

**ONITA R. KING**  
Rates & Regulatory Affairs  
Tel: 503.721.2452  
Fax: 503.721.2516  
email: ork@nwnatural.com



July 31, 2015

NWN OPUC Advice No. 15-06 / UG \_\_\_\_\_  
(UM 1101)

**VIA ELECTRONIC FILING**

Public Utility Commission of Oregon  
Attention: Filing Center  
201 High Street SE, Suite 100  
Post Office Box 1088  
Salem, Oregon 97308-1088

**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, 2015, as follows:

Third 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, 2015. The Company revises rates for this purpose annually; the last filing was effective November 1, 2014.

The net effect of the removal of the current temporary adjustments applied to rates effective November 1, 2014 and the application of the new temporary adjustments is to increase the Company's annual revenues by \$63,036 or about 0.01%.

The monthly bill of the average residential customer served under Rate Schedule 2 using 53 therms will increase by about one cent. The monthly increase for the average industrial Rate Schedule 3 customer using about 1,143 therms is 6 cents, the average industrial Rate Schedule 31 firm sales customer using 5,744 therms will see a monthly increase of about 29 cents, and the average industrial Rate Schedule 32 firm sales customer using about 21,272 therms will see a monthly increase of about \$1.06.

The proposed adjustments for the amortization of the Intervenor Funding Account are \$0.00034 per therm for residential Rate Schedule 2 customers, and \$0.00015 for Rate Schedule 3, Rate Schedule 31 and Rate Schedule 32 industrial customers.

The number of customers affected by the proposed change is 571,204 residential customers and 805 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, 2015.

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](http://www.nwnatural.com).

The Company waives paper service in this proceeding. Please address correspondence on this matter to Andrew Speer at [Andrew.Speer@nwnatural.com](mailto:Andrew.Speer@nwnatural.com), with copies to the following:

eFiling  
Rates & Regulatory Affairs  
NW Natural  
220 NW Second Avenue  
Portland, Oregon 97209  
Telecopier: (503) 721-2516  
Telephone: (503) 226-4211, x3589  
[eFiling@nwnatural.com](mailto:eFiling@nwnatural.com)

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 172-1  
Cancels Second Revision of Sheet 172-1

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## 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, 2015

(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:	\$0.00034	(C)
Industrial Customer Adjustment:	\$0.00015	(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 July 31, 2015  
NWN OPUC Advice No. 15-06

Effective with service on  
and after November 1, 2015

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. 15-06 / UG \_\_\_\_\_

July 31, 2015

# NW NATURAL

## EXHIBIT A

### Supporting Material

#### Non-Gas Cost Deferral Amortizations – UM 1101

#### Intervenor Funding

NWN OPUC ADVICE NO. 15-06 / UG \_\_\_\_\_

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

NW Natural  
 Rates & Regulatory Affairs  
 2015-16 PGA - Oregon: August Filing  
 Calculation of Increments Allocated on the EQUAL CENT PER THERM BASIS  
 ALL VOLUMES IN THERMS

