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December 17, 2014

NWN OPUC Advice No. 14-21  
SUPPLEMENT A

**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: Partial Replacement Filing: Service to CNG Vehicle Fueling Equipment**  
LSN Application Included

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 to become effective with service on less than statutory notice, on and after January 14, 2015 as follows:

Second Revision of Sheet C-1.1,  
Schedule C,  
“Miscellaneous Charges and Credits (continued);”

Second Revision of Sheet C-4,  
Schedule C,  
“Miscellaneous Charges and Credits (continued);”

Second Revision of Sheet 2-2,  
Rate Schedule 2,  
“Residential Sales Service (continued);”

First Revision of Sheet 3-3,  
Rate Schedule 3,  
“Basic Firm Sales Service – Non-Residential (continued);”

First Revision of Sheet 31-9,  
Rate Schedule 31,  
“Non-Residential Firm Sales and Firm Transportation Service (continued);”

First Revision of Sheet 32-10,  
Rate Schedule 32,  
“Large Volume Non-Residential Sales and Transportation  
Service (continued);” and

First Revision of Sheet 33-7,  
Rate Schedule 33,  
“High Volume Non-Residential Firm and Interruptible  
Transportation Service (continued).”

The purpose of this partial replacement filing is to: (1) remove the decoupling mechanism exclusion from the respective rate schedules; and (2) propose new fixed monthly charges that will apply in situations where a second meter is set to provide service from an existing gas service line. All other tariff sheets filed in the Company's initial advice filing, NWN OPUC Advice 14-21 dated October 8, 2014, are requested to become effective as filed. The tariff revisions proposed in this filing would apply to all service provided to CNG vehicle fueling equipment installed by customers, third parties, or under NW Natural tariffs.

On October 20, 2014 the Company extended the effective date of the initial filing to January 1, 2015 to allow additional time for Commission Staff and interested parties to review the filing. On December 2, 2014 the Company filed a second extension to January 14, 2014. On November 5, 2014, NW Natural and representatives from Commission Staff, Citizens Utility Board and Northwest Industrial Gas Users held a conference call to discuss the Company's proposed filing. At that time, the parties expressed their concerns about the Company's proposal to exclude volumes associated with CNG refueling service from the Company's approved Decoupling Mechanism. NW Natural has considered the parties' concerns and has agreed to remove the requested exclusion. This change is reflected in the tariff sheets proposed herein.

In addition, during the November 5, 2014 conference call, the parties discussed that it may be appropriate for customers requesting service to CNG refueling equipment to contribute to the incremental fixed costs associated with NW Natural providing that service. NW Natural agrees that this approach is appropriate, especially given that any increased margin associated with the incremental loads from the CNG fueling equipment will be subject to decoupling, and thus returned to other customers and not available to the Company to cover the incremental costs of any installed capital. NW Natural proposes with this supplemental filing to incorporate new miscellaneous charges that would apply when a second meter is installed on an existing gas service line for the purpose of providing service to CNG refueling equipment. The proposed standard charge is \$6.00 per month. For larger meters, the charge will be determined based on the specific meter configuration on a customer-specific basis. A worksheet showing the derivation of the standard charge is included with this filing.

Although we do not anticipate a high-volume of requests for this service in the residential and small commercial customer classes during the next three to five years, once customers do begin to install CNG refueling equipment we will gain more knowledge about their installation and use, and will be able to gather the additional data required to assess how best to serve these customers. This may lead to the development of a dedicated rate schedule or to the implementation of other charges or tariff changes in the future. However, because we are already receiving inquiries from customers, we feel that taking this initial step to incorporate tariff changes and clarifications around this service is in the Company's and our Customer's best interests.

The Company requests that the tariff sheets filed herewith be permitted to become effective with service on and after January 14, 2015. A request for approval on less than statutory notice is included.

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](http://www.nwnatural.com).

The Company waives paper service in this proceeding.

