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August 1, 2014

NWN OPUC Advice No. 14-9 / UG _____
(UM 1413)

VIA ELECTRONIC FILING

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

Attn: Filing Center

Re: REQUEST FOR AMORTIZATION OF CERTAIN NON-GAS COST DEFERRED ACCOUNTS

UM 1413: Automated Meter Reading

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 179-1,
Schedule 179,
"Automated Meter Reading (AMR) Rate Adjustment."

The purpose of this filing is to request amortization of the balance in the deferred account established in Docket UM 1413, for inclusion in rates effective November 1, 2014. The Company last adjusted rates for this purpose effective November 1, 2013.

There have not been any new amounts deferred in this AMR account. The balance in the account represents the residual amount remaining from prior year amortizations. Because of the unique cost allocation methodology associated with the recovery of AMR costs, these costs could not easily be combined with other residual amounts that are applied to customer rates on cent-per-therm basis under Schedule 178.

The net effect of removing the temporary adjustment applied to rates effective November 1, 2013 and the application of the new temporary adjustment is to reduce the Company's annual revenues by \$629,166, or about 0.09%.

The monthly bill of the average residential customer served under Rate Schedule 2 using 53 therms per month will decrease by about 7 cents. The monthly decrease for the average commercial Rate Schedule 3 customer using 232 therms per month is about 21 cents, and the monthly decrease for the average commercial Rate Schedule 31 customer using 3,514 therms is about \$2.14.

The adjustments proposed to be applied to each affected Rate Schedule for the amortization of the AMR account for the period November 1, 2014 through October 31, 2015, are as follows:

Schedule	Block	Adjustment
2		(\$0.00002)
3 (CSF)		(\$0.00001)
3 (ISF)		(\$0.00001)
27		(\$0.00002)
31 (CSF)	Block 1	(\$0.00001)
	Block 2	(\$0.00001)
31 (ISF)	Block 1	(\$0.00001)
	Block 2	(\$0.00001)

The number of customers affected by the proposed change is 563,128 residential customers, 59,190 commercial customers, and 493 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. The deferral included in this filing occurred with appropriate application by Commission authorization, in accordance with a rate order or under an approved tariff.

For the purpose of recovering deferred balances as outlined in ORS 757.259, the required earnings review covering the period(s) during which the deferrals in this filing occurred was performed with Staff's review of the Company's 2014 Annual Results of Operations.

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, 2014.

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:

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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 179-1
Cancels Original Sheet 179-1

**SCHEDULE 179
AUTOMATED METER READING (AMR) RATE ADJUSTMENT**

PURPOSE:

To recover costs associated with the installation of the Company's Automated Meter Reading (AMR) system in accordance with the stipulation adopted by Commission Order No. 10-028, issued on February 1, 2010, in UG 152/UG 163.

APPLICABLE:

To the following Sales Service Rate Schedules of this Tariff:

Schedule 2 Schedule 3 Schedule 27 Schedule 31

GENERAL TERMS:

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 Rate Schedule apply to service under the Rate Schedule, and by all rules and regulations prescribed by regulatory authorities, as amended from time to time.

TERM:

This adjustment rate shall be in effect through October 31, 2015 or such other date as the Commission may approve.

APPLICATION TO RATE SCHEDULES:

Effective: November 1, 2014

(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.

Schedule	Block	Adjustment
2		\$(0.00002)
3 (CSF)		\$(0.00001)
3 (ISF)		\$(0.00001)
27		\$(0.00002)
31 (CSF)	Block 1	\$(0.00001)
	Block 2	\$(0.00001)
31 (ISF)	Block 1	\$(0.00001)
	Block 2	\$(0.00001)

(C)

(C)

Issued August 1, 2014
NWN OPUC Advice No. 14-9

Effective with service on
and after November 1, 2014

EXHIBIT A

BEFORE THE PUBLIC UTILITY COMMISSION
OF OREGON

NW NATURAL
SUPPORTING MATERIALS

Non-Gas Cost Deferral Amortizations
UM 1413
Automated Meter Reading (AMR)

NWN OPUC Advice No. 14-9 / UG __
August 1, 2014



Exhibit A
Supporting Materials
Non-Gas Cost Deferral Amortizations - UM 1413
Automated Meter Reading (AMR)
NWN OPUC Advice No. 14-9 / UG ____

Page No.

Calculation of Increments Allocated on Equal Percentage of Margin	1
Summary of Deferred Accounts	2
186307 Amortization - AMR	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

