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July 31, 2015

NWN OPUC Advice No. 15-10 / UG _____
(UM 1406)

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 177: Adjustments to Rates for System Integrity Program (SIP)

Northwest Natural Gas Company, dba NW Natural (“NW Natural” or the “Company”), files herewith revisions and additions 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 177-3,
Schedule 177,
“System Integrity Program (SIP) Recovery Mechanism (continued);”

Third Revision of Sheet 177-4,
Schedule 177,
“System Integrity Program (SIP) Recovery Mechanism (continued);”

First Revision Sheet 177-5,
Schedule 177,
“System Integrity Program (SIP) Recovery Mechanism (continued);” and

First Revision of Sheet 177-6,
Schedule 177,
“System Integrity Program (SIP) Recovery Mechanism (continued).”

The purpose of this filing is to develop the temporary adjustments to permanent rates associated with the Company’s System Integrity Program (SIP): Part A, Bare Steel Replacement; Part B: Transmission Integrity Management (TIMP); and Part C: Distribution Integrity Management (DIMP) ended effective October 31, 2014. The Company last adjusted rates for this purpose effective November 1, 2014.

The Company filed a request with the Commission on October 21, 2014 to extend the SIP Mechanism (Docket UG 286). That request was suspended and an investigation into cost recovery for safety programs was initiated (Docket UM 1722). Although Parts B and C have expired, the Company does not remove references to these SIP components with this filing. Instead, they contain zero amounts. The Company will modify Schedule 177 as needed upon a final decision of the Commission in Dockets UG 286 and UM 1722.

The net effect of the SIP Part A and cost of service reserve amounts is an increase to the Company's annual revenues of \$582,277, or 0.09%. This is associated with just the Bare Steel investments. The other components of SIP are not operative.

The monthly bill of the average residential customer served under Rate Schedule 2 using 53 therms per month will increase by 6 cents. The monthly increase for the average commercial Rate Schedule 3 customer using 233 therms is about 22 cents, and the monthly increase for the average commercial Rate Schedule 31 customer using 3,324 therms is about \$3.00. The average Rate Schedule 32 firm sales industrial customer using 21,272 therms will see a monthly increase of about \$1.16. The average bill effects for all other rate schedule and service types can be found in the separately provided workpapers.

This filing also removes the temporary adjustments placed into rates November 1, 2014, associated with parts B and C, which has the effect of increasing the average bill for residential Schedule 2 customer using 53 therms by about 6 cents, and increases the average commercial rates schedule 3 by about 21 cents. This is because the temporary adjustments in rates were a slight credit.

The balance in the SIP cost of service reserve account has been transferred to a residual account for amortization under Schedule 178 (see OPUC Advice 15-08).

The number of customers affected by the proposed changes described above is 572,721 residential customers, 58,300 commercial customers, and 805 industrial customers.

This filing is made in accordance with ORS 757.210 which authorizes changes to an existing rate or schedule of rates to the extent authorized by the Commission, and with OPUC Order Nos. 09-067 and 13-179 in Docket 1406.

In addition to the supporting materials submitted as part of this filing, the Company separately provided workpapers 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.

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

Public Utility Commission of Oregon
UG ____; NWN Advice No. OPUC 15-10
July 31, 2015, Page 3

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Sincerely,

/s/ Onita R. King

Onita R. King
NW Natural

Attachments: Exhibit A – Supporting Materials

NORTHWEST NATURAL GAS COMPANY

P.U.C. Or. 25

Third Revision of Sheet 177-3
 Cancels Second Revision of Sheet 177-3

**SCHEDULE 177
 SYSTEM INTEGRITY PROGRAM (SIP) RECOVERY MECHANISM
 (continued)**

APPLICATION TO RATE SCHEDULES:

Effective: November 1, 2015

(T)

The Adjustments shown below are included in the Base Adjustments in the listed Rate Schedules:

