

ONITA R. KING
Tariffs and Regulatory Compliance
Tel: 503.721.2452
Fax: 503.721.2516
email: ork@nwnatural.com



April 15, 2015

NWN OPUC Advice No. 15-04 / ADV _____

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: June 2015 Bill Adjustments:
Schedule 185, "Special Annual Interstate Storage and Transportation Credit" and
Schedule 186, "Special Annual Core Storage and Pipeline Capacity Optimization Credit"

Northwest Natural Gas Company, dba NW Natural (NW Natural or Company),
files herewith the following tariff sheets stated to become effective with service on and after
June 1, 2015:

Fourth Revision of Sheet 185-1,
Schedule 185,
"Special Annual Interstate Storage and Transportation Credit," and

Third Revision of Sheet 186-1
Schedule 186,
"Special Annual Core Storage and Pipeline Capacity Optimization Credit."

The purpose of this filing is to revise Schedule 185 and Schedule 186,
respectively, to reflect the per-therm credit used to calculate the lump sum amount to be applied
to the bills of customers served under Rate Schedules 2 and 3, and under the Sales Service
option of Schedules 31 and 32.

The lump sum June bill credit will be applied to customer bills commencing with
the first billing cycle in June 2015 and ending with the last billing cycle in June 2015. The bill
credit is calculated on a customer-specific basis according to the rate schedule applicable to the
customer and the customer's actual billed gas usage between January 1, 2014 and December
31, 2014. In order to receive the bill credit, a customer must have an active gas service account
at the time of the customer's June 2015 billing cycle.

Schedule 185

The Schedule 185 credit represents the refund of the Oregon share of revenues NW Natural received for interstate storage and related transportation service activities under a Limited Jurisdiction Blanket Certificate granted under FERC Regulations, 18 C.F.R. § 294.224. The refund of \$2,003,324 million (before revenue sensitive effects) is comprised of \$1,979,916 million from revenues for 2014 activity, plus \$23,408 that is the residual remaining balance from the June 2014 credits.

Commencing with the June 2015 credits, the Schedule 185 amounts are calculated on an equal percentage of margin basis to reflect rate allocation practices adopted in the Company's last general rate case (Docket UG 221).

The Schedule 185 credit will reduce June 2015 customer bills as follows:

- The average Schedule 2 Residential Customer that used about 583 therms in 2014 will see a bill credit of about \$2.60.
- The average Schedule 3 Commercial Customer that used about 2,717 therms in 2014 will see a bill credit of about \$8.35.
- The average Schedule 31 Commercial Firm Sales customer that used about 37,280 therms in 2014 will see a bill credit of about \$80.85.
- The average Schedule 32 Industrial Firm Sales customer that used about 227,481 therms in 2014 will see a bill credit of about \$91.87.

Schedule 186

This filing also revises Schedule 186 to add the per therm credit that will be applied to customer bills for the refund of the Oregon share of revenues received from the Company's core pipeline capacity optimization activities. The refund of \$7,661,779 million (before revenue sensitive effects) is comprised of \$7,572,254 million from revenues for 2014 activity, plus \$89,525 that is the residual remaining balance from the June 2014 credits.

The Schedule 186 credit applies across all sales-based rate schedules and is a credit of \$0.01260 per-therm. The average June 2015 bill credit under Schedule 186 is as follows:

- Schedule 2 Residential \$7.34
- Schedule 3 Commercial \$34.23
- Schedule 31 Commercial Firm \$469.73
- Schedule 32 Industrial Firm Sales \$2,866.26
- Schedule 32 Industrial Interruptible Sales \$5,970.42

Combined Effects

The combined effects of the Schedule 185 and Schedule 186 amounts is a refund of \$9,665,103 million (before revenue sensitive effects), which is comprised of \$9,552,170 million from revenues for 2014 activity, plus \$112,933 that is the residual remaining balance from the June 2014 credits.

