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June 14, 2017

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: NW Natural's Application for an Accounting Order – Multi-Family Tariffs

Northwest Natural Gas Company, dba NW Natural ("NW Natural" or "Company"), hereby files an application for an accounting order associated with NW Natural's proposed Schedule 405 and Schedule 4 filed with the Public Utility Commission of Oregon on June 2, 2017 as ADV 576 / Advice No. 17-03.

The Company respectfully requests that the application for an accounting order filed herein be approved by the Commission to become effective with service on and after July 12, 2017, 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

Respectfully submitted,

/s/ Zachary D. Kravitz

Zachary D. Kravitz
Associate Counsel

Attachments:

UM-____-NW Natural's Application for Accounting Order for Multi-Family

1 **BEFORE THE PUBLIC UTILITY COMMISSION**

2 **OF OREGON**

3 **UM _____**

4 In the Matter of NORTHWEST NATURAL'S) **NORTHWEST NATURAL'S**
5 Application For Accounting Order Regarding) **APPLICATION FOR AN**
6 Multi-Family Tariffs (Schedule 405 and) **ACCOUNTING ORDER**
7 Schedule 4))

8 **I. INTRODUCTION**

9 Pursuant to Sections 757.120 and 757.125 of the Oregon Revised Statutes, NW Natural
10 Gas Company ("NW Natural" or "Company") hereby files this Application with the Public Utility
11 Commission of Oregon ("Commission") for an Order authorizing the Company to record a
12 regulatory asset for purposes of accounting for payments and collections of amortized
13 amounts associated with proposed new tariffs: Schedule 405 "Builder/Developer Program
14 (Optional) Multi-Story Multi-Family" ("Schedule 405") and Schedule 4 "Residential Multi-Family
15 Service" ("Schedule 4").

16 **II. BACKGROUND**

17 On June 2, 2017, NW Natural filed NWN OPUC Advice No. 17-03 in docket ADV 576
18 requesting approval of two new tariff schedules, Schedule 405 and Schedule 4, to become
19 effective July 12, 2017. Schedules 4 and 405 were designed in conjunction to make access to
20 natural gas in individual tenant units in multi-story, multi-family developments an affordable
21 endeavor for both the developer and for the end-use tenant. The proposed new tariff Schedule
22 405 would allow NW Natural to invest \$750.00 per tenant residence to partially offset
23 developers' first-costs of installing houseline from the building's commercial meter to the

1 tenant's end-use gas appliances. The proposed new tariff Schedule 4 would recover NW
2 Natural's investment from the individual tenants through a monthly fixed charge, which would
3 also include return on the investment and other O&M costs over the life of the service.

4 Under the proposed tariffs, all amounts paid to builder/developers under Schedule 405
5 would be recorded as a regulatory asset in a regulatory asset account that is dedicated to
6 recording these payments. Tenants at these multi-family buildings will be Residential
7 customers of NW Natural and will pay down the balance of the regulatory asset through their
8 monthly bill payments under Schedule 4. In other words, as Schedule 4 customers make
9 monthly payments, the portion of those payments related to recovery of the \$750.00 investment
10 will be counted as an amortization of the regulatory asset. This ensures that the Company can
11 recover the costs associated with providing the services under Schedule 405 and Schedule 4,
12 and it ensures that the Company recovers its costs from customers receiving services under
13 those schedules over the expected term.

14 **III. ACCOUNTING ORDER REQUEST**

15 Pursuant to ORS 757.120 and 757.125, NW Natural requests an accounting order
16 authorizing NW Natural to: 1) establish a regulatory asset to record (a) payments made to
17 builders/developers under Schedule 405, and (b) the collection of amortized amounts from NW
18 Natural's Schedule 4 Residential customers; and 2) include the regulatory asset net of
19 amortizations in rate base (with the recovery of the return on that asset being a component of
20 the Schedule 4 rate).

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22 **IV. COMMUNICATIONS**