Schedule	Block	Part A		Part B	Part C	Total Adjustment
		70%	30%			
2		\$0.00375	\$0.00166	\$0.00000	\$0.00000	\$0.00541
3 (CSF)		\$0.00375	\$0.00117	\$0.00000	\$0.00000	\$0.00492
3 (ISF)		\$0.00000	\$0.00099	\$0.00000	\$0.00000	\$0.00099
27		\$0.00375	\$0.00138	\$0.00000	\$0.00000	\$0.00513
31 (CSF)	Block 1	\$0.00375	\$0.00088	\$0.00000	\$0.00000	\$0.00463
	Block 2	\$0.00375	\$0.00080	\$0.00000	\$0.00000	\$0.00455
31 (CTF)	Block 1	\$0.00375	\$0.00106	\$0.00000	\$0.00000	\$0.00481
	Block 2	\$0.00375	\$0.00097	\$0.00000	\$0.00000	\$0.00472
31 (ISF)	Block 1	\$0.00000	\$0.00064	\$0.00000	\$0.00000	\$0.00064
	Block 2	\$0.00000	\$0.00058	\$0.00000	\$0.00000	\$0.00058
31 (IFT)	Block 1	\$0.00000	\$0.00065	\$0.00000	\$0.00000	\$0.00065
	Block 2	\$0.00000	\$0.00059	\$0.00000	\$0.00000	\$0.00059
32 (CSF)	Block 1	\$0.00000	\$0.00051	\$0.00000	\$0.00000	\$0.00051
	Block 2	\$0.00000	\$0.00043	\$0.00000	\$0.00000	\$0.00043
	Block 3	\$0.00000	\$0.00031	\$0.00000	\$0.00000	\$0.00031
	Block 4	\$0.00000	\$0.00018	\$0.00000	\$0.00000	\$0.00018
	Block 5	\$0.00000	\$0.00010	\$0.00000	\$0.00000	\$0.00010
	Block 6	\$0.00000	\$0.00005	\$0.00000	\$0.00000	\$0.00005

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(continue to Sheet 177-4)

Issued July 31, 2015
 NWN OPUC Advice No. 15-10

Effective with service on
 and after November 1, 2015

NORTHWEST NATURAL GAS COMPANY

P.U.C. Or. 25

Third Revision of Sheet 177-4
Cancels Second Revision of Sheet 177-4

SCHEDULE 177 SYSTEM INTEGRITY PROGRAM (SIP) RECOVERY MECHANISM (continued)

APPLICATION TO RATE SCHEDULES:

Effective: November 1, 2015

The Adjustments shown below are included in the Base Adjustments in the listed Rate Schedules:

(T)

Schedule	Block	Part A		Part B	Part C	Total Adjustment
		70%	30%			
32 (ISF)	Block 1	\$0.00000	\$0.00038	\$0.00000	\$0.00000	\$0.00038
	Block 2	\$0.00000	\$0.00032	\$0.00000	\$0.00000	\$0.00032
	Block 3	\$0.00000	\$0.00023	\$0.00000	\$0.00000	\$0.00023
	Block 4	\$0.00000	\$0.00013	\$0.00000	\$0.00000	\$0.00013
	Block 5	\$0.00000	\$0.00008	\$0.00000	\$0.00000	\$0.00008
	Block 6	\$0.00000	\$0.00004	\$0.00000	\$0.00000	\$0.00004
32 (TF)	Block 1	\$0.00000	\$0.00036	\$0.00000	\$0.00000	\$0.00036
	Block 2	\$0.00000	\$0.00030	\$0.00000	\$0.00000	\$0.00030
	Block 3	\$0.00000	\$0.00021	\$0.00000	\$0.00000	\$0.00021
	Block 4	\$0.00000	\$0.00012	\$0.00000	\$0.00000	\$0.00012
	Block 5	\$0.00000	\$0.00007	\$0.00000	\$0.00000	\$0.00007
	Block 6	\$0.00000	\$0.00004	\$0.00000	\$0.00000	\$0.00004
32 (CSI)	Block 1	\$0.00000	\$0.00037	\$0.00000	\$0.00000	\$0.00037
	Block 2	\$0.00000	\$0.00031	\$0.00000	\$0.00000	\$0.00031
	Block 3	\$0.00000	\$0.00022	\$0.00000	\$0.00000	\$0.00022
	Block 4	\$0.00000	\$0.00013	\$0.00000	\$0.00000	\$0.00013
	Block 5	\$0.00000	\$0.00007	\$0.00000	\$0.00000	\$0.00007
	Block 6	\$0.00000	\$0.00004	\$0.00000	\$0.00000	\$0.00004
32 (ISI)	Block 1	\$0.00000	\$0.00035	\$0.00000	\$0.00000	\$0.00035
	Block 2	\$0.00000	\$0.00030	\$0.00000	\$0.00000	\$0.00030
	Block 3	\$0.00000	\$0.00021	\$0.00000	\$0.00000	\$0.00021
	Block 4	\$0.00000	\$0.00012	\$0.00000	\$0.00000	\$0.00012
	Block 5	\$0.00000	\$0.00007	\$0.00000	\$0.00000	\$0.00007
	Block 6	\$0.00000	\$0.00004	\$0.00000	\$0.00000	\$0.00004
32 (TI)	Block 1	\$0.00000	\$0.00032	\$0.00000	\$0.00000	\$0.00032
	Block 2	\$0.00000	\$0.00027	\$0.00000	\$0.00000	\$0.00027
	Block 3	\$0.00000	\$0.00019	\$0.00000	\$0.00000	\$0.00019
	Block 4	\$0.00000	\$0.00011	\$0.00000	\$0.00000	\$0.00011
	Block 5	\$0.00000	\$0.00006	\$0.00000	\$0.00000	\$0.00006
	Block 6	\$0.00000	\$0.00003	\$0.00000	\$0.00000	\$0.00003
33 (all)		\$0.00000	\$0.00002	\$0.00000	\$0.00000	\$0.00002