The average bill effects of the Schedule 185 and Schedule 186 credits combined are as follows:

- The average Schedule 2 Residential customer will see a bill credit of about \$9.95.
- The average Schedule 3 Commercial customer will see a bill credit of about \$42.58.
- The average Schedule 31 Commercial Firm Sales customer will see a bill credit of about \$550.58.
- The average Schedule 32 Industrial Firm Sales customer will see a bill credit of about \$2,958.14.
- The average Schedule 32 Industrial interruptible Sales customer will see a bill credit of about \$5,970.42.

In support of this filing, the Company incorporates by reference the Annual Report of Interstate and Intrastate Gas Storage and Optimization Activities filed with the Commission on March 30, 2015 (Docket RG 32).

The Company respectfully requests that the tariff sheets filed herein be approved to become effective with service on and after June 1, 2015.

Copies of this letter and the filing made herewith are available in the Company's main office in Portland, 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 with copies to the following:

eFiling
NW Natural Rates & Regulatory Affairs
220 NW Second Avenue
Portland, Oregon 97209
Telecopier: (503) 721-2516
Telephone: (503) 226-4211, ext. 3589
eFiling@nwnatural.com

Sincerely,

NW NATURAL

/s/ Onita King

Onita R. King
Rates & Regulation

Attachments

NORTHWEST NATURAL GAS COMPANY

P.U.C. Or. 25

Fourth Revision of Sheet 185-1
Cancels Third Revision of Sheet 185-1

**SCHEDULE 185
SPECIAL ANNUAL INTERSTATE AND INTRASTATE
STORAGE AND TRANSPORTATION CREDIT**

PURPOSE:

To credit customers served under the below-listed Rate Schedules for the Oregon share of revenues received by NW Natural for (a) interstate storage and related transportation service provided under a Limited-Jurisdiction Blanket Certificate from FERC granted under FERC Regulations, 18 C.F.R. § 284.224 (hereafter referred to as § 284.224 service), (b) core storage optimization activities; and (c) intrastate storage activities under **Rate Schedule 80** and **Rate Schedule 91**.

APPLICABLE:

The credit under this Schedule shall apply to customer bills issued during the June billing cycle of each calendar year, or such other time period as the Commission may approve. The credit shall apply to the following Sales Service Rate Schedules of this Tariff: **Schedule 2; Schedule 3**, and; **Schedules 31** and **32** – Firm Sales only.

CREDIT: **Effective Billing Cycle: June 2015**

The bill credit to be applied to Customer bills during the effective billing cycle will be calculated by multiplying the following per therm credit by the customer's actual gas usage billed during the period January 1, 2014 through December 31, 2014:

(T)

Rate Schedule/Class	Block	Temporary Adjustment		Schedule	Block	Temporary Adjustment
2		\$(0.00446)				
03 CSF		\$(0.00307)				
03 ISF		\$(0.00262)				
31 CSF	Block 1	\$(0.00236)		31 ISF	Block 1	\$(0.00167)
	Block 2	\$(0.00216)			Block 2	\$(0.00151)
32 CSF	Block 1	\$(0.00143)		32 ISF	Block 1	\$(0.00103)
	Block 2	\$(0.00122)			Block 2	\$(0.00087)
	Block 3	\$(0.00086)			Block 3	\$(0.00062)
	Block 4	\$(0.00050)			Block 4	\$(0.00036)
	Block 5	\$(0.00029)			Block 5	\$(0.00021)
	Block 6	\$(0.00014)			Block 6	\$(0.00010)

(C)

(C)

(continue to Sheet 185-2)

Issued April 15, 2015
NWN OPUC Advice No. 15-04

Effective with service on
and after June 1, 2015

NORTHWEST NATURAL GAS COMPANY

P.U.C. Or. 25

Third Revision of Sheet 186-1
Cancels Second Revision of Sheet 186-1

SCHEDULE 186 SPECIAL ANNUAL CORE PIPELINE CAPACITY OPTIMIZATION CREDIT

PURPOSE:

To credit Sales Service Customers served under the below-listed Rate Schedules for the Oregon share of revenues received by NW Natural for the optimization of core customer Pipeline and Storage capacity.

