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May 6, 2016

NWN OPUC Advice No. 16-06 / ADV \_\_\_\_\_

**VIA ELECTRONIC FILING**

Public Utility Commission of Oregon  
Attn: Filing Center  
201 High Street SE, Suite 100  
Post Office Box 1088  
Salem, Oregon 97308-1088

Re: Schedule 164A: Special Purchased Gas Adjustment Credit  
(LSN Application Included)

Northwest Natural Gas Company, dba NW Natural (NW Natural or Company), files herewith the following revisions and additions to its Tariff P.U.C. Or. 25 stated to become effective with service, on less than statutory notice, on and after **June 1, 2016**:

Third Revision of Sheet v,  
Tariff Index; and

Original Sheet 164-A,  
Schedule 164A  
“Special Purchased Gas Adjustment Credit.”

The purpose of this filing is to establish Schedule 164A to apply an adjustment (credit) to be used to calculate a lump sum credit that would be applied to customer bills in the June 2016 billing cycle. The credit would reflect purchased gas cost savings of \$16.85 million, without revenue sensitive, experienced by the Company.<sup>1</sup> The credit will apply to all customers that received sales service from the Company at any time between July 1, 2015 and March 31, 2016. The credit will apply only to customer accounts that are active at the time of the June 2016 bill issue date.

The Schedule 164A credit will reduce June 2016 customer bills. The average bill reduction for residential and small commercial customers is as follows:

- Schedule 2 – Residential \$ 16.33
- Schedule 3 – Commercial \$74.95

The average bill effect on Large Commercial and Industrial customers is shown in the attached worksheet.

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<sup>1</sup> The credit reflects the amount of deferred gas cost savings as of the end of March, less \$3,000,000 that will be retained in the deferred account for application during the 2016-2017 PGA.

The Company respectfully requests that the tariff sheets filed herein be approved to become effective with service on and after June 1, 2016. A request for approval on less than statutory notice is included with this filing.

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](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  
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

Please call me if you have questions.

Sincerely,

*/s/ Onita King*

Onita R. King  
Rates and Regulatory Affairs

Attachments



# NORTHWEST NATURAL GAS COMPANY

P.U.C. Or. 25

Third Revision of Sheet v  
Cancels Second Revision of Sheet v

## TARIFF INDEX

(continued)

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Issued May 6, 2016  
NWN OPUC Advice No. 16-06

Effective with service on  
and after June 1, 2016

**SCHEDULE 164A  
SPECIAL PURCHASED GAS ADJUSTMENT CREDIT**

**PURPOSE:**

To adjust bills rendered to Sales Service Customers served under the below-listed Rate Schedules for a lump sum credit relating to purchased gas cost savings incurred between July 1, 2015 and March 31, 2016.

**APPLICABLE:**

To Customers with an active account at the time that the Customer's June 2012 bill is issued and who received Sales Service under one of the following Rate Schedules between July 1, 2015 and March 31, 2016:

Schedule 2	Schedule 31
Schedule 3	Schedule 32

**CREDIT:      Effective Billing Cycle:      **June 2016****

The bill credit to be applied to Customer bills during the effective billing cycle will be calculated by multiplying the following per therm credit by the Customer's actual gas usage billed during the period July 1, 2015 through March 31, 2016:

(\$0.03571)

**TERM:**

The credit under this Schedule shall automatically terminate following the end of the June 2016 billing cycle.

**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 May 6, 2016  
NWN OPUC Advice No. 16-06

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**EXHIBIT A**

**BEFORE THE PUBLIC UTILITY COMMISSION  
OF OREGON**

**NW NATURAL SUPPORTING MATERIALS**

NWN OPUC Advice No. 16-06 / ADV \_\_\_\_\_

Schedule 164A  
Special Purchased Gas Adjustment Credit

Dated: May 6, 2016

**Exhibit A – Table of Contents**  
**Supporting Materials**  
**Dated: May 6, 2016**

**NWN OPUC Advice No. 16-06 / ADV \_\_\_\_\_**

Schedule 164A  
Special Purchased Gas Adjustment Credit

<b>Title</b>	<b>Page</b>
Calculation of Increments Allocated on the Equal Cent Per Therm Basis	1
Account 191400 - Core Market Commodity Gas Cost Deferral	2

**NW Natural**  
**Rates & Regulatory Affairs**  
**2016 Early WACOG Savings Refund**  
**Calculation of Increments Allocated on the EQUAL CENT PER THERM BASIS**  
 ALL VOLUMES IN THERMS

