

**GAIL A. HAMMER**  
Rates and Regulatory Affairs  
Tel: 503.226.4211 ext. 5865  
Fax: 503.721.2516  
email: gail.hammer@nwnatural.com



December 6, 2017

NWN OPUC Advice No. 17-20 / 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 301, Public Purposes Funding Surcharge  
(LSN Application Enclosed)**

Northwest Natural Gas Company, dba NW Natural (NW Natural or Company), files herewith the following revision to its Tariff, P.U.C. Or. 25, stated to become effective with service on and after January 1, 2018:

Sixth Revision of Sheet 301-1,  
Schedule 301,  
"Public Purposes Funding Surcharge."

The purpose of this filing is to revise the portion of public purpose funds allocated to Energy Trust of Oregon (Energy Trust) for the administration of residential and commercial energy efficiency programs from 3.20% to 3.59%. This change will ensure that Energy Trust of Oregon (Energy Trust) will have approximately \$22.0 million dollars of total program funding in 2018, which is sufficient to acquire nearly 4.1 million therm savings.

This filing will result in a total public purpose charge of 4.89% applied to Residential bills and 4.14% applied to Commercial bills. The effect of this filing is to increase the average residential bill by about \$0.19 per month and the average commercial bill by about \$0.78 per month

Attached are worksheets demonstrating the calculation of the rate, the impact this will have on customer bills, and a worksheet from Energy Trust detailing their funding requirements for 2018.

A request for approval on less than statutory notice is included with this filing. NW Natural submitted comments to Energy Trust on November 17, 2017 regarding concerns about administrative costs and administrative cost allocation. The timing of the budget process did not allow for the comments to be addressed prior to the time required for the minimum statutory notice of this filing. NW Natural now understands that a meeting will occur in January 2018 to review concerns regarding the allocation of administrative costs covered by NW Natural ratepayer public purpose funds.

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).

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  
eFiling@nwnatural.com

Please contact me at (503) 226-4211, extension 5865, if you have questions.

Sincerely,

*/s/ Gail Hammer*

Gail Hammer  
Tariffs and Regulatory Compliance

attachments

# NORTHWEST NATURAL GAS COMPANY

P.U.C. Or. 25

Sixth Revision of Sheet 301-1  
Cancels Fifth Revision of Sheet 301-1

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## SCHEDULE 301 PUBLIC PURPOSES FUNDING SURCHARGE

### PURPOSE:

To specify the method of billing of a Public Purposes surcharge that is to fund public purposes activities to be administered through one or more independent entities. Public purposes activities include, but may not necessarily be limited to, energy efficiency programs, market transformation programs, residential low-income energy efficiency programs, and residential low-income bill payment assistance programs designed to benefit Residential and Commercial Customers within NW Natural's service territory in Oregon.

### APPLICABLE:

To Residential and Commercial Customers served on the following Rate Schedules of this Tariff:

Residential	Commercial
Rate Schedule 2	Rate Schedule 3 (03CSF)
	Rate Schedule 27 (27R)
	Rate Schedule 31 (31CSF)

### ADJUSTMENT TO RATES: Effective: January 1, 2018

A Public Purposes surcharge will be assessed on the total energy use billed (the total of the Customer Charge plus the per therm usage charges) and shown as a line item on each customer's monthly bill as follows:

Residential: 4.89% of the total energy use billed  
Commercial: 4.14% of the total energy use billed

(C)

(I)  
(I)

The funds collected from such Public Purposes surcharge shall be allocated to specific separate accounts to fund the specified public purposes program(s) as follows:

### **RESIDENTIAL:**

3.59% will support public purpose funding for **Schedule 350** energy efficiency programs delivered and administered by the Energy Trust of Oregon (Energy Trust).

(I)

0.75% will support public purpose funding for **Schedule 310** low-income bill payment assistance activities.

0.55% will support public purpose funding for **Schedule 320** low-income energy efficiency activities.

### **COMMERCIAL:**

3.59% will support public purpose funding for **Schedule 350** energy efficiency programs delivered and administered by the Energy Trust.

(I)

0.55% will support public purpose funding for **Schedule 320** low-income energy efficiency activities.