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

eFiling  
Rates & Regulatory Affairs  
NW Natural  
220 NW Second Avenue  
Portland, Oregon 97209  
Telecopier: (503) 721-2516  
Telephone: (503) 226-4211, x3589  
eFiling@nwnatural.com

Sincerely,

NW NATURAL

*/s/ Onita King*

Onita R. King  
Rates and Regulatory Affairs

attachments

BEFORE THE PUBLIC UTILITY COMMISSION OF OREGON

3930 FAIRVIEW INDUSTRIAL DRIVE SE

SALEM, OR 97308-1088

IN THE MATTER OF THE APPLICATION OF ) UTILITY L.S.N. APPLICATION  
NW NATURAL )  
 )  
TO WAIVE STATUTORY NOTICE. ) NO. \_\_\_\_\_

NOTE: ATTACH EXHIBIT IF SPACE IS INSUFFICIENT

1. GENERAL DESCRIPTION OF THE PROPOSED SCHEDULE(S) ADDITION, DELETION OF CHANGE. (SCHEDULE INCLUDES ALL RATES, TOLLS AND CHARGES FOR SERVICE AND ALL RULES AND REGULATIONS AFFECTING THE SAME)

The purpose of this partial replacement filing is to: (1) remove the decoupling mechanism exclusion from the respective rate schedules; and (2) propose new fixed monthly charges that will apply in situations where a second meter is set to provide service from an existing gas service line.

2. APPLICANT DESIRES TO CHANGE THE SCHEDULE(S) NOW ON FILE KNOWN AND DESIGNATED AS: (INSERT SCHEDULE REFERENCE BY NUMBER, PAGE, AND ITEM)

First Revision of Sheet C-1.1, First Revision of Sheet C-4, First Revision of Sheet 2-2, Original Sheet 3-3, Original Sheet 31-9, Original Sheet 32-10, Original Sheet 33-7

3. THE PROPOSED SCHEDULE(S) SHALL BE AS FOLLOWS: (INSERT SCHEDULE REFERENCE BY NUMBER, PAGE, AND ITEM)

Second Revision of Sheet C-1.1, Second Revision of Sheet C-4, Second Revision of Sheet 2-2, First Revision of Sheet 3-3, First Revision of Sheet 31-9, First Revision of Sheet 32-10, First Revision of Sheet 33-7

4. REASONS FOR REQUESTING A WAIVER OF STATUTORY NOTICE:

To ensure the tariff sheets filed in this partial replacement filing become effective with the tariff sheets in the original filing.

5. REQUESTED EFFECTIVE DATE OF THE NEW SCHEDULE(S) OR CHANGES(S) JANUARY 14, 2015

6. AUTHORIZED SIGNATURE:	TITLE	DATE
/s/ Onita King	Rates & Regulatory Affairs	12/17/2014

PUC USE ONLY		
<input type="checkbox"/> APPROVED	<input type="checkbox"/> DENIED	EFFECTIVE DATE OF APPROVED SCHEDULE(S) OR CHANGE

AUTHORIZED SIGNATURE:	DATE

# NORTHWEST NATURAL GAS COMPANY

P.U.C. Or. 25

Second Revision of Sheet C-1.1  
Cancels First Revision of Sheet C-1.1

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## SCHEDULE C MISCELLANEOUS CHARGES AND CREDITS (continued)

### SUMMARY OF CHARGES and CREDITS (continued):

<b>Priority Installation Schedule (Schedule X)</b>	\$ 200.00	
<b>Service Guarantee credit on Company Provided Utility Pathway for New Construction (Schedule X)</b>	\$100.00	
<b>Wasted Trip charge on Applicant Provided Utility Pathway for New Construction (Schedule X)</b>		
Main Trench (all classes)	\$290.00 each additional trip	
Service Trench (Commercial)	\$290.00 each additional trip	
Service Trench (Residential)	\$155.00 each additional trip	
<b>Optional – Residential Customer Requested Non-AMR Meter</b>		
One-time installation	\$172.00	
Monthly manual meter read charge	\$ 26.55 per bill	
<b>CNG Metering Charge</b>		
Standard (250 meter size)	\$ 6.00 per month	(N)
Non-Standard (meter sizes greater than 250)	Customer-specific	(N)

(continue to Sheet C-2)

Issued December 17, 2014  
NWN OPUC Advice No. 14-21A

Effective with service on  
and after January 14, 2015

# NORTHWEST NATURAL GAS COMPANY

P.U.C. Or. 25

Second Revision of Sheet C-4  
Cancels First Revision of Sheet C-4

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## SCHEDULE C MISCELLANEOUS CHARGES AND CREDITS (continued)

### DESCRIPTION OF CHARGES and CREDITS (continued):

**Summary Billing Charge.** This option is not available to Transportation Service Customers or Interruptible Service Customers. The Company will provide Customers, upon request, with a summary billing for two or more accounts. A one-time set up charge, and a monthly service charge will apply.