APPLICABLE:

This credit shall apply to customer bills issued during the June billing cycle of each calendar year, or such other time period as the Commission may approve. The credit shall apply to the following Sales Service Rate Schedules of this Tariff:

Rate Schedule 2	Rate Schedule 31 ISF	Rate Schedule 32 ISF
Rate Schedule 3	Rate Schedule 31 CSF	Rate Schedule 32 CSI
	Rate Schedule 32 CSF	Rate Schedule 32 ISI

CREDIT: **Effective Billing Cycle: June 2015**

The bill credit to be applied to Customer bills during the effective billing cycle will be calculated by multiplying the following per therm credit by the customer's actual gas usage billed during the period January 1, 2014 through December 31, 2014:

(\$0.01260)

(T)

(T)

(T)

(C)

SPECIAL CONDITIONS:

1. NW Natural will share with customers served under the Rate Schedules listed above, the amount of net margin revenue that is attributable to optimization of core customer Pipeline and Storage capacity on an 67/33 basis; 33% will be retained by NW Natural, and 67% will be shared with customers through the credit provided for in this Schedule. For this purpose, net margin is defined as revenues less incremental operating and maintenance (O&M) expense.
2. The annual credit shall be based on the net margin as described in paragraph 1 above, and as filed with the Commission. This credit shall be applied to customers' bills, or placed in an interest bearing deferred account, on June 1 of each year, or at a date other than June 1 for reasons and on terms as the Commission may approve.
3. If the net margin for the year is negative (a loss) then the credit will be zero.
4. As provided under "OUT-OF-CYCLE TRANSFERS" provision set forth in Rate Schedules 31 and 32 a Customer that exercises the Capacity Release Option may only be eligible to receive one-half of the above-listed credit.

PRIOR YEAR BALANCES:

The Company will include any remaining balance from the prior year's credit in the calculation of the current year's credit.

GENERAL TERMS:

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

Issued April 15, 2015
NWN OPUC Advice No. 15-04

Effective with service on
and after June 1, 2015

EXHIBIT A

**BEFORE THE PUBLIC UTILITY COMMISSION
OF OREGON**

NW NATURAL SUPPORTING MATERIALS

NWN OPUC Advice No. 15-04 / ADV _____

June 2015 Bill Adjustments
Schedule 185 and Schedule 186

April 15, 2015

**Exhibit A – Table of Contents
Supporting Materials**

NWN OPUC Advice No. 15-04 / ADV _____

June 2015 Bill Adjustments
Schedule 185 and Schedule 186

Title	Page
Oregon Schedule 185 and Schedule 186 Credit for 2014 Storage Activity – Effects on Average June Bill by Rate Schedule	1
Oregon Schedule 185 and Schedule 186 Credit for 2014 Storage Activity – Calculation of Increments Allocated on the Equal Percentage of Margin Basis	2
Oregon Schedule 185 and Schedule 186 Credit for 2014 Storage Activity – Calculation of Increments Allocated on the Equal Cent Per Therm Basis	3

NW Natural
Rates & Regulatory Affairs
Oregon Schedule 185 and Schedule 186 Credit for 2014 Storage Activity
Effects on Average June Bill by Rate Schedule
ALL VOLUMES IN THERMS