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NWN OPUC Advice No. 15-10

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and after November 1, 2015

NORTHWEST NATURAL GAS COMPANY

P.U.C. Or. 25

First Revision of Sheet 177-5
Cancels Original Sheet 177-5

SCHEDULE 177
SYSTEM INTEGRITY PROGRAM (SIP) RECOVERY MECHANISM
(continued)

APPLICATION TO RATE SCHEDULES:

Effective: November 1, 2015

The Adjustments shown below reflect a credit to customer rates associated with a cost of service reserve relating to the 2013-2014 PGA Year. The Adjustments shown below are included in the Temporary Adjustments in the listed Rate Schedules:

(T)

Schedule	Block	Part A		Part B	Total Adjustment
		70%	30%		
2		\$0.00000	\$0.00000	\$0.00000	\$0.00000
3 (CSF)		\$0.00000	\$0.00000	\$0.00000	\$0.00000
3 (ISF)		\$0.00000	\$0.00000	\$0.00000	\$0.00000
27		\$0.00000	\$0.00000	\$0.00000	\$0.00000
31 (CSF)	Block 1	\$0.00000	\$0.00000	\$0.00000	\$0.00000
	Block 2	\$0.00000	\$0.00000	\$0.00000	\$0.00000
31(CTF)	Block 1	\$0.00000	\$0.00000	\$0.00000	\$0.00000
	Block 2	\$0.00000	\$0.00000	\$0.00000	\$0.00000
31 (ISF)	Block 1	\$0.00000	\$0.00000	\$0.00000	\$0.00000
	Block 2	\$0.00000	\$0.00000	\$0.00000	\$0.00000
31 (IFT)	Block 1	\$0.00000	\$0.00000	\$0.00000	\$0.00000
	Block 2	\$0.00000	\$0.00000	\$0.00000	\$0.00000
32 (CSF)	Block 1	\$0.00000	\$0.00000	\$0.00000	\$0.00000
	Block 2	\$0.00000	\$0.00000	\$0.00000	\$0.00000
	Block 3	\$0.00000	\$0.00000	\$0.00000	\$0.00000
	Block 4	\$0.00000	\$0.00000	\$0.00000	\$0.00000
	Block 5	\$0.00000	\$0.00000	\$0.00000	\$0.00000
	Block 6	\$0.00000	\$0.00000	\$0.00000	\$0.00000

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NORTHWEST NATURAL GAS COMPANY

P.U.C. Or. 25

First Revision of Sheet 177-6
Cancels Original Sheet 177-6

SCHEDULE 177 SYSTEM INTEGRITY PROGRAM (SIP) RECOVERY MECHANISM (continued)

APPLICATION TO RATE SCHEDULES:

Effective: November 1, 2015

The Adjustments shown below are included in the Base Adjustments in the listed Rate Schedules:

(T)