		Oregon PGA Volumes page, Column F	Intervenor Funding - CUB			Intervenor Funding - NWIGU		
			Proposed Amount:	122,124 Temporary Increment		51,502 Temporary Increment		
			Revenue Sensitive Multiplier:	2.732% add revenue sensitive factor		2.732% add revenue sensitive factor		
			Amount to Amortize:	125,555 to residential		52,949 to industrial		
Schedule	Block	A	Multiplier Q	Volumes R	Increment S	Multiplier W	Volumes X	Increment Y
2R		365,285,306	1.0	365,285,306	0.00034	0.0	0	0.00000
3C Firm Sales		158,936,755	0.0	0	0.00000	0.0	0	0.00000
3I Firm Sales		3,811,735	0.0	0	0.00000	1.0	3,811,735	0.00015
27 Dry Out		700,552	0.0	0	0.00000	0.0	0	0.00000
31C Firm Sales	Block 1	20,701,736	0.0	0	0.00000	0.0	0	0.00000
	Block 2	15,317,497	0.0	0	0.00000	0.0	0	0.00000
31C Firm Trans	Block 1	1,022,480	0.0	0	0.00000	0.0	0	0.00000
	Block 2	1,238,213	0.0	0	0.00000	0.0	0	0.00000
31I Firm Sales	Block 1	4,178,853	0.0	0	0.00000	1.0	4,178,853	0.00015
	Block 2	9,536,789	0.0	0	0.00000	1.0	9,536,789	0.00015
31I Firm Trans	Block 1	181,494	0.0	0	0.00000	1.0	181,494	0.00015
	Block 2	680,650	0.0	0	0.00000	1.0	680,650	0.00015
32C Firm Sales	Block 1	26,567,626	0.0	0	0.00000	0.0	0	0.00000
	Block 2	7,804,067	0.0	0	0.00000	0.0	0	0.00000
	Block 3	829,092	0.0	0	0.00000	0.0	0	0.00000
	Block 4	20,793	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	4,645,409	0.0	0	0.00000	1.0	4,645,409	0.00015
	Block 2	5,152,955	0.0	0	0.00000	1.0	5,152,955	0.00015
	Block 3	1,826,257	0.0	0	0.00000	1.0	1,826,257	0.00015
	Block 4	627,963	0.0	0	0.00000	1.0	627,963	0.00015
	Block 5	(0)	0.0	0	0.00000	1.0	(0)	0.00015
	Block 6	0	0.0	0	0.00000	1.0	0	0.00015
32 Firm Trans	Block 1	12,006,597	0.0	0	0.00000	1.0	12,006,597	0.00015
	Block 2	16,315,496	0.0	0	0.00000	1.0	16,315,496	0.00015
	Block 3	9,641,378	0.0	0	0.00000	1.0	9,641,378	0.00015
	Block 4	16,134,178	0.0	0	0.00000	1.0	16,134,178	0.00015
	Block 5	21,282,059	0.0	0	0.00000	1.0	21,282,059	0.00015
	Block 6	1,920,752	0.0	0	0.00000	1.0	1,920,752	0.00015
32C Interr Sales	Block 1	5,686,222	0.0	0	0.00000	0.0	0	0.00000
	Block 2	7,563,208	0.0	0	0.00000	0.0	0	0.00000
	Block 3	3,897,038	0.0	0	0.00000	0.0	0	0.00000
	Block 4	4,445,365	0.0	0	0.00000	0.0	0	0.00000
	Block 5	71,870	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	7,186,289	0.0	0	0.00000	1.0	7,186,289	0.00015
	Block 2	8,946,142	0.0	0	0.00000	1.0	8,946,142	0.00015
	Block 3	5,135,755	0.0	0	0.00000	1.0	5,135,755	0.00015
	Block 4	10,445,179	0.0	0	0.00000	1.0	10,445,179	0.00015
	Block 5	4,597,392	0.0	0	0.00000	1.0	4,597,392	0.00015
	Block 6	1	0.0	0	0.00000	1.0	1	0.00015
32 Interr Trans	Block 1	8,779,332	0.0	0	0.00000	1.0	8,779,332	0.00015
	Block 2	15,689,249	0.0	0	0.00000	1.0	15,689,249	0.00015
	Block 3	11,306,695	0.0	0	0.00000	1.0	11,306,695	0.00015
	Block 4	28,429,084	0.0	0	0.00000	1.0	28,429,084	0.00015
	Block 5	56,035,539	0.0	0	0.00000	1.0	56,035,539	0.00015
	Block 6	78,278,646	0.0	0	0.00000	1.0	78,278,646	0.00015
33		0	0.0	0	0.00000	0.0	0	0.00000
TOTALS		962,859,686		365,285,306	0.00034		342,771,867	0.00015

Sources for line 2 above:

Inputs page	Line 61	Line 59
Tariff Schedules		
Rate Adjustment Schedule	Sched 172	Sched 172

**NW Natural**  
**Rates and Regulatory Affairs**  
**2015-2016 PGA Filing - OREGON**  
**Basis for Revenue Related Costs**

	Twelve Months Ended 06/30/15		
1			
2			
3	Total Billed Gas Sales Revenues	635,125,404	
4	Total Oregon Revenues	657,765,960	
5			
6	Regulatory Commission Fees [1]	1,697,120	0.250% Statutory rate
7	City License and Franchise Fees	15,291,561	2.325% Line 7 ÷ Line 4
8	Net Uncollectible Expense [2]	1,032,745	0.157% Line 8 ÷ Line 4
9			
10	Total	<u>18,021,426</u>	<u>2.732%</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**  
**2015-2016 PGA Filing - Oregon: August Filing**  
**PGA Effects on Revenue**  
**Tariff Advice 15-6: Intervenor Funding**