						Schedule 185	Schedule 186		Combined		
		2014	2013	2014	Proposed	Proposed	Proposed	Proposed	Proposed	Proposed	
	Therms in	Active Customer	Active	Average	Sch. 185	Sch. 185	Sch. 186	Sch. 186	Combined	Combined	
	Block	Volumes	Customers	Annual	Rates	Bill Credit	Rates	Bill Credit	Rates	Bill Credit	
				Therms							
Schedule	Block	A	B	C	D	E	F = E*D	G	H = G*D	I = E + G	J = I*D
2R		N/A	322,433,868	553,180	582.9	(0.00446)	(2.60)	(0.01260)	(7.34)	(0.01706)	(9.95)
3C Firm Sales		N/A	147,723,464	54,376	2,716.7	(0.00307)	(8.35)	(0.01260)	(34.23)	(0.01567)	(42.58)
3I Firm Sales		N/A	4,212,416	288	14,626.4	(0.00262)	(38.38)	(0.01260)	(184.29)	(0.01522)	(222.67)
27 Dry Out											
31C Firm Sales	Block 1	2,000	19,011,369	1,039	37,280.3	(0.00236)		(0.01260)		(0.01496)	
	Block 2	all additional	19,722,824			(0.00216)		(0.01260)		(0.01476)	
	Total						(80.85)		(469.73)		(550.58)
31C Firm Trans	Block 1										
	Block 2										
	Total										
31I Firm Sales	Block 1	2,000	4,151,119	201	71,737.3	(0.00167)		(0.01260)		(0.01427)	
	Block 2	all additional	10,268,076			(0.00151)		(0.01260)		(0.01411)	
	Total						(108.50)		(903.89)		(1,012.39)
31I Firm Trans	Block 1										
	Block 2										
	Total										
32C Firm Sales	Block 1	10,000	19,210,957	300	89,802.3	(0.00143)		(0.01260)		(0.01403)	
	Block 2	20,000	6,721,908			(0.00122)		(0.01260)		(0.01382)	
	Block 3	20,000	949,202			(0.00086)		(0.01260)		(0.01346)	
	Block 4	100,000	58,622			(0.00050)		(0.01260)		(0.01310)	
	Block 5	600,000	0			(0.00029)		(0.01260)		(0.01289)	
	Block 6	all additional	0			(0.00014)		(0.01260)		(0.01274)	
	Total						(75.77)		(1,131.51)		(1,207.28)
32I Firm Sales	Block 1	10,000	4,326,842	52	227,481.2	(0.00103)		(0.01260)		(0.01363)	
	Block 2	20,000	5,175,659			(0.00087)		(0.01260)		(0.01347)	
	Block 3	20,000	1,801,951			(0.00062)		(0.01260)		(0.01322)	
	Block 4	100,000	524,573			(0.00036)		(0.01260)		(0.01296)	
	Block 5	600,000	0			(0.00021)		(0.01260)		(0.01281)	
	Block 6	all additional	0			(0.00010)		(0.01260)		(0.01270)	
	Total						(91.87)		(2,866.26)		(2,958.14)
32 Firm Trans	Block 1										
	Block 2										
	Block 3										
	Block 4										
	Block 5										
	Block 6										
	Total										
32C Interr Sales	Block 1	10,000	6,147,440	68	349,660.0	0.00000		(0.01260)		(0.01260)	
	Block 2	20,000	8,111,588			0.00000		(0.01260)		(0.01260)	
	Block 3	20,000	4,233,070			0.00000		(0.01260)		(0.01260)	
	Block 4	100,000	5,109,624			0.00000		(0.01260)		(0.01260)	
	Block 5	600,000	175,161			0.00000		(0.01260)		(0.01260)	
	Block 6	all additional	0			0.00000		(0.01260)		(0.01260)	
	Total						0.00		(4,405.72)		(4,405.72)
32I Interr Sales	Block 1	10,000	7,100,594	75	473,843.0	0.00000		(0.01260)		(0.01260)	
	Block 2	20,000	8,877,160			0.00000		(0.01260)		(0.01260)	
	Block 3	20,000	4,743,875			0.00000		(0.01260)		(0.01260)	
	Block 4	100,000	10,881,470			0.00000		(0.01260)		(0.01260)	
	Block 5	600,000	3,935,126			0.00000		(0.01260)		(0.01260)	
	Block 6	all additional	0			0.00000		(0.01260)		(0.01260)	
	Total						0.00		(5,970.42)		(5,970.42)
32 Interr Trans	Block 1										
	Block 2										
	Block 3										
	Block 4										
	Block 5										
	Block 6										
	Total										
33											
Totals			625,607,958	609,579							

NW Natural
Rates & Regulatory Affairs
Oregon Schedule 185 and Schedule 186 Credit for 2014 Storage Activity
Calculation of Increments Allocated on the EQUAL PERCENTAGE OF MARGIN BASIS
ALL VOLUMES IN THERMS

