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April 12, 2019

NWN OPUC Advice No. 19-05

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: June 2019 Bill Adjustments—Schedule 185 Special Annual Interstate Storage and Transportation Credit; and Schedule 186 Special Annual Core Storage and Pipeline Capacity Optimization Credit

Northwest Natural Gas Company, dba NW Natural (NW Natural or Company), files herewith the following tariff sheets stated to become effective with service on and after **June 1, 2019**:

Eighth Revision of Sheet 185-1	Schedule 185	Special Annual Interstate Storage and Transportation Credit
Eighth Revision of Sheet 186-1	Schedule 186	Special Annual Core Storage and Pipeline Capacity Optimization Credit

Purpose

The purpose of this filing is to revise Schedule 185 and Schedule 186, respectively, to reflect the per-therm credit used to calculate the lump sum amount to be applied to the bills of customers served under Rate Schedules 2 and 3, and under the Sales Service option of Schedules 31 and 32.

The lump sum June bill credit will be applied to customer bills commencing with the first billing cycle in June 2019 and ending with the last billing cycle in June 2019. The bill credit is calculated on a customer-specific basis according to the rate schedule applicable to the customer and the customer's actual billed gas usage between January 1, 2018 and December 31, 2018. In order to receive the bill credit, a customer must have an active gas service account at the time of the customer's June 2019 billing cycle.

Schedule 185

The Schedule 185 credit represents the refund of the Oregon share of revenues NW Natural received for interstate storage and related transportation service activities under a Limited Jurisdiction Blanket Certificate granted under FERC Regulations, 18 C.F.R. § 294.224. The refund of \$3,466,908 (before revenue sensitive effects) is comprised of \$3,440,744 from revenues for 2018 activity, plus \$26,164 that is the residual remaining balance from the June 2018 credits.

Schedule 185 amounts are calculated on an equal percentage of margin basis.

The Schedule 185 credit will reduce June 2019 customer bills as follows:

- The average Schedule 2 Residential Customer that used about 590 therms in 2018 will see a bill credit of about \$4.31.
- The average Schedule 3 Commercial Customer that used about 2,862 therms in 2018 will see a bill credit of about \$14.35.
- The average Schedule 31 Commercial Firm Sales customer that used about 33,454 therms in 2018 will see a bill credit of about \$123.81.
- The average Schedule 32 Industrial Firm Sales customer that used about 227,862 therms in 2018 will see a bill credit of about \$150.16.

Schedule 186

This filing also revises Schedule 186 to add the per-therm credit that will be applied to customer bills for the refund of the Oregon share of revenues received from the Company's core pipeline capacity optimization activities. The refund of \$12,787,219 (before revenue sensitive effects) is comprised of \$12,690,715 from revenues for 2018 activity, plus \$96,504 that is the residual remaining balance from the June 2018 credits.

The Schedule 186 credit applies across all sales-based rate schedules and is a credit of \$0.02036 per therm. The average June 2019 bill credit under Schedule 186 is as follows:

- Schedule 2 Residential \$12.02
- Schedule 3 Commercial \$58.27
- Schedule 31 Commercial Firm \$681.12
- Schedule 32 Industrial Firm Sales \$4,639.26
- Schedule 32 Industrial Interruptible Sales \$9,599.25

Combined Effects

The combined effects of the Schedule 185 and Schedule 186 amounts is a refund of \$16,254,126 (before revenue sensitive effects), which is comprised of \$16,131,458 from revenues for 2018 activity, plus \$122,668 that is the residual remaining balance from the June 2018 credits.

The average bill effects of the Schedule 185 and Schedule 186 credits combined are as follows:

- The average Schedule 2 Residential customer will see a bill credit of about \$16.32.
- The average Schedule 3 Commercial customer will see a bill credit of about \$72.62.
- The average Schedule 31 Commercial Firm Sales customer will see a bill credit of about \$804.93.
- The average Schedule 32 Industrial Firm Sales customer will see a bill credit of about \$4,789.42.
- The average Schedule 32 Industrial interruptible Sales customer will see a bill credit of about \$9,599.25

In support of this filing, the Company incorporates by reference the Annual Report of Interstate and Intrastate Gas Storage and Optimization Activities filed with the Commission on March 29, 2019 (docket RG 32).