	<b>Including Revenue Sensitive Amount</b>
1	
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<b><u>Temporary Increments</u></b>	
<u>Removal of Current Temporary Increments</u>	
Amortization of Intervenor Funding - CUB	(\$80,068)
Amortization of Intervenor Funding - NWIGU	(\$35,400)
	<hr/> (\$115,468)
<u>Addition of Proposed Temporary Increments</u>	
Amortization of Intervenor Funding - CUB	\$125,555
Amortization of Intervenor Funding - NWIGU	\$52,949
	<hr/> \$178,504
<b>TOTAL OF ALL COMPONENTS OF RATE CHANGES</b>	<b><u><u>\$63,036</u></u></b>
2014 Oregon Earnings Test Normalized Total Revenues	\$678,848,000
Effect of this filing, as a percentage change (line 13 ÷ line 17)	0.01%



NW Natural  
 Rates & Regulatory Affairs  
 2015-2016 PGA Filing - August Filing  
 Summary of Deferred Accounts Included in the PGA

A	B	C	D	E	F	G1	G2	H	I	J
Account	Balance 6/30/2015	Adjustment	Jul-Oct Estimated Activity	Jul-Oct Interest	Estimated Balance 10/31/2015	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
					F = sum B thru E			H = F + G2		Excl. Rev Sens
12							1.93%			
<b>Intervenor Funding Deferrals and Amortizations</b>										
13	186276		0	0	66,125					
14	186284		0	0	40,159					
15	186286		(9,980)	122	14,573					
16	Subtotal	0	(9,980)	122	120,857	1.93%	1,267	122,124		122,124
17										
18	186278		0	0	18,633					
19	186284		0	0	29,546					
20	186288		(11,348)	51	2,789					
21	Subtotal	0	(11,348)	51	50,968	1.93%	534	51,502		51,502

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

Debit (Credit)	Month/Year (a)	Note (b)	Deferral (c)	Transfers (d)	Interest (1) (e)	Activity (f)	Balance (g)
Beginning Balance							
	Oct-14		0			0.00	66,125
	Nov-14	3	0	(66,125)		(66,125)	0
	Dec-14		0	0		0	0
	Jan-15	2	66,125			66,125	66,125
	Feb-15		0			0	66,125
	Mar-15		0			0	66,125
	Apr-15		0			0	66,125
	May-15		0			0	66,125
	Jun-15		0			0	66,125
	Jul-15					0	66,125
	Aug-15					0	66,125
	Sep-15					0	66,125
	Oct-15					0	66,125

**History truncated for ease of viewing**

**NOTES**

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

**2** - Payments made in:  
 Jan 2015 - see order 15-001

**3** - June 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 276  
 Amortization of 2013 deferral approved in Order 14-381 of UG 276

1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	
Debit	(Credit)	Month/Year	Note	Amortization	Transfers	Interest	Interest	Interest	rate	Activity	Balance														
(a)	(b)	(c)	(d)	(e1)	(e2)	(f)	(g)																		
Beginning Balance																									
Oct-14		(2,734)		(0)	1.38%	(2,734)				(2,734)	(1,760)														
Nov-14 old rates		(3,373)		(4)	1.38%	(3,373)				(3,377)	(5,137)														
Nov-14 new rates (1)		(3,136)		120	1.77%	(3,136)	82,791			79,775	74,637														
Dec-14		(10,925)		102	1.77%	(10,925)				(10,823)	63,814														
Jan-15		(12,054)		85	1.77%	(12,054)				(11,969)	51,846														
Feb-15		(8,539)		70	1.77%	(8,539)				(8,469)	43,377														
Mar-15		(6,955)		59	1.77%	(6,955)				(6,896)	36,481														
Apr-15		(5,736)		50	1.77%	(5,736)				(5,687)	30,794														
May-15		(4,087)		42	1.77%	(4,087)				(4,045)	26,750														
Jun-15		(2,357)		38	1.77%	(2,357)				(2,319)	24,430														
Jul-15 forecast		(1,632)		35	1.77%	(1,632)				(1,597)	22,834														
Aug-15 forecast		(1,631)		32	1.77%	(1,631)				(1,598)	21,235														
Sep-15 forecast		(1,752)		30	1.77%	(1,752)				(1,722)	19,513														
Oct-15 forecast		(4,966)		25	1.77%	(4,966)				(4,940)	14,573														