2013-2014 PGA Rates										Schedule 185 Credits			
										Proposed Amount:	(2,003,324) Temporary Increment		
										Revenue Sensitive Multiplier:	2.777% rev sensitive factor is built in		
										Amount to Amortize:	(2,060,545) All sales 2, 3 and 31		
Schedule	Block	A	B	C	D	E=B-C-D	F = E * A	G	H	I = F + G*H	J	K	L
2R		322,433,868	0.99317	0.55392	0.00870	0.43055	138,823,902	\$8.00	553,180	191,929,182	1.0	(1,438,725)	(0.00446)
3C Firm Sales		147,723,464	0.91427	0.55392	0.01652	0.34383	50,791,759	\$15.00	54,376	60,579,439	1.0	(454,111)	(0.00307)
3I Firm Sales		4,212,416	0.89909	0.55392	0.00746	0.33771	1,422,575	\$15.00	288	1,474,415	1.0	(11,052)	(0.00262)
27 Dry Out													
31C Firm Sales	Block 1	19,011,369	0.62962	0.40805	0.01583	0.20574	7,616,923	\$325.00	1,039	11,669,023	1.0	(87,472)	(0.00236)
	Block 2	19,722,824	0.61164	0.40805	0.01571	0.18788					1.0		(0.00216)
31C Firm Trans	Block 1												
	Block 2												
31I Firm Sales	Block 1	4,151,119	0.57905	0.40805	0.00674	0.16426	2,205,851	\$325.00	201	2,989,751	1.0	(22,412)	(0.00167)
	Block 2	10,268,076	0.56309	0.40805	0.00662	0.14842					1.0		(0.00151)
31I Firm Trans	Block 1												
	Block 2												
32C Firm Sales	Block 1	19,210,957	0.50956	0.40805	0.00582	0.09569	2,441,601	\$675.00	300	4,871,601	1.0	(36,518)	(0.00143)
	Block 2	6,721,908	0.49513	0.40805	0.00573	0.08135					1.0		(0.00122)
	Block 3	949,202	0.47106	0.40805	0.00558	0.05743					1.0		(0.00086)
	Block 4	58,622	0.44698	0.40805	0.00542	0.03351					1.0		(0.00050)
	Block 5		0.43253	0.40805	0.00532	0.01916					1.0		(0.00029)
	Block 6		0.42290	0.40805	0.00526	0.00959					1.0		(0.00014)
32I Firm Sales	Block 1	4,326,842	0.50877	0.40805	0.00596	0.09476	946,793	\$675.00	52	1,367,993	1.0	(10,255)	(0.00103)
	Block 2	5,175,659	0.49449	0.40805	0.00589	0.08055					1.0		(0.00087)
	Block 3	1,801,951	0.47070	0.40805	0.00578	0.05687					1.0		(0.00062)
	Block 4	524,573	0.44689	0.40805	0.00566	0.03318					1.0		(0.00036)
	Block 5		0.43259	0.40805	0.00559	0.01895					1.0		(0.00021)
	Block 6		0.42311	0.40805	0.00554	0.00952					1.0		(0.00010)
32 Firm Trans	Block 1												
	Block 2												
	Block 3												
	Block 4												
	Block 5												
	Block 6												
32C Interr Sales	Block 1	6,147,440	0.51260	0.40805	0.00679	0.09776	1,701,641	\$675.00	68	2,252,441	0.0	0	0.00000
	Block 2	8,111,588	0.49787	0.40805	0.00672	0.08310					0.0		0.00000
	Block 3	4,233,070	0.47331	0.40805	0.00661	0.05865					0.0		0.00000
	Block 4	5,109,624	0.44878	0.40805	0.00650	0.03423					0.0		0.00000
	Block 5	175,161	0.43402	0.40805	0.00643	0.01954					0.0		0.00000
	Block 6		0.42426	0.40805	0.00640	0.00981					0.0		0.00000
32I Interr Sales	Block 1	7,100,594	0.51281	0.40805	0.00706	0.09770	2,158,101	\$675.00	75	2,765,601	0.0	0	0.00000
	Block 2	8,877,160	0.49810	0.40805	0.00700	0.08305					0.0		0.00000
	Block 3	4,743,875	0.47356	0.40805	0.00689	0.05862					0.0		0.00000
	Block 4	10,881,470	0.44904	0.40805	0.00679	0.03420					0.0		0.00000
	Block 5	3,935,126	0.43431	0.40805	0.00672	0.01954					0.0		0.00000
	Block 6		0.42452	0.40805	0.00668	0.00979					0.0		0.00000
32 Interr Trans	Block 1												
	Block 2												
	Block 3												
	Block 4												
	Block 5												
	Block 6												
33													
TOTALS		625,607,958					208,109,146		279,899,446		274,881,404	(2,060,545)	