The Company respectfully requests that the tariff sheets filed herein be approved to become effective with service on and after June 1, 2019.

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.

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
Fax: (503) 721-2516
Phone: (503) 226-4211, ext. 3589
eFiling@nwnatural.com

Sincerely,

NW NATURAL

/s/ Natasha Siores

Natasha Siores
Manager, Regulatory Compliance

Attachments

NORTHWEST NATURAL GAS COMPANY

P.U.C. Or. 25

Eighth Revision of Sheet 185-1
 Cancels Seventh Revision of Sheet 185-1

**SCHEDULE 185
 SPECIAL ANNUAL INTERSTATE AND INTRASTATE
 STORAGE AND TRANSPORTATION CREDIT**

PURPOSE:

To credit customers served under the below-listed Rate Schedules for the Oregon share of revenues received by NW Natural for (a) interstate storage and related transportation service provided under a Limited-Jurisdiction Blanket Certificate from FERC granted under FERC Regulations, 18 C.F.R. § 284.224 (hereafter referred to as § 284.224 service), (b) core storage optimization activities; and (c) intrastate storage activities under **Rate Schedule 80** and **Rate Schedule 91**.

APPLICABLE:

The credit under this Schedule shall apply to customer bills issued during the June billing cycle of each calendar year, or such other time period as the Commission may approve. The credit shall apply to the following Sales Service Rate Schedules of this Tariff: **Schedule 2; Schedule 3**, and; **Schedules 31** and **32** – Firm Sales only.

CREDIT: **Effective Billing Cycle: June 2019**

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 January 1, 2018 through December 31, 2018:

(T)

(T)

Rate Schedule/Class	Block	Temporary Adjustments		Schedule	Block	Temporary Adjustmnet
2		(\$0.00730)				
03 CSF		(\$0.00501)				
03 ISF		(\$0.00428)				
31 CSF	Block 1	(\$0.00403)		31 ISF	Block 1	(\$0.00283)
	Block 2	(\$0.00368)			Block 2	(\$0.00256)
32 CSF	Block 1	(\$0.00240)		32 ISF	Block 1	(\$0.00168)
	Block 2	(\$0.00204)			Block 2	(\$0.00142)
	Block 3	(\$0.00144)			Block 3	(\$0.00101)
	Block 4	(\$0.00084)			Block 4	(\$0.00059)
	Block 5	(\$0.00048)			Block 5	(\$0.00034)
	Block 6	(\$0.00024)			Block 6	(\$0.00017)

(C)

(C)

(continue to Sheet 185-2)

Issued April 12, 2019
 NWN OPUC Advice No. 19-05

Effective with service on
 and after June 1, 2019

NORTHWEST NATURAL GAS COMPANY

P.U.C. Or. 25

Eighth Revision of Sheet 186-1
Cancels Seventh Revision of Sheet 186-1

SCHEDULE 186 SPECIAL ANNUAL CORE PIPELINE CAPACITY OPTIMIZATION CREDIT

PURPOSE:

To credit Sales Service Customers served under the below-listed Rate Schedules for the Oregon share of revenues received by NW Natural for the optimization of core customer Pipeline and Storage capacity.

APPLICABLE:

This credit shall apply to customer bills issued during the June billing cycle of each calendar year, or such other time period as the Commission may approve. The credit shall apply to the following Sales Service Rate Schedules of this Tariff:

Rate Schedule 2	Rate Schedule 31 ISF	Rate Schedule 32 ISF
Rate Schedule 3	Rate Schedule 31 CSF	Rate Schedule 32 CSI
	Rate Schedule 32 CSF	Rate Schedule 32 ISI

CREDIT: **Effective Billing Cycle: June 2019**

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 January 1, 2018 through December 31, 2018:

(\$0.02036)

(T)

(T)

