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August 1, 2014

NWN OPUC Advice No. 14-15 / UG _____
(UM 1651)

VIA ELECTRONIC FILING

Public Utility Commission of Oregon
3930 Fairview Industrial Park Drive SE
Post Office Box 1088
Salem, Oregon 97308-1088

Attn: Filing Center

Re: REQUEST FOR AMORTIZATION OF CERTAIN DEFERRED ACCOUNTS

UM 1651: Special Rate Adjustment for Working Gas Inventory

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, 2014, as follows:

First Revision of Sheet 180-1,
Schedule 180,
"Special Rate Adjustment for Working Gas Inventory."

The purpose of this filing is to request amortization of amounts deferred under Docket UM 1651 for inclusion in rates effective November 1, 2014. The Company last adjusted rates for this purpose effective November 1, 2013.

The net effect of removing the temporary adjustments to rates effective November 1, 2013 and the application of the new temporary adjustments is to reduce the Company's annual revenues by \$4,743,451, or 0.71%.

The monthly bill of the average residential customer served under Rate Schedule 2 using 53 therms per month will decrease by 49 cents. The monthly decrease for the average commercial Rate Schedule 3 customer using 232 therms per month is about \$1.51, and the monthly decrease for the average commercial Rate Schedule 31 customer using 3,514 therms is about \$15.56. The monthly bill effects for all other rate classes can be found in the separately provided workpapers.

The proposed adjustments are a decrease of \$0.00009 on residential Rate Schedule 2 customer rates, and a decrease of \$0.00007 on commercial Rate Schedule 3 rates. A worksheet showing all of the rate adjustments can be found in Exhibit A to this filing.

The number of customers affected by the proposed change is 563,128 residential customers, 59,490 commercial customers, and 620 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 addition to the supporting materials submitted as part of this filing, the Company separately provided 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, 2014. A request for approval on less than statutory notice is attached.

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 me at ork@nwnatural.com, with copies to the following:

eFiling
Rates & Regulatory Affairs
NW Natural
220 NW Second Avenue
Portland, Oregon 97209
Telecopier: (503) 721-2516
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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

First Revision of Sheet 180-1
Cancels Original Sheet 180-1

SCHEDULE 180 SPECIAL RATE ADJUSTMENT FOR WORKING GAS INVENTORY

PURPOSE:

The purpose of this Schedule is to reflect the rate effects of applying the carrying costs on the Company's working gas inventory in accordance with the Stipulation approved by the Commission in Docket UM 1651, OPUC Order No. 13-349 dated September 30, 2013.

APPLICABLE:

To Sales Service Customers served under the following Rate Schedules of this Tariff:

Rate Schedule 2

Rate Schedule 3
Rate Schedule 27

Rate Schedule 31
Rate Schedule 32

APPLICATION TO RATE SCHEDULES:

Effective: November 1, 2014

(T)

The Adjustment amounts shown below are included in the Temporary Adjustments reflected in the above-listed Rate Schedules. NO ADDITIONAL ADJUSTMENT TO RATES IS REQUIRED.

Rate Schedule/Class	Block	Temporary Adjustment		Schedule	Block	Temporary Adjustment
2		\$(0.00009)		31 CSF	Block 1	\$(0.00005)
03 CSF		\$(0.00007)			Block 2	\$(0.00004)
03 ISF		\$(0.00006)		31 ISF	Block 1	\$(0.00004)
27		\$(0.00008)			Block 2	\$(0.00003)
32 CSF	Block 1	\$(0.00003)		32 CSI	Block 1	\$(0.00002)
	Block 2	\$(0.00002)			Block 2	\$(0.00002)
	Block 3	\$(0.00002)			Block 3	\$(0.00001)
	Block 4	\$(0.00001)			Block 4	\$(0.00001)
	Block 5	\$(0.00001)			Block 5	\$0.00000
	Block 6	\$0.00000			Block 6	\$0.00000
32 ISF	Block 1	\$(0.00002)		32 ISI	Block 1	\$(0.00002)
	Block 2	\$(0.00002)			Block 2	\$(0.00002)
	Block 3	\$(0.00001)			Block 3	\$(0.00001)
	Block 4	\$(0.00001)			Block 4	\$(0.00001)
	Block 5	\$0.00000			Block 5	\$0.00000
	Block 6	\$0.00000			Block 6	\$0.00000

