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April 13, 2020

NWN OPUC Advice No. 20-05

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 2020 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, 2020**:

Ninth Revision of Sheet 185-1	Schedule 185	Special Annual Interstate Storage and Transportation Credit
Ninth 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-term 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 2020 and ending with the last billing cycle in June 2020. 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, 2019 and December 31, 2019. In order to receive the bill credit, a customer must have an active gas service account at the time of the customer's June 2020 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 \$2,822,995 (before revenue sensitive effects) is comprised of \$2,791,276 from revenues for 2019 activity, plus \$31,719 that is the residual remaining balance from the June 2019 credits.

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

The Schedule 185 credit will reduce June 2020 customer bills as follows:

- The average Schedule 2 Residential Customer that used about 638 therms in 2019 will see a bill credit of about \$3.47.
- The average Schedule 3 Commercial Customer that used about 3,107 therms in 2019 will see a bill credit of about \$11.72.
- The average Schedule 31 Commercial Firm Sales customer that used about 34,865 therms in 2019 will see a bill credit of about \$81.92.
- The average Schedule 32 Industrial Firm Sales customer that used about 231,025 therms in 2019 will see a bill credit of about \$116.36.

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 \$14,271,975 (before revenue sensitive effects) is comprised of \$14,111,616 from revenues for 2019 activity, plus \$160,359 that is the residual remaining balance from the June 2019 credits.

The Schedule 186 credit applies across all sales-based rate schedules and is a credit of \$0.02104 per therm. The average June 2020 bill credit under Schedule 186 is as follows:

- Schedule 2 Residential \$13.41
- Schedule 3 Commercial \$65.37
- Schedule 31 Commercial Firm \$733.55
- Schedule 32 Industrial Firm Sales \$4,860.76
- Schedule 32 Industrial Interruptible Sales \$9,320.00

Combined Effects

The combined effects of the Schedule 185 and Schedule 186 amounts is a refund of \$17,094,970 (before revenue sensitive effects), which is comprised of \$16,902,892 from revenues for 2019 activity, plus \$192,078 that is the residual remaining balance from the June 2019 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 \$16.88.
- The average Schedule 3 Commercial customer will see a bill credit of about \$77.09.
- The average Schedule 31 Commercial Firm Sales customer will see a bill credit of about \$815.47.
- The average Schedule 32 Industrial Firm Sales customer will see a bill credit of about \$4,977.12.
- The average Schedule 32 Industrial interruptible Sales customer will see a bill credit of about \$9,320.00

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 30, 2020 (docket RG 32).

Public Utility Commission of Oregon
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The Company respectfully requests that the tariff sheets filed herein be approved to become effective with service on and after June 1, 2020.

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
250 SW Taylor Street
Portland, Oregon 97204
Fax: (503) 220-2579
Phone: (503) 610-7330
eFiling@nwnatural.com

Sincerely,

NW NATURAL

/s/ Rebecca T. Brown

Rebecca T. Brown
Regulatory Consultant

Attachments

**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 2020**

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, 2019 through December 31, 2019:

(T)

(T)

Rate Schedule/Class	Block	Temporary Adjustments		Schedule	Block	Temporary Adjustmnet
2		(\$0.00544)				
03 CSF		(\$0.00377)				
03 ISF		(\$0.00324)				
31 CSF	Block 1	(\$0.00262)		31 ISF	Block 1	(\$0.00216)
	Block 2	(\$0.00233)			Block 2	(\$0.00195)
32 CSF	Block 1	(\$0.00181)		32 ISF	Block 1	(\$0.00129)
	Block 2	(\$0.00154)			Block 2	(\$0.00110)
	Block 3	(\$0.00109)			Block 3	(\$0.00077)
	Block 4	(\$0.00064)			Block 4	(\$0.00045)
	Block 5	(\$0.00036)			Block 5	(\$0.00026)
	Block 6	(\$0.00018)			Block 6	(\$0.00013)

(C)

(C)

(continue to Sheet 185-2)

NORTHWEST NATURAL GAS COMPANY

P.U.C. Or. 25

Ninth Revision of Sheet 186-1
Cancels Eighth 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 2020**

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, 2019 through December 31, 2019:

(\$0.02104)

(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 13, 2020
NWN OPUC Advice No. 20-05