**Charge for a Priority Installation Schedule (Schedule X).**

The Priority Installation Schedule charge will apply to Residential and Commercial Applicants that request expedited service under **Schedule X**. An expedited request for service means that the installation of Distribution Facilities will be completed within five (5) working days from the date that the application for service is approved by the Company.

The priority installation option is available between September 1 and January 31, except that the Company may refuse to accommodate a priority installation if doing so would adversely affect the quality or timing of installations of other Applicants or Customers. The Priority Installation Schedule charge must be paid prior to the installation of Distribution Facilities. The charge will be refunded if the Company fails to meet the priority installation date.

**Service Guarantee Credit for Company Provided Utility Pathway for New Construction (Schedule X).** The Service Guarantee Credit will apply when the Company agrees to provide the utility pathway for a project and the Company does not meet the scheduled construction date.

**Wasted Trip Charge on Applicant Provided Utility Pathway for New Construction (Schedule X).** The wasted trip charge will apply when the Company goes to the site of a new construction project following notice by Applicant that the site is ready, and the site is not ready when the Company arrives, thereby requiring the Company to schedule a return trip.

**Optional – Residential Customer Requested Non-AMR Meter**

A Residential Customer in a single-family dwelling may request that the Company install a non-AMR Meter at that Customer's premise, as set forth in **General Rule 17** of this Tariff. The one-time installation charge will be billed to the Customer on the first monthly bill following the date of installation, and is due and payable on the date stated on such bill. In addition, commencing with the first bill following the date of installation, Customer will be billed the monthly manual meter read charge. This charge shall continue to be billed monthly until the earlier of the Customer's request to remove the Non-AMR meter or the date that the Customer voluntarily closes the account.

**CNG Metering Charge**

The CNG metering charge will apply when a Customer requests service to a Vehicle Fueling Appliance (VFA) or other CNG vehicle refueling equipment and the Company determines that service can be provided from the existing Gas Service Line with a second meter to measure vehicle refueling usage. If the added load to be measured by the second meter requires a non-standard meter size (greater than a 250 meter), the meter charge will be calculated using a traditional utility cost-of-service calculation using the actual cost of the meter set design and installation and a 50 year life of the meter.

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

Issued December 17, 2014  
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# NORTHWEST NATURAL GAS COMPANY

P.U.C. Or. 25

Second Revision of Sheet 2-2  
Cancels First Revision of Sheet 2-2

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## RATE SCHEDULE 2 RESIDENTIAL SALES SERVICE (continued)

### SPECIAL PROVISIONS:

1. A Customer that elects to discontinue the use of any gas-fired appliances served under this Rate Schedule on a seasonal or temporary basis will continue to be responsible to meet the minimum bill obligations under the Rate Schedule as long as the account status remains open. Any Customer that does not want to pay such charges may close the account. (T)  
  
A Customer that has closed an account on a seasonal or temporary basis and subsequently requests that the account be re-opened shall pay reconnection charges as set forth in **SCHEDULE C** at the time Customer requests that the account be re-opened.
2. Customers may be required to pay the Company, in advance, for costs related to the Company's installation of any Distribution Facilities necessary to provide service to Customers under this Rate Schedule. See **Rule 20** and **Schedule X** of the Tariff of which this Rate Schedule is a part. (C)  
(C)
3. A Customer that has installed a Vehicle Fueling Appliance to compress natural gas for use in such Customer's personal motor vehicle or motorboat is solely responsible for compliance with the laws related to the use of CNG in a motor vehicle, including but not limited to payment of any Fuel Use Taxes associated with or related to the use of CNG under this Rate Schedule. (N)
4. Any Vehicle Fueling Appliance must be separately metered. If service can be provided from the existing gas line with a second meter set then the Gas metered for vehicle use will be separately stated on the Customer's regular monthly gas bill. A monthly charge as set forth in Schedule C will be assessed for the second meter. Each monthly gas bill will reflect the Gasoline Gallon Equivalent ("GGE") of metered vehicle fueling usage to enable the Customer to calculate any Fuel Use Tax obligation.
5. The monthly volumetric charge (per therm) for purposes of billing Vehicle Fueling Appliance usage will exclude the following adjustment:  
  
Schedule 195 – Weather Adjusted Rate Mechanism (WARM)
6. The Company may refuse service to any gas-fired appliance that does not meet the conditions set forth in **Rule 18**. (N)

### GENERAL TERMS:

Service under this Rate Schedule is governed by the terms of this Rate 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 this Rate Schedule, and by all rules and regulations prescribed by regulatory authorities, as amended from time to time.

