industrial Classes)
Rate Schedule 32 (all Industrial Classes)

APPLICATION TO RATE SCHEDULES:

Effective: November 1, 2014

(T)

The Total Adjustment amount shown below is included in the Temporary Adjustments reflected in the above-listed Rate Schedules. NO ADDITIONAL ADJUSTMENT TO RATES IS REQUIRED.

Residential Customer Adjustment:	\$0.00022
Industrial Customer Adjustment:	\$0.00010

(C)

(C)

GENERAL TERMS:

Service under this Rate Schedule is governed by the terms of this Rate Schedule, the General Rules and Regulations contained in this Tariff, any other schedules that by their terms or by the terms of the Schedule apply to service under this Schedule, and by all rules and regulations prescribed by regulatory authorities, as amended from time to time.

Issued August 1, 2014
NWN OPUC Advice No. 14-10

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 1101 Intervenor Funding

NWN OPUC Advice No. 14-10 / UG ____
August 1, 2014

NW NATURAL
EXHIBIT A
Supporting Materials
Non-Gas Cost Deferral Amortizations - UM 1101
Intervenor Funding
NWN OPUC ADVICE NO. 14-10 / UG ____

Description	Page
Calculation of Increments Allocated on Equal Cent Per Therm Basis	1
Basis for Revenue Related Costs	2
Effects on Revenue	3
Summary of Deferred Accounts Included in the PGA	4
186276 Deferral - CUB Intervenor Funding	5
186286 Amortization - CUB Intervenor Funding	6
186278 Deferral - NWIGU Intervenor Funding	7
186288 Amortization - NWIGU Intervenor Funding	8
186284 Deferral - Intervenor Funding Issue Fund	9

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

			Intervenor Funding - CUB			Intervenor Funding - NWIGU		
Oregon PGA			77,844 Temporary Increment			34,417 Temporary Increment		
Volumes page,			2.777% add revenue sensitive factor			2.777% add revenue sensitive factor		
Column F			80,068 to residential			35,400 to industrial		
Amount to Amortize:			Multiplier	Volumes	Increment	Multiplier	Volumes	Increment
A			T	U	V	Z	AA	AB
Schedule	Block							
2R		356,638,984	1.0	356,638,984	0.00022	0.0	0	0.00000
3C Firm Sales		157,954,905	0.0	0	0.00000	0.0	0	0.00000
3I Firm Sales		4,657,733	0.0	0	0.00000	1.0	4,657,733	0.00010
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	0.0	0	0.00000
	Block 2	23,498,664	0.0	0	0.00000	0.0	0	0.00000
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	1.0	4,173,740	0.00010
	Block 2	10,396,538	0.0	0	0.00000	1.0	10,396,538	0.00010
31I Firm Trans	Block 1	165,160	0.0	0	0.00000	1.0	165,160	0.00010
	Block 2	807,983	0.0	0	0.00000	1.0	807,983	0.00010
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	1.0	4,334,225	0.00010
	Block 2	5,158,108	0.0	0	0.00000	1.0	5,158,108	0.00010
	Block 3	1,793,731	0.0	0	0.00000	1.0	1,793,731	0.00010
	Block 4	516,050	0.0	0	0.00000	1.0	516,050	0.00010
	Block 5	0	0.0	0	0.00000	1.0	0	0.00010
	Block 6	0	0.0	0	0.00000	1.0	0	0.00010
32 Firm Trans	Block 1	11,412,253	0.0	0	0.00000	1.0	11,412,253	0.00010
	Block 2	15,830,951	0.0	0	0.00000	1.0	15,830,951	0.00010
	Block 3	9,285,426	0.0	0	0.00000	1.0	9,285,426	0.00010
	Block 4	16,096,253	0.0	0	0.00000	1.0	16,096,253	0.00010
	Block 5	21,498,809	0.0	0	0.00000	1.0	21,498,809	0.00010
	Block 6	2,621,489	0.0	0	0.00000	1.0	2,621,489	0.00010
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	1.0	7,354,982	0.00010
	Block 2	9,533,015	0.0	0	0.00000	1.0	9,533,015	0.00010
	Block 3	5,139,982	0.0	0	0.00000	1.0	5,139,982	0.00010
	Block 4	10,419,813	0.0	0	0.00000	1.0	10,419,813	0.00010
	Block 5	4,025,372	0.0	0	0.00000	1.0	4,025,372	0.00010
	Block 6	173,013	0.0	0	0.00000	1.0	173,013	0.00010
32 Interr Trans	Block 1	8,967,105	0.0	0	0.00000	1.0	8,967,105	0.00010
	Block 2	15,920,961	0.0	0	0.00000	1.0	15,920,961	0.00010
	Block 3	11,590,796	0.0	0	0.00000	1.0	11,590,796	0.00010
	Block 4	30,144,365	0.0	0	0.00000	1.0	30,144,365	0.00010
	Block 5	57,187,852	0.0	0	0.00000	1.0	57,187,852	0.00010
	Block 6	78,650,314	0.0	0	0.00000	1.0	78,650,314	0.00010
33		0	0.0	0	0.00000	0.0	0	0.00000
TOTALS		957,339,742		356,638,984	0.00022		347,856,019	0.00010
Sources for line 2 above:			Line 61			Line 59		
Inputs page								
Tariff Schedules								
Rate Adjustment Schedule			Sched 172			Sched 172		

