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November 17, 2017

NWN OPUC Advice No. 17-18 / 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 360, "Industrial Demand Side Management (DSM) Programs"

Northwest Natural Gas Company, dba NW Natural ("NW Natural" or "Company"), files herewith the following revisions to its Tariff P.U.C. Or. 25¹ ("the Tariff"), stated to become effective with service on and after **December 20, 2017**:

First Revision of Sheet 360-1,
Schedule 360,
"Industrial Demand Side Management (DSM) Programs," and

First Revision of Sheet 360-2
Schedule 360,
"Industrial Demand Side Management (DSM) Programs."

This filing is made in accordance with OAR 860-022-0025.

The first purpose of this filing is to clarify throughout Sheet 360-1 that Industrial DSM applies to an account instead of a Customer. Previously the tariff language stated that Transportation Service Customers were not eligible for service while the Customer may also have a Sales Service account which is eligible for service.

The second purpose of this filing is to clarify the repayment calculation in the event the account transfers from Sales Service to Transportation Service within two years from the date the most recent incentive was issued. Examples of the repayment calculation were also added to Sheet 360-2.

¹ Tariff P.U.C. Or. 25 originated November 1, 2012 with Docket UG 221; OPUC Order No. 12-408 as supplemented by Order No. 12-437, and was filed pursuant to ORS 767.205 and OAR 860-022-0005.

The third purpose of this filing is to remove Special Provisions language on Sheet 360-2 regarding participation in Energy Trust programs prior to September 8, 2010 as the provision no longer applies.

The Company respectfully requests that the tariff sheets filed herein be approved to become effective with service on and after December 20, 2017.

In accordance with ORS 757.205, copies of this letter and the filing made herewith are available in the Company's main office in Portland, Oregon, and on the Company's website at www.nwnatural.com.

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

Sincerely,

NW NATURAL

/s/ Gail Hammer

Gail Hammer
Rates & Regulation

Attachments

NORTHWEST NATURAL GAS COMPANY

P.U.C. Or. 25

First Revision of Sheet 360-1
Cancels Original Sheet 360-1

SCHEDULE 360 INDUSTRIAL DEMAND SIDE MANAGEMENT (DSM) PROGRAMS

AVAILABLE:

In all territory served by the Company under the Tariff of which this program is a part.

APPLICABLE:

Service under this Schedule is applicable to Industrial Sales Service Customer accounts established under **Rate Schedule 3**, **Rate Schedule 31** or **Rate Schedule 32** and to Commercial Sales Service Customer accounts established under **Rate Schedule 32**. Service under this Schedule is not available to Transportation Service or Combination Service accounts. Accounts that transfer from Sales Service to another Service Type after receiving benefits under this Schedule are subject to the special provisions contained in this **Schedule 360**.

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PURPOSE:

This program is intended to provide an economical and effective means of conserving Natural Gas through the reduction of heat loss in certain commercial and industrial buildings.

INFORMATION TO CUSTOMERS:

The Company will provide to its Industrial Customers, general and technical information about energy efficiency services offered by the Company, and about energy efficiency programs available through the Energy Trust of Oregon (Energy Trust), that will improve the efficiency of natural gas usage. This information may be provided through various channels such as electronic newsletters, letters, direct communications, etc.

ENERGY EFFICIENCY PROGRAMS:

The Energy Trust of Oregon has been approved to deliver and administer energy efficiency programs to NW Natural's Large Commercial and Industrial Customers. Customers may participate in such programs by contacting the Energy Trust directly, or a NW Natural representative will connect the Customer upon request.

PROGRAM COSTS:

Program costs will be deferred annually and amortized for recovery coincident with the Company's PGA Year (November 1 through October 31) through **Schedule 188** of this Tariff.

SPECIAL PROVISIONS:

A Customer that transfers their account to a Transportation Service Type or a Combination Service Type that includes Transportation Service within two years from the date that an incentive was issued under this Schedule may incur a one-time charge equal to the two-year proration of the total incentive amount received. The charge will be calculated as follows:

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$$\text{Charge} = A/24 \times (24-B)$$

(C)
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A= Energy Trust incentive paid on the relevant account

B= number of months that have elapsed since the relevant incentive was issued

(continue to Sheet 360-2)

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SCHEDULE 360
INDUSTRIAL DEMAND SIDE MANAGEMENT (DSM) PROGRAMS
(continued)

SPECIAL PROVISIONS (continued):

If multiple incentives were paid on the relevant account, a proration of each incentive repayment would be calculated. Example repayment calculations:

- A. If a customer receives a \$36,000 incentive and two months later transfers this account to Transportation Service, the repayment calculation would be as follows:

$$\$36,000/24 \times (24-2) = \$33,000$$

- B. If a customer receives a \$25,000 incentive and eight months later receives another \$25,000 incentive on the same account and subsequently transfers this account to Transportation Service four months later, the repayment calculation would be as follows:

$$\text{Incentive 1: } \$25,000/24 \times (24-12) = \$12,500$$

$$\text{Incentive 2: } \$25,000/24 \times (24-4) = \$20,833$$

$$\text{Total Repayment: } \$33,333$$

(N)

(N)

A charge will not be assessed if the total incentive amounts received by such customer are \$25,000 or less.

(D)

Amounts collected from Customers under this special provision will be credited to the deferral account and will offset program costs amortized under **Schedule 188**.

When applicable, the charge must be paid in full as a condition of the Company's approval to change Service Type. The Customer must meet all other conditions for the change in Service Type as set forth in the respective Rate Schedule.

GENERAL TERMS:

Service under this Schedule is governed by the terms of this Schedule, the General Rules and Regulations contained in this, 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.

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