Issued December 17, 2014  
NWN OPUC Advice No. 14-21A

Effective with service on  
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**RATE SCHEDULE 3  
BASIC FIRM SALES SERVICE - NON-RESIDENTIAL**

(continued)

**SPECIAL PROVISIONS (continued):**

- 3. Out-of-Cycle Transfer Requests from an Existing Customers. An Out-of-Cycle Transfer is a change in Rate Schedule that is effective prior to November 1 of the current PGA Year. Any request to transfer to this **Rate Schedule 3** from **Rate Schedule 31, Rate Schedule 32 or Rate Schedule 33** or to transfer from this Rate Schedule to **Rate Schedule 31, Rate Schedule 32, or Rate Schedule 33**, must be made in writing on the Company's Service Election Form. The terms and conditions for submission of a Service Election Form and for a transfer to one of the other available Rate Schedules **are as set forth in the respective Rate Schedule.**

A Customer that transfers to this Rate Schedule from Sales Service on another Rate Schedule will be billed at Annual Sales WACOG for the Commodity Component.

A Customer that transfers to this Rate Schedule from Transportation Service will be billed according to the price set forth in **Schedule 150** "Monthly Incremental Cost of Gas" for the remainder of the current PGA Year.

- 4. A Customer that has installed CNG vehicle fueling equipment to compress natural gas for use in a motor vehicle or motorboat is solely responsible for compliance with the laws related to the use of CNG in a motor vehicle, including but not limited to payment of any Fuel Use Taxes associated with or related to the use of CNG under this Rate Schedule.
- 5. Any CNG vehicle fueling equipment must be separately metered. If service can be provided from the existing gas line with a second meter set then the Gas metered for vehicle use will be separately stated on the Customer's regular monthly gas bill. A monthly charge as set forth in Schedule C will be assessed for the second meter. Each monthly gas bill will reflect the Gasoline Gallon Equivalent ("GGE") of metered vehicle fueling usage to enable the Customer to calculate any Fuel Use Tax obligation.
- 6. The monthly volumetric charge (per therm) for purposes of billing CNG vehicle fueling equipment usage for Commercial Class Customers (03CSF), will exclude the following adjustment:  
  
Schedule 195 – Weather Adjusted Rate Mechanism (WARM)
- 7. The Company may refuse service to any gas-fired appliance or gas-fired equipment that does not meet the conditions set forth in **Rule 18.**

(N)  
|  
(N)

**GENERAL TERMS:**

Service under this Rate Schedule is governed by the terms of this Rate 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 this Rate Schedule, and by all rules and regulations prescribed by regulatory authorities, as amended from time to time.

(continue to Sheet 3-4)

Issued December 17, 2014  
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Effective with service on  
and after January 14, 2015



**RATE SCHEDULE 31**  
**NON-RESIDENTIAL FIRM SALES AND FIRM TRANSPORTATION SERVICE**  
(continued)

**DESCRIPTION OF SERVICE TYPES AND REQUIREMENTS FOR SERVICE (continued):**

**Combination Service Types:**

A Combination of Firm Sales Service with Firm Transportation Service. This Service Type requires the installation of an AMR device with no additional charge to the Customer. A Customer that selects this Service Type must specify the exact daily delivery volume that is to be billed as Firm Sales Service. The Firm Pipeline Capacity Charge – Peak Demand Option (per therm of MDDV) for payment of Pipeline Capacity Charges will apply for all Firm Sales Service volume. The Firm Sales Service volume will be billed at the rates specified for Firm Sales Service, and will always be billed first. When all Firm Sales Service volume has billed, all additional volumes will be billed at the rates specified for Firm Transportation Service, except that the Company will bill only one Customer Charge for this Service Type.