(C)

SPECIAL CONDITIONS:

1. NW Natural will share with customers served under the Rate Schedules listed above, the amount of net margin revenue that is attributable to optimization of core customer Pipeline and Storage capacity on an 90/10 basis; 10% will be retained by NW Natural, and 90% will be shared with customers through the credit provided for in this Schedule. For this purpose, net margin is defined as revenues less incremental operating and maintenance (O&M) expense.
2. The annual credit shall be based on the net margin as described in paragraph 1 above, and as filed with the Commission. This credit shall be applied to customers' bills, or placed in an interest bearing deferred account, on June 1 of each year, or at a date other than June 1 for reasons and on terms as the Commission may approve.
3. If the net margin for the year is negative (a loss) then the credit will be zero.
4. As provided under "OUT-OF-CYCLE TRANSFERS" provision set forth in Rate Schedules 31 and 32 a Customer that exercises the Capacity Release Option may only be eligible to receive one-half of the above-listed credit.

PRIOR YEAR BALANCES:

The Company will include any remaining balance from the prior year's credit in the calculation of the current year's credit.

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 April 12, 2019
NWN OPUC Advice No. 19-05

Effective with service on
and after June 1, 2019

EXHIBIT A

**BEFORE THE PUBLIC UTILITY COMMISSION
OF OREGON**

NW NATURAL SUPPORTING MATERIALS

NWN OPUC Advice No. 19-05 / ADV _____

June 2019 Bill Adjustments
Schedule 185 and Schedule 186

April 12, 2019

**Exhibit A – Table of Contents
Supporting Materials**

NWN OPUC Advice No. 19-05 / ADV _____

June 2019 Bill Adjustments
Schedule 185 and Schedule 186

Title	Page
Oregon Schedule 185 and Schedule 186 Credit for 2018 Storage Activity– Effects on Average June Bill by Rate Schedule	1
Oregon Schedule 185 and Schedule 186 Credit for 2018 Storage Activity– Calculation of Increments Allocated on the Equal Percentage of Margin Basis	2
Oregon Schedule 185 and Schedule 186 Credit for 2018 Storage Activity – Calculation of Increments Allocated on the Equal Cent Per Therm Basis	3

NW Natural
Rates & Regulatory Affairs
Oregon Schedule 185 and Schedule 186 Credit for 2018 Storage Activity
Effects on Average June Bill by Rate Schedule

