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July 21, 2016

NWN OPUC Advice No. 16-09 / ADV _____

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: Schedule T: Customer-Owned Natural Gas Transportation Service;
Provisions for the Transportation of Biomethane

Northwest Natural Gas Company, dba NW Natural (“NW Natural” or “the Company”), files herewith the following revisions to its Tariff P.U.C. Or. 25¹ (“the Tariff”), stated to become effective with service on and after **September 1, 2016**:

First Revision of Sheet 00.3,
General Rules and Regulations (continued);

Second Revision of Sheet 00.7,
General Rules and Regulations (continued);

Second Revision of Sheet 00.9,
General Rules and Regulations (continued);

First Revision of Sheet T-1,
Schedule T,
Customer-Owned Natural Gas Transportation Service; and

Second Revision of Sheet T-6,
Schedule T,
Customer-Owned Natural Gas Transportation Service (continued).

¹ Tariff P.U.C. Or. 25 originated November 1, 2012 with Docket UG 221; OPUC Order No. 12-408 as supplemented by Order No. 12-437, and was filed pursuant to ORS 767.205 and OAR 860-022-0005.

This filing is made in accordance with OAR 860-022-0025.

The purpose of this filing is to propose clarifications to a number of defined terms that are part of the Tariff general rules and regulations, and to make revisions and additions to Schedule T of the Tariff that provide an opportunity for biomethane to be transported on the Company's distribution system to a point of delivery where biomethane may be taken off of the Company's distribution system.

The Company filed tariff changes with the Commission to allow for the receipt and transportation of biomethane on the Company's distribution system on February 13, 2013, subsequently updated on February 28, 2013, under NWN OPUC Advice No. 13-2. These Tariff changes were approved by the Commission at its March 13, 2013, public meeting as Item CA1, and became effective April 1, 2013. The approved tariff changes created an opportunity for the receipt and transportation of biomethane by the Company or by customers on the Company's distribution system. The Tariff changes proposed with this filing serve to provide a biomethane supplier with the option for off-system delivery of biomethane.

The Tariff revisions and additions proposed in this filing are necessary to allow the continued development of an RNG market in the state of Oregon. There would be no effect on customer rates as a result of the approval of the Tariff changes proposed in this filing, and the filing does not effectuate any purchase of biomethane by the Company.

The Company respectfully requests that the Tariff sheets filed herein be approved by the Commission to become effective with service on and after September 1, 2016, and if deemed necessary by the Commission that a hearing be scheduled, in accordance with ORS 757.210.

In accordance with ORS 757.205, 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.

Please address correspondence on this matter to me with copies to:

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,

/s/ Onita King

Onita R. King
NW NATURAL

Attachments

GENERAL RULES AND REGULATIONS

(continued)

Definitions (continued):

Curtailment. A condition where the Company must interrupt service to Customers in accordance with the General Rules and Regulations of this Tariff (**Rule 12, Rule 13, and Rule 14**). A Curtailment event may affect any level of service depending on the severity and geographical scope of the event. Gas taken by a Customer due to failure to comply with a Curtailment Order will be considered unauthorized and subject to charges as set forth in **Schedule C**.

Curtailment Discount. A billing credit offered to Firm Non-Residential Sales Service Customers whose gas service is curtailed for reasons other than Force Majeure.

Curtailment Order. The term used to refer to the Company's notification to Customers of a Curtailment condition. Only one Curtailment Order can be in effect at any one time.

Custody Transfer Point. The primary meter located at the Delivery Point; generally the meter at the interconnection between the Company's Distribution Facilities and Customer's House Line. Title and risk of loss to the gas shall pass from the Company to Customer at this point.

Customer. A person(s), business, or agency in whose name service is rendered, as evidenced by the signature on an application, Special Contract, Service Agreement or Service Election Form on file with the Company. In the absence of a signed instrument, a Customer shall be identified by the receipt and payment of bills regularly issued in that name.

Customer Charge. A monthly charge designed to recover a portion of the fixed costs associated with serving Customers that is not directly related to gas usage or otherwise collected.

Customer-Owned Gas. Natural Gas procured by the Customer that is transported by the Company for Customer's own use. Title to Customer-Owned gas is held by the Customer at all times, and Customer-Owned Gas is not a part of the Company's system supplies.

Dekatherm (Dth). A unit of heating value equivalent to 1,000,000 Btus. One (1) dekatherm or ten (10) Therms equals 1,000,000 Btus.

Delivery Point. The point at which gas passes through the Custody Transfer Point at Customer's facility. The Delivery Point may also be the point at which Biomethane leaves the Company's Distribution System at the point of interconnect with the Pipeline.

(C)
(C)
(C)

Disconnection of Service. The cessation of gas service to a Customer where action is taken by Company to physically shut-off service at the meter, cut service at the curb, or other action that causes the Distribution Facilities that serve a Customer to become inactive.