(T)

Customer must secure the purchase and delivery of gas supplies from an Authorized Supplier/Agent of Customer's choosing for all Firm Transportation Service volumes. The Transportation of Customer-Owned Gas is governed by the Terms and Conditions set forth in Schedule T of this Tariff, and the Company's Gas Transportation Operating Policies and Procedures.

**SPECIAL CONDITIONS FOR COMPRESSED NATURAL GAS ("CNG") SERVICE FOR VEHICULAR USE:**

(N)

1. A Customer that has CNG vehicle fueling equipment installed to compress natural gas for use in a motor vehicle or motorboat is solely responsible for compliance with the laws related to the use of CNG in a motor vehicle or motorboat, including but not limited to payment of any Fuel Use Taxes associated with or related to the use of CNG under this Rate Schedule.
2. Any CNG vehicle fueling equipment must be separately metered. If service can be provided from the existing gas line with a second meter set then the Gas metered for vehicle use will be separately stated on the Customer's regular monthly gas bill. A monthly charge as set forth in Schedule C will be assessed for the second meter. Each monthly gas bill will reflect the Gasoline Gallon Equivalent ("GGE") of metered vehicle fueling usage to enable the Customer to calculate any Fuel Use Tax obligation.
3. The Company may refuse service to any CNG vehicle fueling equipment that does not meet the conditions set forth in **Rule 18** of the Tariff of which this Rate Schedule is a part.

**DETERMINATION OF MDDV:**

The MDDV is used to calculate the Firm Pipeline Capacity Charge – Peak Demand option applicable to Firm Sales Service under this Rate Schedule. Following establishment of a Customer's Initial MDDV, as set forth in Sections A and B, the Customer's MDDV will be adjusted each year as set forth in Section C below:

(N)

- A. For a new Customer, the Initial MDDV to be used for billing purposes will equal the "name plate" hourly rating of the equipment to be served, times twelve (12), or an estimated volume acceptable to the Company that is based upon the best information about Customer's planned operations that is known at that time.

(T)

(continue to Sheet 31-10)

Issued December 17, 2014  
NWN OPUC Advice No. 14-21A

Effective with service on  
and after January 14, 2015

**RATE SCHEDULE 32**  
**LARGE VOLUME NON-RESIDENTIAL SALES AND TRANSPORTATION SERVICE**  
(continued)

**DESCRIPTION OF SERVICE TYPES AND REQUIREMENTS FOR SERVICE (continued):**

Combination of Interruptible Sales Service Type with Interruptible Transportation Service Type.  
(continued)

Customer must secure the purchase and delivery of gas supplies from an Authorized Supplier/Agent of Customer's choosing for all Interruptible Transportation Service volumes. The Transportation of Customer-Owned Gas is governed by the Terms and Conditions set forth in Schedule T of this Tariff, and the Company's Gas Transportation Operating Policies and Procedures.

Combination of Firm Transportation Service Type with Interruptible Transportation Service Type. A Customer that selects this Service Type must specify the exact daily delivery volume that is to be billed as Firm Transportation Service. Firm Transportation Service volume will always be billed first. When all Firm Transportation Service volume has billed, all additional volumes will be billed at the rates specified for Interruptible Transportation Service, except that the Company will bill only one Customer Charge for this service type. All Interruptible Transportation Service volumes will be subject to Curtailment as set forth in General Rule 13 and General Rule 14 of this Tariff.

**SPECIAL CONDITIONS FOR COMPRESSED NATURAL GAS ("CNG") SERVICE FOR VEHICULAR USE:**

1. A Customer that has CNG fueling equipment installed to compress natural gas for use in a motor vehicle or motorboat is solely responsible for compliance with the laws related to the use of CNG in a motor vehicle or motorboat, including but not limited to payment of any Fuel Use Taxes associated with or related to the use of CNG under this Rate Schedule.
2. Any CNG fueling equipment must be separately metered. If service can be provided from the existing gas line with a second meter set then the Gas metered for vehicle use will be separately stated on the Customer's regular monthly gas bill. A monthly charge as set forth in Schedule C will be assessed for the second meter. Each monthly gas bill will reflect the Gasoline Gallon Equivalent ("GGE") of metered vehicle fueling usage to enable the Customer to calculate any Fuel Use Tax obligation.
3. The Company may refuse service to any CNG fueling equipment that does not meet the conditions set forth in **Rule 18** of the Tariff of which this Rate Schedule is a part.