(C)

(C)

(continue to Sheet 180-2)

Issued August 1, 2014
NWN OPUC Advice No. 14-15

Effective with service on
and after November 1, 2014

EXHIBIT A

BEFORE THE PUBLIC UTILITY COMMISSION
OF OREGON

NW NATURAL
SUPPORTING MATERIALS

UM 1651
Working Gas

NWN OPUC Advice No. 14-15 / UG ____
August 1, 2014



Exhibit A
Supporting Materials
Working Gas - UM 1651

NWN OPUC Advice No. 14-15

Page No.

Calculation of Increments Allocated on Equal Percentage of Margin	1
Summary of Deferred Account	2
191031 Amortization - Working Gas	3
Effects on Revenue	4

NW Natural
Rates & Regulatory Affairs
2014-15 PGA - Oregon: August Filing
Calculation of Increments Allocated on the EQUAL PERCENTAGE OF MARGIN BASIS
 ALL VOLUMES IN THERMS

		Billing	WACOG &	Temps from						Working Gas Amortization			
		Oregon PGA	Demand from	Temporary						Proposed Amount:	(48,297) Temporary Increment		
		Volumes page,	Rates page,	Increment page,	MARGIN	Volumetric	Customer	Total		Revenue Sensitive Multiplier:	N/A rev sensitive factor is built in		
		Column F	Column A	Column A	Rate	Margin	Charge	Customers	Margin	Amount to Amortize:	(48,297) to all sales		
Schedule	Block	A	B	C	D	E = B - C - D	F = E * A	G	H	I	Multiplier	Allocation to R	Increment
2R											V	W	X
		356,638,984	0.99317	0.55392	0.00870	0.43055	153,550,914	\$8.00	563,128	207,611,202	1.0	(33,375)	(0.00009)
3C Firm Sales		157,954,905	0.91427	0.55392	0.01652	0.34383	54,309,635	\$15.00	56,617	64,500,695	1.0	(10,369)	(0.00007)
3I Firm Sales		4,657,733	0.89909	0.55392	0.00746	0.33771	1,572,963	\$15.00	298	1,626,603	1.0	(261)	(0.00006)
27 Dry Out		796,593	0.87401	0.55392	(0.00768)	0.32777	261,099	\$6.00	1,525	370,899	1.0	(60)	(0.00008)
31C Firm Sales	Block 1	20,699,674	0.62962	0.40805	0.01583	0.20574	8,673,680	\$325.00	1,048	12,760,880	1.0	(2,051)	(0.00005)
	Block 2	23,498,664	0.61164	0.40805	0.01571	0.18788					1.0		(0.00004)
31C Firm Trans	Block 1	388,881	0.16800	0.00000	(0.00385)	0.17185	152,526	\$575.00	18	276,726	0.0	0	0.00000
	Block 2	545,978	0.15344	0.00000	(0.00352)	0.15696					0.0		0.00000
31I Firm Sales	Block 1	4,173,740	0.57905	0.40805	0.00674	0.16426	2,228,633	\$325.00	195	2,989,133	1.0	(481)	(0.00004)
	Block 2	10,396,538	0.56309	0.40805	0.00662	0.14842					1.0		(0.00003)
31I Firm Trans	Block 1	165,160	0.15680	0.00000	(0.00251)	0.15931	142,637	\$575.00	8	197,837	0.0	0	0.00000
	Block 2	807,983	0.14173	0.00000	(0.00224)	0.14397					0.0		0.00000
32C Firm Sales	Block 1	16,554,938	0.50956	0.40805	0.00582	0.09569	2,200,516	\$675.00	238	4,128,316	1.0	(664)	(0.00003)
	Block 2	6,660,345	0.49513	0.40805	0.00573	0.08135					1.0		(0.00002)
	Block 3	1,153,455	0.47106	0.40805	0.00558	0.05743					1.0		(0.00002)