Schedule	Block	Part A		Part B	Total Adjustment
		70%	30%		
32 (ISF)	Block 1	\$0.00000	\$0.00000	\$0.00000	\$0.00000
	Block 2	\$0.00000	\$0.00000	\$0.00000	\$0.00000
	Block 3	\$0.00000	\$0.00000	\$0.00000	\$0.00000
	Block 4	\$0.00000	\$0.00000	\$0.00000	\$0.00000
	Block 5	\$0.00000	\$0.00000	\$0.00000	\$0.00000
	Block 6	\$0.00000	\$0.00000	\$0.00000	\$0.00000
32 (TF)	Block 1	\$0.00000	\$0.00000	\$0.00000	\$0.00000
	Block 2	\$0.00000	\$0.00000	\$0.00000	\$0.00000
	Block 3	\$0.00000	\$0.00000	\$0.00000	\$0.00000
	Block 4	\$0.00000	\$0.00000	\$0.00000	\$0.00000
	Block 5	\$0.00000	\$0.00000	\$0.00000	\$0.00000
	Block 6	\$0.00000	\$0.00000	\$0.00000	\$0.00000
32 (CSI)	Block 1	\$0.00000	\$0.00000	\$0.00000	\$0.00000
	Block 2	\$0.00000	\$0.00000	\$0.00000	\$0.00000
	Block 3	\$0.00000	\$0.00000	\$0.00000	\$0.00000
	Block 4	\$0.00000	\$0.00000	\$0.00000	\$0.00000
	Block 5	\$0.00000	\$0.00000	\$0.00000	\$0.00000
	Block 6	\$0.00000	\$0.00000	\$0.00000	\$0.00000
32 (ISI)	Block 1	\$0.00000	\$0.00000	\$0.00000	\$0.00000
	Block 2	\$0.00000	\$0.00000	\$0.00000	\$0.00000
	Block 3	\$0.00000	\$0.00000	\$0.00000	\$0.00000
	Block 4	\$0.00000	\$0.00000	\$0.00000	\$0.00000
	Block 5	\$0.00000	\$0.00000	\$0.00000	\$0.00000
	Block 6	\$0.00000	\$0.00000	\$0.00000	\$0.00000
32 (TI)	Block 1	\$0.00000	\$0.00000	\$0.00000	\$0.00000
	Block 2	\$0.00000	\$0.00000	\$0.00000	\$0.00000
	Block 3	\$0.00000	\$0.00000	\$0.00000	\$0.00000
	Block 4	\$0.00000	\$0.00000	\$0.00000	\$0.00000
	Block 5	\$0.00000	\$0.00000	\$0.00000	\$0.00000
	Block 6	\$0.00000	\$0.00000	\$0.00000	\$0.00000
33 (all)		\$0.00000	\$0.00000	\$0.00000	\$0.00000

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Issued July 31, 2015
NWN OPUC Advice No. 15-10

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 1406 System Integrity Program

NWN OPUC Advice No. 15-10 / UG _____

July 31, 2015

NW NATURAL

EXHIBIT A

Supporting Material

Non-Gas Cost Deferral Amortizations – UM 1406

System Integrity Program

NWN OPUC ADVICE NO. 15-10/ UG _____

Description	Page
Calculation of Increments Allocated on the Equal Percentage of Margin Basis	1
Calculations of Increments Allocated on the Equal Cent Per Therm Basis	2
PGA Effects on Revenue	3
Cost of Service Summary	4
Safety Program Workpaper – Bare Steel/Leakage	5