Effective with service on
and after June 1, 2020

EXHIBIT A

**BEFORE THE PUBLIC UTILITY COMMISSION
OF OREGON**

NW NATURAL SUPPORTING MATERIALS

NWN OPUC Advice No. 20-05 / ADV _____

June 2020 Bill Adjustments
Schedule 185 and Schedule 186

April 13, 2020

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

NWN OPUC Advice No. 20-05 / ADV _____

June 2020 Bill Adjustments
Schedule 185 and Schedule 186

Title	Page
Oregon Schedule 185 and Schedule 186 Credit for 2019 Storage Activity– Effects on Average June Bill by Rate Schedule	1
Oregon Schedule 185 and Schedule 186 Credit for 2019 Storage Activity– Calculation of Increments Allocated on the Equal Percentage of Margin Basis	2
Oregon Schedule 185 and Schedule 186 Credit for 2019 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 2019 Storage Activity
Effects on Average June Bill by Rate Schedule

ALL VOLUMES IN THERMS

					Schedule 185	Schedule 186		Combined			
		2019	2019	2019	Proposed	Proposed	Proposed	Proposed	Proposed	Proposed	
		Therms in	Active Customer	Active	Sch. 185	Sch. 185	Sch. 186	Sch. 186	Combined	Combined	
		Block	Volumes	Customers	Rates	Bill Credit	Rates	Bill Credit	Rates	Bill Credit	
				Average							
				Annual							
				Therms							
Schedule	Block	A	B	C	D	E	F = E*D	G	H = G*D	I = E + G	J = I*D
2R		N/A	377,894,579	592,783	637.5	(\$0.00544)	(\$3.47)	(\$0.02104)	(\$13.41)	(\$0.02648)	(\$16.88)
3C Firm Sales		N/A	173,068,314	55,704	3,106.9	(\$0.00377)	(\$11.72)	(\$0.02104)	(\$65.37)	(\$0.02481)	(\$77.09)
3I Firm Sales		N/A	5,424,913	335	16,193.8	(\$0.00324)	(\$52.46)	(\$0.02104)	(\$340.72)	(\$0.02428)	(\$393.18)
27 Dry Out											
31C Firm Sales	Block 1	2,000	12,542,089	677	34,864.6	(\$0.00262)		(\$0.02104)		(\$0.02366)	
	Block 2	all additional	11,061,226			(\$0.00233)		(\$0.02104)		(\$0.02337)	
	Total						(\$81.92)		(\$733.55)		(\$815.47)
31C Firm Trans	Block 1										
	Block 2										
	Total										
31I Firm Sales	Block 1	2,000	4,107,162	204	62,057.8	(\$0.00216)		(\$0.02104)		(\$0.02320)	
	Block 2	all additional	8,552,632			(\$0.00195)		(\$0.02104)		(\$0.02299)	
	Total						(\$121.51)		(\$1,305.70)		(\$1,427.20)
31I Firm Trans	Block 1										
	Block 2										
	Total										
32C Firm Sales	Block 1	10,000	33,517,254	524	85,483.1	(\$0.00181)		(\$0.02104)		(\$0.02285)	
	Block 2	20,000	9,638,066			(\$0.00154)		(\$0.02104)		(\$0.02258)	
	Block 3	20,000	1,315,887			(\$0.00109)		(\$0.02104)		(\$0.02213)	
	Block 4	100,000	269,294			(\$0.00064)		(\$0.02104)		(\$0.02168)	
	Block 5	600,000	52,653			(\$0.00036)		(\$0.02104)		(\$0.02140)	
	Block 6	all additional	0			(\$0.00018)		(\$0.02104)		(\$0.02122)	
	Total						(\$93.32)		(\$1,798.56)		(\$1,891.88)
32I Firm Sales	Block 1	10,000	5,569,521	63	231,024.7	(\$0.00129)		(\$0.02104)		(\$0.02233)	
	Block 2	20,000	5,571,066			(\$0.00110)		(\$0.02104)		(\$0.02214)	
	Block 3	20,000	1,915,493			(\$0.00077)		(\$0.02104)		(\$0.02181)	
	Block 4	100,000	788,792			(\$0.00045)		(\$0.02104)		(\$0.02149)	
	Block 5	600,000	709,681			(\$0.00026)		(\$0.02104)		(\$0.02130)	
	Block 6	all additional	0			(\$0.00013)		(\$0.02104)		(\$0.02117)	
	Total						(\$116.36)		(\$4,860.76)		(\$4,977.12)
32 Firm Trans	Block 1										
	Block 2										
	Block 3										
	Block 4										
	Block 5										
	Block 6										
	Total										
32C Interr Sales	Block 1	10,000	5,006,327	57	362,859.8	\$0.00000		(\$0.02104)		(\$0.02104)	
	Block 2	20,000	7,077,035			\$0.00000		(\$0.02104)		(\$0.02104)	
	Block 3	20,000	3,871,367			\$0.00000		(\$0.02104)		(\$0.02104)	
	Block 4	100,000	4,689,985			\$0.00000		(\$0.02104)		(\$0.02104)	
	Block 5	600,000	38,295			\$0.00000		(\$0.02104)		(\$0.02104)	
	Block 6	all additional	0			\$0.00000		(\$0.02104)		(\$0.02104)	
	Total						\$0.00		(\$7,634.57)		(\$7,634.57)
32I Interr Sales	Block 1	10,000	5,917,967	57	442,965.7	\$0.00000		(\$0.02104)		(\$0.02104)	
	Block 2	20,000	7,254,544			\$0.00000		(\$0.02104)		(\$0.02104)	
	Block 3	20,000	3,447,969			\$0.00000		(\$0.02104)		(\$0.02104)	
	Block 4	100,000	6,900,105			\$0.00000		(\$0.02104)		(\$0.02104)	
	Block 5	600,000	1,728,459			\$0.00000		(\$0.02104)		(\$0.02104)	
	Block 6	all additional	0			\$0.00000		(\$0.02104)		(\$0.02104)	
	Total						\$0.00		(\$9,320.00)		(\$9,320.00)
32 Interr Trans	Block 1										
	Block 2										
	Block 3										
	Block 4										
	Block 5										
	Block 6										
	Total										
33											
Totals			697,930,674	650,404							