Schedule	Block	A	B	C	D	E	F = E * A	G	H	I	AMR Amortization		
											Proposed Amount:	(9,265) Temporary Increment	
											Revenue Sensitive Multiplier:		
											N/A rev sensitive factor is built in		
											Amount to Amortize:		
											(9,265) All sales 2, 3, 27 and 31		
											Multiplier	Allocation to RS	Increment
											J	K	L
2R		356,638,984	0.99317	0.55392	0.00870	0.43055	153,550,914	\$8.00	563,128	207,611,202	1.0	(6,636)	(0.00002)
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	(2,062)	(0.00001)
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	(52)	(0.00001)
27 Dry Out		796,593	0.87401	0.55392	(0.00768)	0.32777	261,099	\$6.00	1,525	370,899	1.0	(12)	(0.00002)
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	(408)	(0.00001)
	Block 2	23,498,664	0.61164	0.40805	0.01571	0.18788					1.0		(0.00001)
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	(96)	(0.00001)
	Block 2	10,396,538	0.56309	0.40805	0.00662	0.14842					1.0		(0.00001)
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	0.0	0	0.00000
	Block 2	6,660,345	0.49513	0.40805	0.00573	0.08135					0.0		0.00000
	Block 3	1,153,455	0.47106	0.40805	0.00558	0.05743					0.0		0.00000
	Block 4	248,040	0.44698	0.40805	0.00542	0.03351					0.0		0.00000
	Block 5	0	0.43253	0.40805	0.00532	0.01916					0.0		0.00000
	Block 6	0	0.42290	0.40805	0.00526	0.00959					0.0		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	0.0	0	0.00000
	Block 2	5,158,108	0.49449	0.40805	0.00589	0.08055					0.0		0.00000
	Block 3	1,793,731	0.47070	0.40805	0.00578	0.05687					0.0		0.00000
	Block 4	516,050	0.44689	0.40805	0.00566	0.03318					0.0		0.00000
	Block 5	0	0.43259	0.40805	0.00559	0.01895					0.0		0.00000
	Block 6	0	0.42311	0.40805	0.00554	0.00952					0.0		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	0.0	0	0.00000
	Block 2	8,160,076	0.49787	0.40805	0.00672	0.08310					0.0		0.00000
	Block 3	4,328,184	0.47331	0.40805	0.00661	0.05865					0.0		0.00000
	Block 4	5,489,488	0.44878	0.40805	0.00650	0.03423					0.0		0.00000
	Block 5	242,825	0.43402	0.40805	0.00643	0.01954					0.0		0.00000
	Block 6	0	0.42426	0.40805	0.00640	0.00981					0.0		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	0.0	0	0.00000
	Block 2	9,533,015	0.49810	0.40805	0.00700	0.08305					0.0		0.00000
	Block 3	5,139,982	0.47356	0.40805	0.00689	0.05862					0.0		0.00000
	Block 4	10,419,813	0.44904	0.40805	0.00679	0.03420					0.0		0.00000
	Block 5	4,025,372	0.43431	0.40805	0.00672	0.01954					0.0		0.00000
	Block 6	173,013	0.42452	0.40805	0.00668	0.00979					0.0		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	289,859,412	(9,266)	

Sources for line 2 above:

Inputs page

Line 65

Tariff Schedules

Rate Adjustment Schedule

Sched 179

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	186308 AMR AMORT	84,592		(93,987)	218	(9,177)	1.77%	(88)	(9,265)		(9,265)

Company: Northwest Natural Gas Company
 State: Oregon
 Description: Amortization of AMR deferred amounts
 Account Number: 186307
 Docket UG 256
 Amortization of 2012 deferral approved in Order 13-398

1 Debit (Credit)

Month/Year	Note	Amortization	Transfers	TOTAL Interest	Interest Rate	Activity	TOTAL Balance
(a)	(b)	(c)	(d)	(e)	(e1)	(f)	(g)
Oct-13		0		0	1.47%	0	0
Nov-13	new rates (1)	(21,944)	615,292	695	1.38%	594,043	594,043
Dec-13		(107,495)		621	1.38%	(106,874)	487,169
Jan-14		(115,839)		494	1.38%	(115,345)	371,824
Feb-14		(105,122)		367	1.38%	(104,755)	267,068
Mar-14		(74,200)		264	1.38%	(73,936)	193,133
Apr-14		(52,073)		192	1.38%	(51,881)	141,252
May-14		(34,951)		142	1.38%	(34,809)	106,443
Jun-14		(21,961)		110	1.38%	(21,851)	84,592
Jul-14	forecast	(16,890)		88	1.38%	(16,803)	67,790
Aug-14	forecast	(16,925)		68	1.38%	(16,857)	50,933
Sep-14	forecast	(17,934)		48	1.38%	(17,886)	33,047
Oct-14	forecast	(42,238)		14	1.38%	(42,224)	(9,177) (2)

57
 58 **History truncated for ease of viewing**

59
 60 **NOTES**

- 61 **1** - Transfer in is from the October balances of 2012 AMR Deferral account 186308.
 62 **2** - Forecasted residual balance remaining from AMR Deferral amortized during the 2013-14 PGA year.

NW Natural
Rates & Regulatory Affairs
2014-2015 PGA Filing - Oregon: August Filing
PGA Effects on Revenue
Tariff Advice 14-9: AMR

	Including Revenue Sensitive Amount
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Temporary Increments	
<u>Removal of Current Temporary Increments</u>	
Amortization of AMR Deferral	(\$619,901)
<u>Addition of Proposed Temporary Increments</u>	
Amortization of Residual AMR Amortization Balance	<u>(9,265)</u>
TOTAL OF ALL COMPONENTS OF RATE CHANGES	<u><u>(\$629,166)</u></u>
2013 Oregon Earnings Test Normalized Total Revenues	\$672,195,000
Effect of this filing, as a percentage change (line 10 ÷ line 14)	-0.09%