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

Line	Schedule	Block	A	B	C	D	E	F = E * A	G	H	I	Proposed Amount: Revenue Sensitive Multiplier: Amount to Amortize:	SIP: Bare Steel - 30% PERMANENT Increment
			Oregon PGA Volumes page, Column F	Billing Rate from Rates page, Column A	WACOG & Demand from Rates page, Column B-C-D*	WACOG & Demand from Rates page, Column A	Temporary Increment page, Column A	MARGIN Rate E-B-C-D	Customer Charge	Customers	Total Margin		905,099 PERMANENT Increment
													N/A rev sensitive factor is built in to all classes and schedules
													905,099
													Multiplier Allocation to RS
													M
													N
													O
6	2R		365,289,306	1.01330	0.55622	0.02381	0.43327	158,267,164	\$8.00	571,204	213,102,748	1.0	605,300
7	3C Firm Sales		158,936,755	0.95518	0.55622	0.05288	0.34608	55,004,832	\$15.00	56,928	65,251,872	1.0	185,342
8	31 Firm Sales		3,811,735	0.93199	0.55622	0.03900	0.33677	1,283,678	\$15.00	278	1,333,718	1.0	3,788
9	27 DRY Out		700,552	0.90927	0.55622	0.02327	0.32973	230,993	\$6.00	1,517	340,217	1.0	966
10	31C Firm Sales	Block 1	20,701,736	0.69453	0.43383	0.05295	0.20775	7,208,200	\$325.00	903	10,729,900	1.0	30,477
11		Block 2	15,317,497	0.67662	0.43383	0.05298	0.18981					1.0	0.00888
12	31C Firm Trans	Block 1	1,022,480	0.17309	0.00000	0.00000	0.00000	374,420	\$575.00	62	802,220	1.0	2,279
13		Block 2	1,238,213	0.15815	0.00000	0.00000	0.00000					1.0	0.00097
14	311 Firm Sales	Block 1	4,178,853	0.63779	0.43383	0.03909	0.16487	2,109,663	\$325.00	199	2,885,763	1.0	8,197
15		Block 2	9,536,789	0.62191	0.43383	0.03911	0.14897					1.0	0.00058
16	311 Firm Trans	Block 1	181,494	0.15988	0.00000	0.00000	0.00000	127,382	\$575.00	8	182,582	1.0	519
17		Block 2	680,650	0.14450	0.00000	0.00000	0.00000					1.0	0.00059
18	32C Firm Sales	Block 1	26,567,626	0.56907	0.43383	0.03903	0.09621	3,242,704	\$675.00	346	6,045,304	1.0	17,171
19		Block 2	7,804,067	0.43383	0.43383	0.03906	0.08176					1.0	0.00043
20	32C Firm Trans	Block 3	829,092	0.53064	0.43383	0.03907	0.05774					1.0	0.00031
21		Block 4	20,793	0.50663	0.43383	0.03911	0.03369					1.0	0.00018
22		Block 5	0	0.49221	0.43383	0.03912	0.01926					1.0	0.00010
23		Block 6	0	0.48261	0.43383	0.03915	0.00963					1.0	0.00005
24	32I Firm Sales	Block 1	4,645,409	0.56814	0.43383	0.03916	0.09515	983,960	\$675.00	48	1,372,760	1.0	3,899
25		Block 2	5,152,985	0.55389	0.43383	0.03918	0.08088					1.0	0.00032
26		Block 3	1,826,257	0.53013	0.43383	0.03921	0.05709					1.0	0.00023
27		Block 4	627,963	0.50636	0.43383	0.03922	0.03331					1.0	0.00013
28		Block 5	(0)	0.49210	0.43383	0.03925	0.01902					1.0	0.00008
29		Block 6	0	0.48263	0.43383	0.03924	0.00956					1.0	0.00004
30	32 Firm Trans	Block 1	12,006,597	0.09488	0.00000	0.00000	0.00000	3,960,067	\$925.00	116	5,247,667	1.0	14,906
31		Block 2	16,315,496	0.08064	0.00000	0.00000	0.00060					1.0	0.00030
32		Block 3	9,641,378	0.05697	0.00000	0.00000	0.05691					1.0	0.00021
33		Block 4	16,134,178	0.03327	0.00000	0.00000	0.03320					1.0	0.00012
34		Block 5	21,282,059	0.01906	0.00000	0.00000	0.01897					1.0	0.00007
35		Block 6	1,920,752	0.00959	0.00000	0.00000	0.00951					1.0	0.00004
36	32C Interr Sales	Block 1	5,686,222	0.57809	0.43383	0.04615	0.09811	1,572,249	\$675.00	61	2,066,349	1.0	5,869
37		Block 2	7,563,208	0.56339	0.43383	0.04615	0.08341					1.0	0.00031
38		Block 3	3,897,038	0.53889	0.43383	0.04619	0.05887					1.0	0.00022
39		Block 4	4,445,365	0.51438	0.43383	0.04620	0.03435					1.0	0.00013
40		Block 5	71,870	0.49967	0.43383	0.04623	0.01961					1.0	0.00007
41		Block 6	0	0.48989	0.43383	0.04622	0.00984					1.0	0.00004
42	32I Interr Sales	Block 1	7,186,289	0.57815	0.43383	0.04626	0.09806	2,201,208	\$675.00	71	2,776,308	1.0	7,886
43		Block 2	8,946,142	0.56345	0.43383	0.04626	0.08336					1.0	0.00030
44		Block 3	5,135,755	0.53895	0.43383	0.04629	0.05883					1.0	0.00021
45		Block 4	10,445,179	0.51445	0.43383	0.04630	0.03432					1.0	0.00012
46		Block 5	4,597,392	0.49977	0.43383	0.04633	0.01961					1.0	0.00007
47		Block 6	1	0.48997	0.43383	0.04632	0.00982					1.0	0.00004
48	32I Interr Trans	Block 1	8,779,332	0.09620	0.00000	0.00000	0.09616	5,569,605	\$925.00	85	6,513,105	1.0	18,500
49		Block 2	15,689,249	0.08179	0.00000	0.00005	0.08174					1.0	0.00027
50		Block 3	11,306,695	0.05777	0.00000	0.00006	0.05771					1.0	0.00019
51		Block 4	28,429,084	0.03373	0.00000	0.00007	0.03366					1.0	0.00011
52		Block 5	56,035,539	0.01933	0.00000	0.00009	0.01924					1.0	0.00006
53		Block 6	78,278,646	0.00975	0.00000	0.00010	0.00965					1.0	0.00003
54		Block 6	0	0.00554	0.00000	0.00000	0.00554	0	\$38,000.00	0	0	1.0	0
55	33		0	0.00554	0.00000	0.00000	0.00554	0	\$38,000.00	0	0	1.0	0
56	TOTALS		962,859,686					242,136,125			318,650,513		905,099
57													
58													
59													
60													
61													
62													
63													
64													
65													
66													