ALL VOLUMES IN THERMS

					Schedule 185	Schedule 186	Combined				
					Proposed Sch. 185 Rates	Proposed Sch. 185 Bill Credit	Proposed Sch. 186 Rates	Proposed Sch. 186 Bill Credit	Proposed Combined Rates	Proposed Combined Bill Credit	
Schedule	Block	Therms in Block	2018 Active Customer Volumes	2018 Active Customers	2018 Average Annual Therms	E	F = E*D	G	H = G*D	I = E + G	J = I*D
2R		N/A	345,287,154	585,021	590.2	(\$0.00730)	(\$4.31)	(\$0.02036)	(\$12.02)	(\$0.02766)	(\$16.32)
3C Firm Sales		N/A	158,280,085	55,304	2,862.0	(\$0.00501)	(\$14.35)	(\$0.02036)	(\$58.27)	(\$0.02537)	(\$72.62)
3I Firm Sales		N/A	4,648,752	343	13,553.2	(\$0.00428)	(\$58.04)	(\$0.02036)	(\$275.94)	(\$0.02464)	(\$333.99)
27 Dry Out											
31C Firm Sales	Block 1	2,000	12,919,987	698	33,453.9	(\$0.00403)		(\$0.02036)		(\$0.02439)	
	Block 2	all additional	10,430,831			(\$0.00368)		(\$0.02036)		(\$0.02404)	
	Total						(\$123.81)		(\$681.12)		(\$804.93)
31C Firm Trans											
	Block 1										
	Block 2										
	Total										
31I Firm Sales	Block 1	2,000	4,329,171	211	62,263.2	(\$0.00283)		(\$0.02036)		(\$0.02319)	
	Block 2	all additional	8,808,362			(\$0.00256)		(\$0.02036)		(\$0.02292)	
	Total						(\$160.00)		(\$1,267.68)		(\$1,427.67)
31I Firm Trans											
	Block 1										
	Block 2										
	Total										
32C Firm Sales	Block 1	10,000	29,665,204	465	83,749.6	(\$0.00240)		(\$0.02036)		(\$0.02276)	
	Block 2	20,000	8,249,118			(\$0.00204)		(\$0.02036)		(\$0.02240)	
	Block 3	20,000	946,694			(\$0.00144)		(\$0.02036)		(\$0.02180)	
	Block 4	100,000	82,542			(\$0.00084)		(\$0.02036)		(\$0.02120)	
	Block 5	600,000	0			(\$0.00048)		(\$0.02036)		(\$0.02084)	
	Block 6	all additional	0			(\$0.00024)		(\$0.02036)		(\$0.02060)	
	Total						(\$122.01)		(\$1,705.14)		(\$1,827.16)
32I Firm Sales	Block 1	10,000	5,315,291	59	227,861.6	(\$0.00168)		(\$0.02036)		(\$0.02204)	
	Block 2	20,000	5,532,089			(\$0.00142)		(\$0.02036)		(\$0.02178)	
	Block 3	20,000	1,842,851			(\$0.00101)		(\$0.02036)		(\$0.02137)	
	Block 4	100,000	753,600			(\$0.00059)		(\$0.02036)		(\$0.02095)	
	Block 5	600,000	0			(\$0.00034)		(\$0.02036)		(\$0.02070)	
	Block 6	all additional	0			(\$0.00017)		(\$0.02036)		(\$0.02053)	
	Total						(\$150.16)		(\$4,639.26)		(\$4,789.42)
32 Firm Trans											
	Block 1										
	Block 2										
	Block 3										
	Block 4										
	Block 5										
	Block 6										
	Total										
32C Interr Sales	Block 1	10,000	5,374,333	59	361,664.0	\$0.00000		(\$0.02036)		(\$0.02036)	
	Block 2	20,000	7,355,804			\$0.00000		(\$0.02036)		(\$0.02036)	
	Block 3	20,000	3,820,315			\$0.00000		(\$0.02036)		(\$0.02036)	
	Block 4	100,000	4,769,204			\$0.00000		(\$0.02036)		(\$0.02036)	
	Block 5	600,000	18,520			\$0.00000		(\$0.02036)		(\$0.02036)	
	Block 6	all additional	0			\$0.00000		(\$0.02036)		(\$0.02036)	
	Total						\$0.00		(\$7,363.48)		(\$7,363.48)
32I Interr Sales	Block 1	10,000	6,288,400	59	471,476.0	\$0.00000		(\$0.02036)		(\$0.02036)	
	Block 2	20,000	7,754,327			\$0.00000		(\$0.02036)		(\$0.02036)	
	Block 3	20,000	3,753,428			\$0.00000		(\$0.02036)		(\$0.02036)	
	Block 4	100,000	7,924,824			\$0.00000		(\$0.02036)		(\$0.02036)	
	Block 5	600,000	2,096,107			\$0.00000		(\$0.02036)		(\$0.02036)	
	Block 6	all additional	0			\$0.00000		(\$0.02036)		(\$0.02036)	
	Total						\$0.00		(\$9,599.25)		(\$9,599.25)
32 Interr Trans											
	Block 1										
	Block 2										
	Block 3										
	Block 4										
	Block 5										
	Block 6										
	Total										
33											
Totals			646,246,994	642,219							

NW Natural
 Rates & Regulatory Affairs
 Oregon Schedule 185 and Schedule 186 Credit for 2018 Storage Activity
 Calculation of Increments Allocated on the EQUAL PERCENTAGE OF MARGIN BASIS
 ALL VOLUMES IN THERMS