NW Natural
Rates and Regulatory Affairs
2014-2015 PGA Filing - OREGON
Basis for Revenue Related Costs

	<u>Twelve Months</u> <u>Ended 06/30/14</u>	
1		
2		
3	668,271,650	
4	691,523,698	
5		
6	1,728,809	0.250% Statutory rate
7	16,182,350	2.340% Line 7 ÷ Line 4
8	<u>1,290,601</u>	<u>0.187%</u> Line 8 ÷ Line 4
9		
10	<u><u>19,201,760</u></u>	<u><u>2.777%</u></u> Sum lines 8-9
11		
12		

13 **Note:**

14 [1] Dollar figure is set at statutory level of 0.25% times Total Oregon Revenues (line 4)

15 [2] Represents the normalized net write-offs based on a three-year average.

NW Natural
Rates & Regulatory Affairs
2014-2015 PGA Filing - Oregon: August Filing
PGA Effects on Revenue
Tariff Advice 14-10: Intervenor Funding

	Including Revenue Sensitive Amount
1	
2	
3	
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5	
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<u>Temporary Increments</u>	
<u>Removal of Current Temporary Increments</u>	
Amortization of Intevenor Funding - CUB	(\$105,026)
Amortization of Intevenor Funding - NWIGU	(\$101,755)
	<hr/>
	(\$206,781)
<u>Addition of Proposed Temporary Increments</u>	
Amortization of Intevenor Funding - CUB	\$80,068
Amortization of Intevenor Funding - NWIGU	\$35,400
	<hr/>
	\$115,468
TOTAL OF ALL COMPONENTS OF RATE CHANGES	<u><u>(\$91,313)</u></u>
2013 Oregon Earnings Test Normalized Total Revenues	\$672,195,000
Effect of this filing, as a percentage change (line 13 ÷ line 17)	-0.01%

NW Natural
 Rates & Regulatory Affairs
 2014-2015 PGA Filing - August Filing
 Summary of Deferred Accounts Included in the PGA

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
Intervenor Funding Deferrals and Amortizations										
1										
2	186276 CUB INTERVENOR MATCHING FUND	66,125		0	0	66,125				
3	186284 INTERVENOR ISSUE FUND - CUB Grants	16,666		0	0	16,666				
4	186286 AMORT - CUB INTERVENOR MATCHING FUND	7,905		(13,606)	13	(5,688)				
5	Total	90,696	0	(13,606)	13	77,103	1.77%	741	77,844	77,844
6										
7	186278 NWIGU INTERVENOR MATCHING FUND	8,014		0	0	8,014				
8	186284 INTERVENOR ISSUE FUND - NWIGU Grants	26,786		0	0	26,786				
9	186288 AMORT - NWIGU INTERVENOR MATCHING FUND	31,942		(32,727)	74	(711)				
10	Total	66,742	0	(32,727)	74	34,089	1.77%	328	34,417	34,417