Sources for line 2 above:
 Inputs page
 Tariff Schedules
 Rate Adjustment Schedule

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

Allocation equal % of margin

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

				SIP: Bare Steel - 70%		
		Oregon PGA	Proposed Amount:		2,111,897 PERMANENT Increment	
		Volumes page,	Revenue Sensitive Multiplier:		N/A rev sensitive factor is built in	
		Column F	Amount to Amortize:		2,111,897 to res. & comm. firm s/s & transp	
Schedule	Block	A		Multiplier Z	Volumes AA	Increment AB
2R		365,285,306		1.0	365,285,306	0.00375
3C Firm Sales		158,936,755		1.0	158,936,755	0.00375
3I Firm Sales		3,811,735		0.0	0	0.00000
27 Dry Out		700,552		1.0	700,552	0.00375
31C Firm Sales	Block 1	20,701,736		1.0	20,701,736	0.00375
	Block 2	15,317,497		1.0	15,317,497	0.00375
31C Firm Trans	Block 1	1,022,480		1.0	1,022,480	0.00375
	Block 2	1,238,213		1.0	1,238,213	0.00375
31I Firm Sales	Block 1	4,178,853		0.0	0	0.00000
	Block 2	9,536,789		0.0	0	0.00000
31I Firm Trans	Block 1	181,494		0.0	0	0.00000
	Block 2	680,650		0.0	0	0.00000
32C Firm Sales	Block 1	26,567,626		0.0	0	0.00000
	Block 2	7,804,067		0.0	0	0.00000
	Block 3	829,092		0.0	0	0.00000
	Block 4	20,793		0.0	0	0.00000
	Block 5	0		0.0	0	0.00000
	Block 6	0		0.0	0	0.00000
32I Firm Sales	Block 1	4,645,409		0.0	0	0.00000
	Block 2	5,152,955		0.0	0	0.00000
	Block 3	1,826,257		0.0	0	0.00000
	Block 4	627,963		0.0	0	0.00000
	Block 5	(0)		0.0	0	0.00000
	Block 6	0		0.0	0	0.00000
32 Firm Trans	Block 1	12,006,597		0.0	0	0.00000
	Block 2	16,315,496		0.0	0	0.00000
	Block 3	9,641,378		0.0	0	0.00000
	Block 4	16,134,178		0.0	0	0.00000
	Block 5	21,282,059		0.0	0	0.00000
	Block 6	1,920,752		0.0	0	0.00000
32C Interr Sales	Block 1	5,686,222		0.0	0	0.00000
	Block 2	7,563,208		0.0	0	0.00000
	Block 3	3,897,038		0.0	0	0.00000
	Block 4	4,445,365		0.0	0	0.00000
	Block 5	71,870		0.0	0	0.00000
	Block 6	0		0.0	0	0.00000
32I Interr Sales	Block 1	7,186,289		0.0	0	0.00000
	Block 2	8,946,142		0.0	0	0.00000
	Block 3	5,135,755		0.0	0	0.00000
	Block 4	10,445,179		0.0	0	0.00000
	Block 5	4,597,392		0.0	0	0.00000
	Block 6	1		0.0	0	0.00000
32 Interr Trans	Block 1	8,779,332		0.0	0	0.00000
	Block 2	15,689,249		0.0	0	0.00000
	Block 3	11,306,695		0.0	0	0.00000
	Block 4	28,429,084		0.0	0	0.00000
	Block 5	56,035,539		0.0	0	0.00000
	Block 6	78,278,646		0.0	0	0.00000
33		0		0.0	0	0.00000