		2017-2018 PGA Rates									Schedule 185 Credits		
		2018				2018					Proposed Amount:		
		Active Customer	Billing	WACOG &	Temporary	MARGIN	Volumetric	Customer	Active	Total	(\$3,466,908) Temporary Increment		
		Volumes	Rate	Demand Rates*	Increments	Rate	Margin	Charge	Customers	Margin	Revenue Sensitive Multiplier: 2.815% rev sensitive factor is built in		
											Amount to Amortize: (\$3,567,328) All sales 2, 3 and 31		
Schedule	Block	A	B	C	D	E=B-C-D	F = E * A	G	H	I = F + G*H	Multiplier	Allocation to RS	Increment
											J	K	L
2R		345,287,154	\$0.83850	\$0.41107	(\$0.01727)	\$0.44470	\$153,549,198	\$8.00	585,021	\$209,711,214	1.0	(\$2,519,910)	(\$0.00730)
3C Firm Sales		158,280,085	\$0.79685	\$0.41107	\$0.03136	\$0.35442	\$56,097,628	\$15.00	55,304	\$66,052,348	1.0	(\$793,691)	(\$0.00501)
3I Firm Sales		4,648,752	\$0.77033	\$0.41107	\$0.01614	\$0.34312	\$1,595,080	\$15.00	343	\$1,656,820	1.0	(\$19,909)	(\$0.00428)
27 Dry Out													
31C Firm Sales	Block 1	12,919,987	\$0.54893	\$0.29186	\$0.04321	\$0.21386	\$4,801,879	\$325.00	698	\$7,524,079	1.0	(\$90,410)	(\$0.00403)
	Block 2	10,430,831	\$0.52996	\$0.29186	\$0.04264	\$0.19546					1.0		(\$0.00368)
31C Firm Trans	Block 1												
	Block 2												
31I Firm Sales	Block 1	4,329,171	\$0.47445	\$0.29186	\$0.01371	\$0.16888	\$2,075,355	\$325.00	211	\$2,898,255	1.0	(\$34,826)	(\$0.00283)
	Block 2	8,808,362	\$0.45773	\$0.29186	\$0.01326	\$0.15261					1.0		(\$0.00256)
31I Firm Trans	Block 1												
	Block 2												
32C Firm Sales	Block 1	29,665,204	\$0.40410	\$0.29186	\$0.01347	\$0.09877	\$3,681,438	\$675.00	465	\$7,447,938	1.0	(\$89,495)	(\$0.00240)
	Block 2	8,249,118	\$0.38859	\$0.29186	\$0.01279	\$0.08394					1.0		(\$0.00204)
	Block 3	946,694	\$0.36280	\$0.29186	\$0.01166	\$0.05928					1.0		(\$0.00144)
	Block 4	82,542	\$0.33696	\$0.29186	\$0.01052	\$0.03458					1.0		(\$0.00084)
	Block 5		\$0.32119	\$0.29186	\$0.00955	\$0.01978					1.0		(\$0.00048)
	Block 6		\$0.31083	\$0.29186	\$0.00909	\$0.00988					1.0		(\$0.00024)
32I Firm Sales	Block 1	5,315,291	\$0.40145	\$0.29186	\$0.01206	\$0.09753	\$1,110,627	\$675.00	59	\$1,588,527	1.0	(\$19,088)	(\$0.00168)
	Block 2	5,532,089	\$0.38637	\$0.29186	\$0.01160	\$0.08291					1.0		(\$0.00142)
	Block 3	1,842,851	\$0.36119	\$0.29186	\$0.01082	\$0.05851					1.0		(\$0.00101)
	Block 4	753,600	\$0.33605	\$0.29186	\$0.01004	\$0.03415					1.0		(\$0.00059)
	Block 5		\$0.32066	\$0.29186	\$0.00930	\$0.01950					1.0		(\$0.00034)
	Block 6		\$0.31065	\$0.29186	\$0.00899	\$0.00980					1.0		(\$0.00017)
32 Firm Trans	Block 1												
	Block 2												
	Block 3												
	Block 4												
	Block 5												
	Block 6												
32C Interr Sales	Block 1												
	Block 2												
	Block 3												
	Block 4												
	Block 5												
	Block 6												
32I Interr Sales	Block 1												
	Block 2												
	Block 3												
	Block 4												
	Block 5												
	Block 6												
32 Interr Trans	Block 1												
	Block 2												
	Block 3												
	Block 4												
	Block 5												
	Block 6												
33													
TOTALS		597,091,732					\$222,911,205			\$296,879,181	\$296,879,181	(\$3,567,328)	