	Volumes		Customers	Proposed Amount: (16,849,573) Temporary Increment	WACOG Deferral		Average Bill Effect
	A	B			Revenue Sensitive Multiplier: Amount to Amortize:	Multiplier	
1							
2							
3							
4							
5							
6	Schedule						
7	2R	259,121,275	566,805		2.732% add revenue sensitive factor		
8	3C Firm Sales	115,567,277	55,059		(17,322,832) to all sales		
9	3I Firm Sales	3,283,736	345				
10	27 Dry Out						
11	31C Firm Sales	11,830,276	901				
12	Block 2	10,051,571					
13	31C Firm Trans						
14	Block 1						
15	31I Firm Sales	3,166,230	212				
16	Block 2	7,123,984					
17	31I Firm Trans						
18	Block 1						
19	32C Firm Sales	18,741,793	382				
20	Block 1	18,741,793					
21	Block 2	6,275,166					
22	Block 3	612,134					
23	Block 4	4,471					
24	Block 5	0					
25	Block 6	0					
26	32I Firm Sales	3,717,677	53				
27	Block 1	3,717,677					
28	Block 2	3,944,765					
29	Block 3	1,530,137					
30	Block 4	483,036					
31	Block 5	0					
32	Block 6	0					
33	32 Firm Trans						
34	Block 1						
35	Block 2						
36	Block 3						
37	Block 4						
38	Block 5						
39	Block 6						
40	32C Interr Sales	4,222,281	61				
41	Block 1	4,222,281					
42	Block 2	5,972,620					
43	Block 3	3,129,983					
44	Block 4	3,970,569					
45	Block 5	80,395					
46	Block 6	0					
47	32I Interr Sales	4,877,785	74				
48	Block 1	4,877,785					
49	Block 2	5,799,134					
50	Block 3	3,206,893					
51	Block 4	6,674,186					
52	Block 5	1,674,556					
53	Block 6	0					
54	32 Interr Trans						
55	Block 1						
56	Block 2						
57	Block 3						
58	Block 4						
59	Block 5						
60	Block 6						
61	33						
62	<b>TOTALS</b>	<b>485,061,929</b>	<b>623,892</b>			<b>485,061,929</b>	<b>(\$0.03571)</b>



Company: Northwest Natural Gas Company  
 State: Oregon  
 Description: Core Market Commodity gas cost deferral  
 Account Number: 191400  
 Docket UM 1496  
 Current reauthorization to defer was granted in Order No. 15-337

Narrative: Deferral of customer's share of the difference between actual core commodity cost incurred and the Annual Sales WACOG embedded as defined in the related annual PGA. From Nov 2009 - Oct 2015 the deferral election was 90%. Effective Nov 2015 the deferral election is 80%.

1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	
Debit	(Credit)	Month/Year	Note	Commodity	Interest	Interest Rate	Storage	Hedge	Transfer	Activity	Deferral	Plus Int.	GL Balance									
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)												
											Deferral	Plus Int.	GL Balance									
											(k)											
Beginning Bal																						
Jul-15			(1,146,322)	(96,298)	7.78%	(1,809)	(2,112)	(1,246,541)			(15,524,566)											
Aug-15			(798,327)	(103,257)	7.78%	(1,774)	(3,974)	(907,332)			(16,431,898)											
Sep-15			(1,626,855)	(111,834)	7.78%	(2,276)	(6,082)	(1,747,047)			(18,178,945)											
Oct-15	2		(1,186,996)	(121,762)	7.78%	(3,009)	(14,241)	(1,325,748)	261		(19,504,693)											
Nov-15	1		(1,134,029)	(34,369)	7.78%	(15,740)	(4,661)	(13,591,908)	14,780,708		(5,912,784)											
Dec-15			(2,937,780)	(47,961)	7.78%	(18,897)	(12,888)	(3,017,526)			(8,930,310)											
Jan-16			(3,013,130)	(67,813)	7.78%	(19,337)	(26,201)	(3,126,481)			(12,056,790)											
Feb-16			(3,079,319)	(88,263)	7.78%	(13,757)	(21,100)	(3,202,440)			(15,259,230)											
Mar-16			(4,448,651)	(113,443)	7.78%	(13,194)	(15,054)	(4,590,342)			(19,849,573)											
											3,000,000											
											<b>Less \$3,000,000 (3)</b>											
											<b>TOTAL</b>											
											<b>(16,849,573)</b>											

**History truncated for ease of viewing**

**NOTES:**

- 1 - Transfer authorized balance to 191401 for amortization.
- 2 - Transfer represents a true-up to the General Ledger.
- 3 - Staff suggested, and NW Natural agreed, to retain \$3,000,000 in the deferred account to apply to the 2016-2017 PGA under the standard approach, in order to assist with rate stability.