(continue to Sheet 00.4)

NORTHWEST NATURAL GAS COMPANY

P.U.C. Or. 25

Second Revision of Sheet 00.7
Cancels First Revision of Sheet 00.7

GENERAL RULES AND REGULATIONS

(continued)

Definitions (continued):

OPUC. The Public Utility Commission of Oregon, also referred to as the Commission.

Overrun Entitlement. A condition whereby a Transportation Service customer is restricted to use no more than a percentage of such Customer's Confirmed Nominations on a specified Gas Day.

PGA Year. The period November 1 through October 31.

Pipeline. Northwest Pipeline Corporation.

Pipeline Capacity Charge. A charge applicable to Sales Service Customers served under **Rate Schedule 31** and **Rate Schedule 32** that is designed to recover the cost of the delivery of natural gas from an interstate pipeline to the Company's Receipt Point.

Pre-emption. A condition wherein Transportation Customers are required to make their gas available to the Company for a price, to the extent the Company determines that it is necessary to maintain service to Customers with higher service priorities.

Premise. All of the real property and apparatus in use by a single Customer on an integral parcel of land undivided by a dedicated street, highway or other public thoroughfare or railway which comprises the site upon which Customer facilities are located and to which Natural Gas service is provided.

Purchased Gas Adjustment (PGA) Filing. The regulatory document filed with the Commission that supports the Company's request for rate changes under **Schedule P**, and for other changes to rates as the Commission may allow.

Qualifying Valid State or Federal Identification. Includes but is not necessarily limited to: (a) Passport; (b) U.S. Visa; (c) Military identification; (d) Immigration and Naturalization Service (INS) identification; (e) Oregon Tribal Identification; (f) Oregon Driver's License; (g) Oregon Department of Motor Vehicles (DMV) Identification. Any identification having an expired date will not be considered valid. Other forms of state or federal identification may be allowed in accordance with Company policy and procedures.

Receipt Point. The point at which gas enters Company's system from the Pipeline's interconnect. The Receipt Point may also be a point of interconnection on the Company's Distribution System that is designated for the receipt of Biomethane. (C)
(C)
(C)

Residential Class Customer. Customers that use Natural Gas for Domestic purposes. The Residential Class includes service to single-family dwellings, separately metered apartments, condominiums or townhouses, and centrally metered multiple dwellings or apartments.

Sales Service. Gas service to Customers that use Company procured gas supplies. This term does not include service to Customers that purchase Company procured gas supplies upstream of the Company's distribution system.

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NORTHWEST NATURAL GAS COMPANY

P.U.C. Or. 25

Second Revision of Sheet 00.9
Cancels First Revision of Sheet 00.9

GENERAL RULES AND REGULATIONS

(continued)

Definitions (continued):

Special Contract. A negotiated contract with unique rates and terms and conditions that must be approved by the Commission and must meet the criteria established by ORS 757.210 and OPUC Order No. 87-402.

Standby Service. Service to equipment that is available in lieu of or as a supplement to the usual source of supply; or service to equipment that is used for the protection of equipment or commodity during cold weather.

Storage Charge. A charge applicable to Firm Sales Service Customers served under **Rate Schedule 32** designed to recover the cost of storage facilities used to support Firm Sales Service on the Company's Distribution System.

Tariff. The published volume of Schedules, Rate Schedules, and General Rules and Regulations under which the Company's Natural Gas service will be provided.

Temporary Adjustment. The net amount by which the rates under a given Rate Schedule are to be adjusted on a temporary basis. Temporary adjustments include amounts set forth in **Schedule 162**, and any other **Schedules** as may be approved by the Commission.

Temporary Disconnection. A period of more than one Billing Month but less than twelve (12) consecutive Billing Months following the date of a Disconnection of Service. At the Company's discretion, the maximum period that a disconnection can be deemed temporary may be extended for reasonable cause.

Termination of Service. The ending of the service relationship between a Customer and the Company effectuated by closing the Customer's service account at a specific Premise, by the Disconnection of Service at a Customer's Premise, or both.

Therm. A unit of heating value equivalent to 100,000 Btus. The amount of heat energy in approximately 100 cubic feet of Natural Gas. One Therm equals 29.3 kilowatt hours of electricity at 100% conversion efficiency.

Time Payment Agreement. A monthly payment plan available to Customers as a means to bring delinquent account balances current within a specified period, usually not more than twelve (12) months.

Transportation. The movement of Customer-Owned Natural Gas from the Receipt Point(s) through the Company's Distribution Facilities to a Customer's Delivery Point(s). (C)

Transportation Service. A service offered by the Company for the Transportation of Customer procured gas supplies. (C)

Underrun Entitlement. A condition whereby a Transportation Service Customer is required to use the gas previously nominated and received on such Customer's behalf on a specified Gas Day.