Company: Northwest Natural Gas Company
 State: Oregon
 Description: Deferral of CUB Intervenor Funding
 Account Number: 186276
 Docket UM 1101
 Last order for deferral reauthorization was Order No. 14-249

1	Debit	(Credit)					
2							
3							
4	Month/Year	Note	Deferral	Transfers	Interest (1)	Activity	Balance
5	(a)	(b)	(c)	(d)	(e)	(f)	(g)
6							
7	Beginning Balance						
93	Oct-13		0			0	66,125
94	Nov-13	3	0	(66,125)		(66,125)	0
95	Dec-13		0			0	0
96	Jan-14	2	66,125			66,125	66,125
97	Feb-14		0			0	66,125
98	Mar-14		0			0	66,125
99	Apr-14		0			0	66,125
100	May-14		0			0	66,125
101	Jun-14		0			0	66,125

102
 103 **History truncated for ease of viewing**

104
 105 **NOTES**

106 **1** - No interest is applied to this activity

107
 108 **2** - Payments made in:

109 Jan 2014 - see order 14-008

110
 111 **3** - October balance transferred to account 186286 for amortization

Company: Northwest Natural Gas Company
 State: Oregon
 Description: Amortization of CUB Intervenor Funding
 Account Number: 186286
 Dockets UM 1101 and UG 257
 Amortization of 2012 deferral approved in Order 13-406 of UG 257

1	Debit	(Credit)						
2								
3								
4	Month/Year	Note	Amortization	Transfers	Interest	Interest	Activity	Balance
5	(a)	(b)	(c)	(d)	(e1)	(e2)	(f)	(g)
6								
7	Beginning Balance							
100	Oct-13		(5,123)		8	1.47%	(5,114)	4,357
101	Nov-13	old rates	(4,756)		2	1.47%	(4,753)	(396)
102		new rates (1)	(3,835)	98,515	111	1.38%	94,791	94,394
103	Dec-13		(18,703)		98	1.38%	(18,605)	75,789
104	Jan-14		(19,656)		76	1.38%	(19,580)	56,209
105	Feb-14		(18,017)		54	1.38%	(17,963)	38,246
106	Mar-14		(12,588)		37	1.38%	(12,552)	25,695
107	Apr-14		(8,720)		25	1.38%	(8,695)	17,000
108	May-14		(5,734)		16	1.38%	(5,718)	11,282
109	Jun-14		(3,388)		11	1.38%	(3,377)	7,905
110	Jul-14	forecast	(2,225)		8	1.38%	(2,218)	5,687
111	Aug-14	forecast	(2,223)		5	1.38%	(2,217)	3,470
112	Sep-14	forecast	(2,388)		3	1.38%	(2,385)	1,085
113	Oct-14	forecast	(6,770)		(3)	1.38%	(6,772)	(5,688)

History truncated for ease of viewing

NOTES

1 - Transfer in is from the October balances of CUB Deferral account 186276 and Issue Fund Deferral account 186284

Company: Northwest Natural Gas Company
 State: Oregon
 Description: Deferral of NWIGU Intervenor Funding
 Account Number: 186278
 Docket UM 1101
 Last order for deferral reauthorization was Order No. 14-249

1	Debit (Credit)						
2							
3							
4	Month/Year	Note	Deferral	Transfers	Interest (1)	Activity	Balance
5	(a)	(b)	(c)	(d)	(e)	(f)	(g)
6							
7	Beginning Balance						
93	Oct-13	2	2,057			2,057	54,876
94	Nov-13	3	0	(52,819)		(52,819)	2,057
95	Dec-13		0			0	2,057
96	Jan-14		0			0	2,057
97	Feb-14		0			0	2,057
98	Mar-14	2	5,957			5,957	8,014
99	Apr-14		0			0	8,014
100	May-14		0			0	8,014
101	Jun-14		0			0	8,014

102
 103 **History truncated for ease of viewing**

104
 105 **NOTES**

106 **1** - No interest is applied to this activity

107
 108 **2** - Payments made in:

109 Oct 2013 - see order 13-363

110 Mar 2014 - see order 14-106

111
 112 **3** - Transfer September NWIGU balance to 186288 amortization account.