History truncated for ease of viewing

**NOTES**

1 - Transfer in authorized balances from 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	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23
Debit	(Credit)	Month/Year	Note	Deferral	Transfers	Interest (1)	Activity	Balance														
(a)	(b)	(c)	(d)	(e)	(f)	(g)																
Beginning Balance								8,014														
Oct-14				0			0	8,014														
Nov-14			3	0	(8,014)		(8,014)	0														
Dec-14				0			0	0														
Jan-15			2	18,633			18,633	18,633														
Feb-15				0			0	18,633														
Mar-15				0			0	18,633														
Apr-15				0			0	18,633														
May-15				0			0	18,633														
Jun-15				0			0	18,633														

**History truncated for ease of viewing**

**NOTES**

- 1 - No interest is applied to this activity
- 2 - Payments made in:  
     Jan 2015 - see order 15-030
- 3 - June balance transferred to account 186288 for amortization

Company: Northwest Natural Gas Company  
 State: Oregon  
 Description: Amortization of NWIGU Intervenor Funding  
 Account Number: 186288  
 Dockets UM 1101 and UG 276  
 Amortization of 2013 deferral approved in Order 14-381 of UG 276

Debit (Credit)	Month/Year	Note	Amortization	Transfers	Interest	Interest rate	Activity	Balance
	(a)	(b)	(c)	(d)	(e)	(e2)	(f)	(g)
Beginning Balance								
	Oct-14		(8,029)		7	1.38%	(8,022)	2,393
	Nov-14	old rates	(282)		3	1.38%	(280)	2,113
	Nov-14	new rates (1)	(2,903)	34,800	49	1.77%	31,945	34,058
	Dec-14		(3,141)		48	1.77%	(3,093)	30,965
	Jan-15		(3,151)		43	1.77%	(3,107)	27,857
	Feb-15		(2,806)		39	1.77%	(2,767)	25,090
	Mar-15		(2,904)		35	1.77%	(2,869)	22,221
	Apr-15		(2,906)		31	1.77%	(2,875)	19,346
	May-15		(2,751)	(0)	27	1.77%	(2,725)	16,621
	Jun-15		(2,557)		23	1.77%	(2,535)	14,086
	Jul-15	forecast	(2,614)		19	1.77%	(2,596)	11,491
	Aug-15	forecast	(2,684)		15	1.77%	(2,669)	8,822
	Sep-15	forecast	(2,764)		11	1.77%	(2,753)	6,069
	Oct-15	forecast	(3,286)		7	1.77%	(3,279)	2,789

History truncated for ease of viewing

**NOTES**

1 - Transfer in authorized balances from 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	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	
Debit	(Credit)	Month/Year	Note	Deferral-CUB (c1)	Deferral-NWIGU (c2)	Transfers-CUB (d1) to 186286 amort account	Transfers-NWIGU (d2) to 186288 amort account	Interest (1) (e)	Activity (f)	Balance-CUB (g1)	Balance-NWIGU (g2)	Balance-Grand Total (gtotal)															
		Beginning Balance																									
102		Oct-14							0	41,605	26,786	68,391															
103		Nov-14	3					(43,452)	(43,452)	24,939	0	24,939															
104		Dec-14						0	0	24,939	0	24,939															
105		Jan-15	2		29,546			29,546	29,546	24,939	29,546	54,485															
106		Feb-15						0	0	24,939	29,546	54,485															
107		Mar-15						0	0	24,939	29,546	54,485															
108		Apr-15						0	0	24,939	29,546	54,485															
109		May-15						0	0	24,939	29,546	54,485															
110		Jun-15		15,220				15,220	15,220	40,159	29,546	69,705															
111		Jul-15						0	0	40,159	29,546	69,705															
112		Aug-15						0	0	40,159	29,546	69,705															
113		Sep-15						0	0	40,159	29,546	69,705															
114		Oct-15						0	0	40,159	29,546	69,705															
115								0	0	40,159	29,546	69,705															

**History truncated for ease of viewing**

**NOTES**

- 1 - No interest is applied to this activity
- 2 - Payments made in:  
 August 2014 - see order 14-283  
 September 2014 - see order 14-327  
 January 2015 - see order 15-033
- 3 - Transfer \$16,666 of CUB June balance to 186286 amortization account  
 Transfer \$26,785.60 of NWIGU June balance to 186288 amortization account