59 Note: Allocation to rate schedules or blocks with zero volumes is calculated on an overall margin percentage change basis.
 60 * Since Billing Rates for all schedules above 31 do not include demand, column c for those schedules is WACOG only

**NW Natural
 Rates & Regulatory Affairs
 Oregon Schedule 185 and Schedule 186 Credit for 2014 Storage Activity
 Calculation of Increments Allocated on the EQUAL CENT PER THERM BASIS
 ALL VOLUMES IN THERMS**

		Schedule 186 Credits			
1					
2		2014	Proposed Amount:	(7,661,779) Temporary Increment	
3		Active Customer	Revenue Sensitive Multiplier:	2.777% add revenue sensitive factor	
4		Volumes	Amount to Amortize:	(7,880,623) to all sales	
5				Multiplier	Volumes
6	Schedule	Block	A	B	D
7	2R		322,433,868	1.0	322,433,868 (0.01260)
8	3C Firm Sales		147,723,464	1.0	147,723,464 (0.01260)
9	3I Firm Sales		4,212,416	1.0	4,212,416 (0.01260)
10	27 Dry Out		0		
11	31C Firm Sales	Block 1	19,011,369	1.0	19,011,369 (0.01260)
12		Block 2	19,722,824	1.0	19,722,824 (0.01260)
13	31C Firm Trans	Block 1	0		
14		Block 2	0		
15	31I Firm Sales	Block 1	4,151,119	1.0	4,151,119 (0.01260)
16		Block 2	10,268,076	1.0	10,268,076 (0.01260)
17	31I Firm Trans	Block 1	0		
18		Block 2	0		
19	32C Firm Sales	Block 1	19,210,957	1.0	19,210,957 (0.01260)
20		Block 2	6,721,908	1.0	6,721,908 (0.01260)
21		Block 3	949,202	1.0	949,202 (0.01260)
22		Block 4	58,622	1.0	58,622 (0.01260)
23		Block 5	0	1.0	0 (0.01260)
24		Block 6	0	1.0	0 (0.01260)
25	32I Firm Sales	Block 1	4,326,842	1.0	4,326,842 (0.01260)
26		Block 2	5,175,659	1.0	5,175,659 (0.01260)
27		Block 3	1,801,951	1.0	1,801,951 (0.01260)
28		Block 4	524,573	1.0	524,573 (0.01260)
29		Block 5	0	1.0	0 (0.01260)
30		Block 6	0	1.0	0 (0.01260)
31	32 Firm Trans	Block 1	0		
32		Block 2	0		
33		Block 3	0		
34		Block 4	0		
35		Block 5	0		
36		Block 6	0		
37	32C Interr Sales	Block 1	6,147,440	1.0	6,147,440 (0.01260)
38		Block 2	8,111,588	1.0	8,111,588 (0.01260)
39		Block 3	4,233,070	1.0	4,233,070 (0.01260)
40		Block 4	5,109,624	1.0	5,109,624 (0.01260)
41		Block 5	175,161	1.0	175,161 (0.01260)
42		Block 6	0	1.0	0 (0.01260)
43	32I Interr Sales	Block 1	7,100,594	1.0	7,100,594 (0.01260)
44		Block 2	8,877,160	1.0	8,877,160 (0.01260)
45		Block 3	4,743,875	1.0	4,743,875 (0.01260)
46		Block 4	10,881,470	1.0	10,881,470 (0.01260)
47		Block 5	3,935,126	1.0	3,935,126 (0.01260)
48		Block 6	0	1.0	0 (0.01260)
49	32 Interr Trans	Block 1	0		
50		Block 2	0		
51		Block 3	0		
52		Block 4	0		
53		Block 5	0		
54		Block 6	0		
55	33		0		
56	TOTALS		625,607,958		625,607,958 (0.01260)