(N)  
|  
(N)

**DETERMINATION OF MDDV:**

The MDDV is used to calculate the Firm Pipeline Capacity Charge – Peak Demand option applicable to Firm Sales Service under this Rate Schedule. Following establishment of a Customer's Initial MDDV, as set forth in Sections A and B, the Customer's MDDV will be adjusted each as set forth in Section C below:

- A. For a New Customer, the Initial MDDV to be used for billing purposes will equal the "name plate" hourly rating of the equipment to be served, times twelve (12), or an estimated volume acceptable to the Company that is based upon the best information about Customer's planned operations that is known at that time.

(M)

(continue to Sheet 32-11)

Issued December 17, 2014  
NWN OPUC Advice No. 14-21A

Effective with service on  
and after January 14, 2015

**RATE SCHEDULE 33  
HIGH VOLUME NON-RESIDENTIAL  
FIRM AND INTERRUPTIBLE TRANSPORTATION SERVICE**  
(continued)

**APPLICATION OF TEMPORARY ADJUSTMENTS TO RATES (ACCOUNT 191 ADJUSTMENTS):**

Account 191 Adjustments are the portion of the Temporary Adjustment in rates that relates to the deferral of commodity and pipeline capacity charges, specifically, the Account 191 Commodity Adjustment and Account 191 Pipeline Capacity Adjustment, as set forth in **Schedule 162**.

Within a PGA Year, a Customer is subject to the Account 191 portion of the Temporary Adjustment if:

- (1) The Customer is on Sales Service in the current PGA Year and was on Sales Service in the prior PGA Year; or
- (2) The Customer is on Transportation Service in the current PGA Year and was on Sales Service in the prior PGA Year.

**SPECIAL CONDITIONS FOR COMPRESSED NATURAL GAS (“CNG”) SERVICE FOR VEHICULAR USE:**

- 1. A Customer that has CNG fueling equipment installed to compress natural gas for use in a motor vehicle or motorboat is solely responsible for compliance with the laws related to the use of CNG in a motor vehicle or motorboat, including but not limited to payment of any Fuel Use Taxes associated with or related to the use of CNG under this Rate Schedule.
- 2. Any CNG fueling equipment must be separately metered. If service can be provided from the existing gas line with a second meter set then the Gas metered for vehicle use will be separately stated on the Customer’s regular monthly gas bill. A monthly charge as set forth in Schedule C will be assessed for the second meter. Each monthly gas bill will reflect the Gasoline Gallon Equivalent (“GGE”) of metered vehicle fueling usage to enable the Customer to calculate any Fuel Use Tax obligation.
- 3. The Company may refuse service to any CNG fueling equipment that does not meet the conditions set forth in **Rule 18** of the Tariff of which this Rate Schedule is a part.

(N)  
|  
(N)

**GENERAL TERMS:**

Service under this Rate Schedule is governed by the terms of this Rate 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 this Rate Schedule, and by all rules and regulations prescribed by regulatory authorities, as amended from time to time.

(continue to Sheet 33-8)

Issued December 17, 2014  
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Effective with service on  
and after January 14, 2015