(continue to Sheet 301-2)

Issued December 6, 2017  
NWN OPUC Advice No. 17-20

Effective with service on  
and after January 1, 2018

EXHIBIT A

BEFORE THE PUBLIC UTILITY COMMISSION  
OF OREGON

NW NATURAL SUPPORTING MATERIALS

NWN OPUC Advice No. 17-20, ADV \_\_\_\_

December 6, 2017

# NW NATURAL

## EXHIBIT A

### Supporting Materials

NWN'S OPUC ADVICE NO. 17-20 / ADV \_\_\_\_\_

<b>Description</b>	<b>Page</b>
Oregon Bill Impacts of 2018 Public Purpose Charges	1
ETO-Related PPC Calculation	2
ETO 2018 Oregon Energy Efficiency Program Funding Requirements	3

**NW Natural**  
**Rates & Regulatory Affairs**  
**OPUC Advice No. 17-20 - 2018 Public Purpose Charges**  
**Oregon Bill Impacts of 2018 Public Purpose Charges**

1				
2		Monthly bill	ETO related	Monthly bill
3		<u>w/out PPC</u>	<u>PPC charge</u>	<u>w/ PPC</u>
4	<b><u>Residential</u></b>			
5	Current Bill (ETO PPC = 3.20%)	\$49.93	\$1.60	\$51.53
6	Proposed Bill (ETO PPC = 3.59%)	\$49.93	\$1.79	\$51.72
7	\$ Change		\$0.19	\$0.19
8	% Change		11.9%	0.4%
9	RS2 using average therms/month:	50		
10				
11				
12	<b><u>Commercial</u></b>			
13	Current Bill (ETO PPC = 3.20%)	\$199.07	\$6.37	\$205.44
14	Proposed Bill (ETO PPC = 3.59%)	\$199.07	\$7.15	\$206.22
15	\$ Change		\$0.78	\$0.78
16	% Change		12.2%	0.4%
17	RS3 using average therms/month:	231		
18				
19				
20	<u>Notes:</u>			
21	Current Bill (ETO PPC = 3.20%)			
22	Proposed Bill (ETO PPC = 3.59%)			

NW Natural  
 OPUC Advice No. 17-20  
 Schedule 301

ETO-Related PPC Calculation

Schedule	customers	Estimated collection for tracker year	Addition for new PPC charge	Current average bill with new PPC	Current average bill with old PPC	Total % Bill Change
2R	588,720.0	353,263,997	\$1.79	\$51.72	\$51.53	0.4%
27 dry-out	1,978.0	1,027,002.0	\$1.56	\$44.99	\$44.82	0.4%
3C Firm Sales	57,549.0	137,616,252	\$ 7.15	\$206.22	\$205.44	0.4%
31C Firm Sales	747.0	16,837,568	\$67.78	\$1,955.94	\$1,948.58	0.4%
	Total expected collection	<u>508,744,819</u>				
	PPC 1 year	<u>18,279,834</u>				
	<b>Proposed ETO PPC Rate</b>	<b>3.59%</b>				
	Current ETO related PPC	3.20%				
	Change	0.39%				
	% Change in Rate	12.2%				

**Energy Trust of Oregon**  
**2018 Oregon Energy Efficiency Program Funding Requirements**  
NWN OPUC Advice No. 17-20

<b>PROGRAM EXPENSE</b>	
Program Costs to achieve 4,139,795 annual therms in 2018	\$20,867,572
Negotiated Reserve	\$1,110,853
<b>TOTAL EXPENSE plus RESERVE</b>	<b>\$21,978,425</b>

<b>PROGRAM FUNDING</b>	
2018 Schedule 301 Collections (as per Advice No. 17-20)	\$18,279,834
2017 Forecasted Year End Carry Over	\$3,698,591
<b>TOTAL FUNDING RESOURCE</b>	<b>\$21,978,425</b>



# LESS THAN STATUTORY NOTICE APPLICATION

This document may be electronically filed by sending it as an attachment to an electronic mail message addressed to the Commission's Filing Center at [puc.filingcenter@state.or.us](mailto:puc.filingcenter@state.or.us).

## BEFORE THE PUBLIC UTILITY COMMISSION OF OREGON

IN THE MATTER OF THE APPLICATION OF  NW Natural  _____ (UTILITY COMPANY)  TO WAIVE STATUTORY NOTICE.	) ) ) )	UTILITY L.S.N. APPLICATION  NO. _____  (LEAVE BLANK)
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**NOTE: ATTACH EXHIBIT IF SPACE IS INSUFFICIENT.**

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

The purpose of this filing is to revise the portion of public purpose funds allocated to Energy Trust of Oregon for the administration of residential and commercial energy efficiency programs.

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

Fifth Revision of Sheet 301-1

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

Sixth Revision of Sheet 301-1

4. REASONS FOR REQUESTING A WAIVER OF STATUTORY NOTICE:

A waiver of less than statutory notice is requested to ensure that this sheet is approved to become effective on January 1, 2018.

5. REQUESTED EFFECTIVE DATE OF THE NEW SCHEDULE(S) OR CHANGE(S):    January 1, 2018

AUTHORIZED SIGNATURE 	TITLE Rates & Regulatory Affairs	DATE 12/6/2017
PUC USE ONLY		
<input type="checkbox"/> APPROVED <input type="checkbox"/> DENIED	EFFECTIVE DATE OF APPROVED SCHEDULE(S) OR CHANGE	
AUTHORIZED SIGNATURE	DATE	