113 The October NWIGU payment was not made until after the OPUC approved amortization of deferred balances;
 114 therefore, the \$2,057 will be included in the 2014-15 PGA.

Company: Northwest Natural Gas Company
 State: Oregon
 Description: Amortization of NWIGU Intervenor Funding
 Account Number: 186288
 Dockets UM 1101 and UG 257
 Amortization of 2012 deferral approved in Order 13-406 of UG 257

1	Debit	(Credit)						
2								
3								
4	Month/Year	Note	Amortization	Transfers	Interest	Interest rate	Activity	Balance
5	(a)	(b)	(c)	(d)	(e)	(e2)	(f)	(g)
6								
7	Beginning Balance							
84	Oct-13		(627)		1	1.47%	(627)	209
85	Nov-13	old rates	(54)		0	1.47%	(54)	155
86		new rates (1)	(7,346)	97,847	108	1.38%	90,610	90,765
87	Dec-13		(9,213)		99	1.38%	(9,114)	81,650
88	Jan-14		(9,463)		88	1.38%	(9,374)	72,276
89	Feb-14		(8,642)		78	1.38%	(8,564)	63,712
90	Mar-14		(8,785)		68	1.38%	(8,717)	54,995
91	Apr-14		(8,074)		59	1.38%	(8,016)	46,979
92	May-14		(7,671)		50	1.38%	(7,621)	39,358
93	Jun-14		(7,457)		41	1.38%	(7,416)	31,942
94	Jul-14	forecast	(7,751)		32	1.38%	(7,719)	24,223
95	Aug-14	forecast	(8,165)		23	1.38%	(8,142)	16,081
96	Sep-14	forecast	(7,921)		14	1.38%	(7,907)	8,174
97	Oct-14	forecast	(8,889)		4	1.38%	(8,885)	(711)

History truncated for ease of viewing

NOTES

1 - Transfer in is from the October balances of NWIGU Deferral account 186278 and Issue Fund Deferral account 186284.

Company: Northwest Natural Gas Company
 State: Oregon
 Description: Deferral of Intervenor Funding - ISSUE FUND
 Account Number: 186284
 Docket UM 1101
 Last order for deferral reauthorization was Order No. 14-249

1	Debit (Credit)										
2											
3											
4	Month/Year	Note	Deferral-CUB	Deferral-NWIGU	Transfers-CUB	Transfers-NWIGU	Interest (1)	Activity	Balance-CUB	Balance-NWIGU	Balance Grand Total
5	(a)	(b)	(c1)	(c2)	(d1)	(d2)	(e)	(f)	(g1)	(g2)	(gtotal)
6					to 186286	to 186288					
7	Beginning Balance				amort account	amort account					
93	Oct-13	2		20,000				20,000	32,390	65,028	97,418
94	Nov-13	3			(32,390)	(45,028)		(77,418)	0	20,000	20,000
95	Dec-13							0	0	20,000	20,000
96	Jan-14	2	8,333					8,333	8,333	20,000	28,333
97	Feb-14							0	8,333	20,000	28,333
98	Mar-14							0	8,333	20,000	28,333
99	Apr-14	2		6,786				6,786	8,333	26,786	35,119
100	May-14	2	8,333					8,333	16,666	26,786	43,452
101	Jun-14							0	16,666	26,786	43,452

102 **History truncated for ease of viewing**

105 **NOTES**

- 106 **1** - No interest is applied to this activity
- 107
- 108 **2** - Payments made in:
 - 109 October 2013 - see order 13-369
 - 110 January 2014 - see order 14-011
 - 111 April 2014 - see order 14-119
 - 112 May 2014 - see order 14-172
- 113
- 114 **3** - Transfer October CUB balance to 186286 amortization account and transfer September NWIGU balance to 186288 amortization account.
- 115 The October NWIGU payment was not made until after the OPUC approved amortization of deferred balances; therefore, the \$20,000 will be included in the 2014-15 PGA.