NW Natural  
Determination of Cost of Service

	Year 27	Year 28	Year 29	Year 30	Year 31	Year 32	Year 33	Year 34	Year 35	Year 36	Year 37	Year 38	Year 39	Year 40	Year 41	Year 42	Year 43	Year 44	Year 45	Year 46	Year 47	Year 48	Year 49	Year 50	
1 Depreciation	16	16	16	16	16	16	16	16	16	16	16	16	16	16	16	16	16	16	16	16	16	16	16	16	16
2 O&M	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
3 Property Taxes	4	4	4	3	3	3	3	2	2	2	2	1	1	1	1	0	0	(0)	(0)	(1)	(1)	(1)	(1)	(1)	(2)
<b>Taxes on Equity Return</b>																									
4 State	1	1	1	1	1	1	1	1	0	0	0	0	0	0	0	0	0	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)
5 Federal	4	4	4	3	3	3	3	2	2	2	2	1	1	1	1	0	0	(0)	(0)	(1)	(1)	(1)	(1)	(2)	(2)
6 Total Taxes	5	5	4	4	4	3	3	3	3	2	2	2	1	1	1	0	0	(0)	(0)	(1)	(1)	(1)	(1)	(2)	(2)
<b>Return on Rate Base</b>																									
7 Debt	5	5	4	4	4	3	3	3	2	2	2	2	1	1	1	0	0	(0)	(0)	(1)	(1)	(1)	(2)	(2)	(2)
8 Preferred Equity	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
9 Common Equity	8	7	7	6	6	5	5	4	4	3	3	3	2	2	1	0	0	(0)	(1)	(1)	(2)	(2)	(3)	(3)	(3)
10 Total Return	12	12	11	10	9	9	8	7	6	6	5	4	3	3	2	1	0	(0)	(1)	(2)	(3)	(3)	(4)	(5)	(5)
11 Subtotal Cost of Service	37	36	35	33	32	31	30	28	27	26	24	23	22	21	19	18	17	15	14	13	12	10	9	8	8
12 Revenue Sensitive Items	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	0	0	0	0	0	0	0	0	0	0
13 Total Cost of Service	\$38	\$37	\$36	\$34	\$33	\$32	\$30	\$29	\$28	\$26	\$25	\$24	\$22	\$21	\$20	\$18	\$17	\$16	\$14	\$13	\$12	\$11	\$9	\$8	\$8
<b>Total COS NPV</b>																									
<b>Annual Payment (Rate)</b>																									
<b>Monthly Payment (Rate)</b>																									
14 Annual Cost of Service as % of Investme	5.57%	5.38%	5.19%	4.99%	4.80%	4.61%	4.42%	4.22%	4.03%	3.84%	3.65%	3.45%	3.26%	3.07%	2.88%	2.68%	2.49%	2.30%	2.11%	1.91%	1.72%	1.53%	1.34%	1.14%	1.14%
<b>Rate Base - net of deprec. &amp; def. tax</b>	\$159	\$149	\$139	\$130	\$120	\$111	\$101	\$91	\$82	\$72	\$62	\$53	\$43	\$34	\$24	\$14	\$5	(\$5)	(\$14)	(\$24)	(\$34)	(\$43)	(\$53)	(\$62)	(\$62)
<b>Income Taxes</b>																									
Gross up of Equity Return	13	12	11	10	10	9	8	7	6	6	5	4	3	3	2	1	0	(0)	(1)	(2)	(3)	(3)	(4)	(5)	(5)
Less: State tax	1	1	1	1	1	1	1	1	0	0	0	0	0	0	0	0	0	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)
Federal Taxable Income	12	11	10	9	9	8	7	7	6	5	5	4	3	2	2	1	0	(0)	(1)	(2)	(2)	(3)	(4)	(5)	(5)
Less: Federal Tax	4	4	4	3	3	3	3	2	2	2	2	1	1	1	1	0	0	(0)	(0)	(1)	(1)	(1)	(1)	(2)	(2)
Return	8	7	7	6	6	5	5	4	4	3	3	3	2	2	1	1	0	(0)	(1)	(1)	(2)	(2)	(3)	(3)	(3)
<b>Deferred Taxes</b>																									
Book Depreciation	16	16	16	16	16	16	16	16	16	16	16	16	16	16	16	16	16	16	16	16	16	16	16	16	16
Tax Depreciation	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Book-Tax Difference	(16)	(16)	(16)	(16)	(16)	(16)	(16)	(16)	(16)	(16)	(16)	(16)	(16)	(16)	(16)	(16)	(16)	(16)	(16)	(16)	(16)	(16)	(16)	(16)	(16)
Tax Effect	(6)	(6)	(6)	(6)	(6)	(6)	(6)	(6)	(6)	(6)	(6)	(6)	(6)	(6)	(6)	(6)	(6)	(6)	(6)	(6)	(6)	(6)	(6)	(6)	(6)
<b>MACRS Depreciation - 15</b>	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
<b>Property Tax Base</b>	268	252	236	220	204	188	172	156	140	124	108	92	76	60	44	28	12	(4)	(20)	(36)	(52)	(68)	(84)	(100)	(100)
<b>Tax Calculation Check</b>	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
<b>MACRS Depreciation - 15</b>																									
<b>MACRS Depreciation - 15 - Bonus</b>	0	0	0	0	0	0	0	0	0	0	1	2	3	4	5	6	7	8	9	10	11	12	13	14	14