56
 57 TOTALS 962,859,686 563,202,538 0.00375
 58

59 **Sources for line 2 above:**
 60 **Inputs page** Line 33

62 **Tariff Schedules**
 63 **Rate Adjustment Schedule** Sched 177

PGA Effects on Revenue
Tariff Advice 15-10: SIP

**Including
Revenue Sensitive
Amount**

1		
2		
3	<u>Permanent Rate Adjustments</u>	
4		
5	<u>SIP Program Costs</u>	
6	Addition of Proposed Bare Steel Program Costs	3,016,996
7		
8	Removal of Current Bare Steel Program Costs	(2,434,719)
9		
10		<hr/>
11		582,277
12		
13		
14	2014 Oregon Earnings Test Normalized Total Revenues	\$678,848,000
15		
16	Effect of this filing, as a percentage change (line 9 ÷ line 14)	0.09%

NW Natural
System Integrity Program Cost Tracking
Cost of Service Summary - 2015-16 PGA: August filing

in Thousands of Dollars

	<u>Investment</u>	<u>Tracker Year Cost of Service</u>
1 Bare Steel Program		
2		
3 Activity Ended October 31, 2013	\$7,529	\$971
4		
5 Activity Ended October 31, 2014	\$9,221	\$1,226
6		
7 Activity Ended October 31, 2015	\$5,284	\$820
8		
9 Total Bare Steel Program	<u>\$22,034</u>	<u>\$3,017</u>
10		

11
12 **Reflects Actuals through June 30, 2015**

NW Natural
Rates & Regulatory Affairs
2015-2016 PGA Filing - Oregon: August Filing
Safety Program Workpaper - Bare Steel/Leakage

Bare Steel & Leakage Summary

	(a)	(b)	(c)	(d) = (a) + (b) - (c)
Investment per Engineering by Program Year:	<u>Leakage</u>	<u>Bare Steel</u>	<u>first \$4MM=NWN</u>	<u>Total</u>
Nov 12 - Oct 13	1,439,424	13,053,971	4,000,000	10,493,395
1 Nov 13 - Oct 14	2,186,658	11,034,242	4,000,000	9,220,900
2 Nov 14 - Oct 15	2,879,282	5,404,483	3,000,000	5,283,764
3				
4 Project to Date Investment	6,505,364	29,492,696	11,000,000	24,998,060
5				
6 Reductions by Program Year:				
7 <u>Agreed to Audit Adjustments:</u>				
8 Audit of 2013 completed in 2014				0
9 Audit of 2014 completed in 2015				0
10 Audit of 2015 completed in 2016				0
11 Subtotal audit adjustments				<u>0</u>
12				
13				
14 Project to Date Investment Net of Audit Adjustments				<u>24,998,060</u>
15				
16 Investment Amounts Included in Prior PGA Filings (by PGA Year):				
17 Nov 13 - Oct 14				10,493,395
18 Nov 14 - Oct 15				9,220,900
19 Nov 15 - Oct 16				0
20 Subtotal				<u>19,714,295</u>
21				
22 Net Investment to Include in Rates				<u><u>5,283,765</u></u>
23				
24				
25				

Program year lags the PGA year by 1 year. For example, in the 2015-16 PGA you would expect to see costs from Nov 14-Oct 15