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

NW Natural
Rates & Regulatory Affairs
Oregon Schedule 185 and Schedule 186 Credit for 2018 Storage Activity
Calculation of Increments Allocated on the EQUAL CENT PER THERM BASIS
ALL VOLUMES IN THERMS

			Schedule 186 Credits			
			Proposed Amount:	(\$12,787,219) Temporary Increment		
			Revenue Sensitive Multiplier:	2.815% add revenue sensitive factor		
			Amount to Amortize:	(\$13,157,605) to all sales		
Schedule	Block	2018 Active Customer Volumes	Multiplier	Volumes	Increment	
		A	B	C	D	
2R		345,287,154	1.0	345,287,154	(\$0.02036)	
3C Firm Sales		158,280,085	1.0	158,280,085	(\$0.02036)	
3I Firm Sales		4,648,752	1.0	4,648,752	(\$0.02036)	
27 Dry Out						
31C Firm Sales	Block 1	12,919,987	1.0	12,919,987	(\$0.02036)	
	Block 2	10,430,831	1.0	10,430,831	(\$0.02036)	
31C Firm Trans	Block 1					
	Block 2					
31I Firm Sales	Block 1	4,329,171	1.0	4,329,171	(\$0.02036)	
	Block 2	8,808,362	1.0	8,808,362	(\$0.02036)	
31I Firm Trans	Block 1					
	Block 2					
32C Firm Sales	Block 1	29,665,204	1.0	29,665,204	(\$0.02036)	
	Block 2	8,249,118	1.0	8,249,118	(\$0.02036)	
	Block 3	946,694	1.0	946,694	(\$0.02036)	
	Block 4	82,542	1.0	82,542	(\$0.02036)	
	Block 5	0	1.0	0	(\$0.02036)	
	Block 6	0	1.0	0	(\$0.02036)	
32I Firm Sales	Block 1	5,315,291	1.0	5,315,291	(\$0.02036)	
	Block 2	5,532,089	1.0	5,532,089	(\$0.02036)	
	Block 3	1,842,851	1.0	1,842,851	(\$0.02036)	
	Block 4	753,600	1.0	753,600	(\$0.02036)	
	Block 5	0	1.0	0	(\$0.02036)	
	Block 6	0	1.0	0	(\$0.02036)	
32 Firm Trans	Block 1					
	Block 2					
	Block 3					
	Block 4					
	Block 5					
	Block 6					
32C Interr Sales	Block 1	5,374,333	1.0	5,374,333	(\$0.02036)	
	Block 2	7,355,804	1.0	7,355,804	(\$0.02036)	
	Block 3	3,820,315	1.0	3,820,315	(\$0.02036)	
	Block 4	4,769,204	1.0	4,769,204	(\$0.02036)	
	Block 5	18,520	1.0	18,520	(\$0.02036)	
	Block 6	0	1.0	0	(\$0.02036)	
32I Interr Sales	Block 1	6,288,400	1.0	6,288,400	(\$0.02036)	
	Block 2	7,754,327	1.0	7,754,327	(\$0.02036)	
	Block 3	3,753,428	1.0	3,753,428	(\$0.02036)	
	Block 4	7,924,824	1.0	7,924,824	(\$0.02036)	
	Block 5	2,096,107	1.0	2,096,107	(\$0.02036)	
	Block 6	0	1.0	0	(\$0.02036)	
32 Interr Trans	Block 1					
	Block 2					
	Block 3					
	Block 4					
	Block 5					
	Block 6					
33						
TOTALS		646,246,994		646,246,994	(\$0.02036)	