Vehicle Fueling Appliance. A self-contained system designed predominantly for a residential application that compresses natural gas and dispenses the natural gas for a vehicle's engine fueling system.

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**SCHEDULE T
CUSTOMER-OWNED
NATURAL GAS TRANSPORTATION SERVICE**

SERVICE AVAILABILITY:

Service under this Schedule is available on the Company's Distribution System to Non-Residential Customers in all territory served by the Company under the Tariff of which this Schedule is a part, provided that Customer has an approved Service Election for Transportation Service under one of the following Rate Schedules:

Rate Schedule 31
Rate Schedule 32

Rate Schedule 33
Rate Schedule 60

TERM OF SERVICE:

The minimum term for the Transportation of Customer-Owned Gas supplies is as set forth in the applicable Rate Schedule under which the Customer shall pay for Transportation Service. Upon termination of Transportation Service, any Imbalances in gas receipts and deliveries will be cleared in accordance with the Imbalance buy-out provisions of this Schedule.

PREREQUISITES TO SERVICE:

1. A Customer must have an approved Service Election Form for service under the Rate Schedule under which Customer shall pay for Transportation Service.
2. A Customer must have the capability to receive notices via automatic electronic means acceptable by the Company. Customer must provide any utility, telephone, cellular, or other services or devices that the Company deems necessary to support Advanced Automated Meter Metering (AAMR) technology for the transmission of metered data to the Company for billing purposes. All installations must comply with the Company's specifications, must be in place and activated not less than five (5) Business Days prior to the effective date of service, and must remain continuously active at all times. The Company may require the installation of telemetry equipment at the Customer's Premise, subject to charges set forth in **Schedule 15**. (T)
(T)
3. Customer must have secured the purchase and delivery of gas supplies, which may include supplies secured from an Authorized Supplier/Agent of their choosing. An authorized supplier of Biomethane is one that has an approved Interconnection Agreement in effect with the Company. Customer must complete the Company's Transportation Service: Supplier/Agent Authorization Form and name such Authorized Supplier/Agent not less than five (5) Business Days prior to the effective date of service. (N)
(N)
4. The Company must receive the completed Transportation Service: Supplier/Agent Authorization Form before the Company will accept any nominations on behalf of the Customer.

(continue to Sheet T-2)

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NORTHWEST NATURAL GAS COMPANY

P.U.C. Or. 25

Second Revision of Sheet T-6
Cancels First Revision of Sheet T-6

SCHEDULE T CUSTOMER-OWNED NATURAL GAS TRANSPORTATION SERVICE (continued)

CURTAILMENT AND ENTITLEMENT (continued):

Underrun Entitlement. During an Underrun Entitlement condition, a Customer that is in an underrun situation will be subject to underrun charges for each instance of underrun Imbalance that occurs during any Underrun Entitlement period. The charge that will apply during any Underrun Entitlement episode will be \$1.00 per Therm for any underrun Imbalances.

PRE-EMPTION:

Customer-Owned Gas may be Pre-empted in the event that the Company's Firm gas supply and Company's peaking facilities are insufficient at any time to meet the requirements of Firm Sales Service Customers.

The Company will use reasonable efforts to obtain voluntary Pre-emption of gas by negotiation with individual Customers. If the Company cannot obtain sufficient volumes of Gas from volunteers, then the Company shall select and pay individual Customers for involuntary Pre-emption of gas at a rate of \$10.00 per Therm. The selection of individual Customers for involuntary Pre-emption will be based on system needs and Company's ability to maintain operational control or system integrity. The Company will use its best efforts to avoid Pre-empting an individual Customers gas on a repeated basis.

A Customer who fails to comply with a Pre-emption Order shall pay \$10.00 per Therm for any gas taken, and the Company shall not be obligated to pay such Customer for Pre-emption gas.

The priorities of service for Pre-emption purposes due to limited gas supply are, as follows:

- (1) Firm Service (pre-empted last).
- (2) Interruptible Service (pre-empted first).

A Customer's priority of service within each of the above categories shall be based on economic considerations and/or other contract considerations.

OFF SYSTEM DELIVERY OF BIOMETHANE:

The Company may approve a request from a Biomethane supplier located in the Company's Oregon Service Territory to transport Biomethane on the Company's Distribution System to a Delivery Point that is at a point of interconnection with the Pipeline for off-system delivery of Biomethane. The two available points of interconnect for this service are at the Mollalla Gate Station and the Deer Island Gate Station. The Company's approval of such request is contingent upon the following:

1. An Interconnection Agreement with the Company governing the receipt of Biomethane into the Company's Distribution System must be in effect; and
2. The Biomethane supplier must have an approved Service Election for Transportation Service under a qualifying Rate Schedule.

GENERAL TERMS:

Service under 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.

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