	Block 4	248,040	0.44698	0.40805	0.00542	0.03351					1.0		(0.00001)
	Block 5	0	0.43253	0.40805	0.00532	0.01916					1.0		(0.00001)
	Block 6	0	0.42290	0.40805	0.00526	0.00959					1.0		0.00000
32I Firm Sales	Block 1	4,334,225	0.50877	0.40805	0.00596	0.09476	945,329	\$675.00	51	1,358,429	1.0	(218)	(0.00002)
	Block 2	5,158,108	0.49449	0.40805	0.00589	0.08055					1.0		(0.00002)
	Block 3	1,793,731	0.47070	0.40805	0.00578	0.05687					1.0		(0.00001)
	Block 4	516,050	0.44689	0.40805	0.00566	0.03318					1.0		(0.00001)
	Block 5	0	0.43259	0.40805	0.00559	0.01895					1.0		0.00000
	Block 6	0	0.42311	0.40805	0.00554	0.00952					1.0		0.00000
32 Firm Trans	Block 1	11,412,253	0.09321	0.00000	(0.00130)	0.09451	3,840,737	\$925.00	110	5,061,737	0.0	0	0.00000
	Block 2	15,830,951	0.07925	0.00000	(0.00106)	0.08031					0.0		0.00000
	Block 3	9,285,426	0.05607	0.00000	(0.00066)	0.05673					0.0		0.00000
	Block 4	16,096,253	0.03282	0.00000	(0.00027)	0.03309					0.0		0.00000
	Block 5	21,498,809	0.01888	0.00000	(0.00003)	0.01891					0.0		0.00000
	Block 6	2,621,489	0.00961	0.00000	0.00013	0.00948					0.0		0.00000
32C Interr Sales	Block 1	6,122,694	0.51260	0.40805	0.00679	0.09776	1,723,155	\$675.00	62	2,225,355	1.0	(358)	(0.00002)
	Block 2	8,160,076	0.49787	0.40805	0.00672	0.08310					1.0		(0.00002)
	Block 3	4,328,184	0.47331	0.40805	0.00661	0.05865					1.0		(0.00001)
	Block 4	5,489,488	0.44878	0.40805	0.00650	0.03423					1.0		(0.00001)
	Block 5	242,825	0.43402	0.40805	0.00643	0.01954					1.0		0.00000
	Block 6	0	0.42426	0.40805	0.00640	0.00981					1.0		0.00000
32I Interr Sales	Block 1	7,354,982	0.51281	0.40805	0.00706	0.09770	2,248,312	\$675.00	76	2,863,912	1.0	(460)	(0.00002)
	Block 2	9,533,015	0.49810	0.40805	0.00700	0.08305					1.0		(0.00002)
	Block 3	5,139,982	0.47356	0.40805	0.00689	0.05862					1.0		(0.00001)
	Block 4	10,419,813	0.44904	0.40805	0.00679	0.03420					1.0		(0.00001)
	Block 5	4,025,372	0.43431	0.40805	0.00672	0.01954					1.0		0.00000
	Block 6	173,013	0.42452	0.40805	0.00668	0.00979					1.0		0.00000
32 Interr Trans	Block 1	8,967,105	0.09476	0.00000	(0.00111)	0.09587	5,688,876	\$925.00	87	6,654,576	0.0	0	0.00000
	Block 2	15,920,961	0.08060	0.00000	(0.00090)	0.08150					0.0		0.00000
	Block 3	11,590,796	0.05698	0.00000	(0.00055)	0.05753					0.0		0.00000
	Block 4	30,144,365	0.03335	0.00000	(0.00020)	0.03355					0.0		0.00000
	Block 5	57,187,852	0.01919	0.00000	0.00001	0.01918					0.0		0.00000
	Block 6	78,650,314	0.00977	0.00000	0.00015	0.00962					0.0		0.00000
33		0	0.00542	0.00000	(0.00009)	0.00551	0	\$38,000.00	0	0	0.0	0	0.00000
TOTALS		957,339,742					237,539,012			312,626,300	300,435,424	(48,297)	

Sources for line 2 above:

Inputs page

Line 69

Tariff Schedules

Rate Adjustment Schedule

Sched 180

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

	Account A	Balance 6/30/2014 B	Adjustment C	Jul-Sep Estimated Activity D	Jul-Oct Interest E	Estimated Balance 10/31/2014 F <small>F = sum B thru E</small>	Interest Rate During Amortization G1	Estimated Interest During Amortization G2 <small>1.77%</small>	Total Estimated Amount for (Refund) or Collection H <small>H = F + G2</small>	Amounts Excluded from PGA Filing I	Amounts Included in PGA Filing J <small>Excl. Rev Sens</small>
1	Miscellaneous Amortizations										
2											
3	191031 WORKING GAS DEFERRAL AMORT	674,145		(723,751)	1,769	(47,837)	1.77%	(460)	(48,297)		(48,297)

Company: Northwest Natural Gas Company
 State: Oregon
 Description: Working Gas Amortization
 Account Number: 191031
 Info: Docket UG 265
 Authorization to amortize in Order 13-401

1	Debit (Credit)							Total
2								
3								
4	Month/Year	Note	Deferral	Transfers	Interest Rate	Interest	Activity	Balance
5	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)
6								
7	Beginning Balance							
8	Nov-13	1	(172,536)	4,695,154	1.38%	5,300	4,527,918	4,527,918
9	Dec-13		(807,816)		1.38%	4,743	(803,073)	3,724,845
10	Jan-14		(870,414)		1.38%	3,783	(866,631)	2,858,214
11	Feb-14		(790,545)		1.38%	2,832	(787,713)	2,070,501
12	Mar-14		(561,972)		1.38%	2,058	(559,914)	1,510,587
13	Apr-14		(397,745)		1.38%	1,508	(396,237)	1,114,350
14	May-14		(269,528)		1.38%	1,127	(268,401)	845,949
15	Jun-14		(172,677)		1.38%	874	(171,803)	674,145
16	Jul-14	forecast	(131,788)		1.38%	699	(131,089)	543,057
17	Aug-14	forecast	(132,247)		1.38%	548	(131,699)	411,358
18	Sep-14	forecast	(139,482)		1.38%	393	(139,089)	272,269
19	Oct-14	forecast	(320,235)		1.38%	129	(320,106)	(47,837)
20								

NOTES

1 - Transfer in is from the October balance of 191030 Working Gas Deferral

NW Natural
Rates & Regulatory Affairs
2014-2015 PGA Filing - Oregon: August Filing
PGA Effects on Revenue
Tariff Advice 14-15: Working Gas

	Including Revenue Sensitive Amount
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<u>Temporary Increments</u>	
<u>Removal of Proposed Temporary Increments</u>	
Amortization of Working Gas Deferral	(4,695,154)
<u>Addition of Proposed Temporary Increments</u>	
Amortization of Residual Working Gas Deferral Balance	<u>(48,297)</u>
TOTAL OF ALL COMPONENTS OF RATE CHANGES	<u><u>(\$4,743,451)</u></u>
2013 Oregon Earnings Test Normalized Total Revenues	\$672,195,000
Effect of this filing, as a percentage change (line 11 ÷ line 15)	-0.71%