NW Natural
Rates & Regulatory Affairs
Oregon Schedule 185 and Schedule 186 Credit for 2019 Storage Activity
Calculation of Increments Allocated on the EQUAL PERCENTAGE OF MARGIN BASIS
ALL VOLUMES IN THERMS

		2018-2019 PGA Rates								Schedule 185 Credits			
		2019				2019				Proposed Amount:	(\$2,822,995) Temporary Increment		
		Active Customer	Billing	WACOG &	Temporary	MARGIN	Volumetric	Customer	Active	Total	Revenue Sensitive Multiplier:	2.798% rev sensitive factor is built in	
		Volumes	Rate	Demand Rates*	Increments	Rate	Margin	Charge	Customers	Margin	Amount to Amortize:	(\$2,904,256) 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		377,894,579	\$0.77712	\$0.35566	(\$0.02324)	\$0.44470	\$168,049,719	\$8.00	592,783	\$224,956,887	1.0	(\$2,057,364)	(\$0.00544)
3C Firm Sales		173,068,314	\$0.74734	\$0.35566	\$0.03726	\$0.35442	\$61,338,872	\$15.00	55,704	\$71,365,592	1.0	(\$652,681)	(\$0.00377)
3I Firm Sales		5,424,913	\$0.72716	\$0.35566	\$0.02838	\$0.34312	\$1,861,396	\$15.00	335	\$1,921,696	1.0	(\$17,575)	(\$0.00324)
27 Dry Out													
31C Firm Sales	Block 1	12,542,089	\$0.49241	\$0.29186	\$0.03206	\$0.16849	\$3,773,396	\$325.00	677	\$6,413,696	1.0	(\$58,657)	(\$0.00262)
	Block 2	11,061,226	\$0.47356	\$0.29186	\$0.03161	\$0.15009					1.0		(\$0.00233)
31C Firm Trans	Block 1												
	Block 2												
31I Firm Sales	Block 1	4,107,162	\$0.44175	\$0.24649	\$0.02638	\$0.16888	\$1,998,835	\$325.00	204	\$2,794,435	1.0	(\$25,557)	(\$0.00216)
	Block 2	8,552,632	\$0.42512	\$0.24649	\$0.02602	\$0.15261					1.0		(\$0.00195)
31I Firm Trans	Block 1												
	Block 2												
32C Firm Sales	Block 1	33,517,254	\$0.37116	\$0.24649	\$0.02590	\$0.09877	\$4,206,836	\$675.00	524	\$8,451,236	1.0	(\$77,292)	(\$0.00181)
	Block 2	9,638,066	\$0.35581	\$0.24649	\$0.02538	\$0.08394					1.0		(\$0.00154)
	Block 3	1,315,887	\$0.33029	\$0.24649	\$0.02452	\$0.05928					1.0		(\$0.00109)
	Block 4	269,294	\$0.30473	\$0.24649	\$0.02366	\$0.03458					1.0		(\$0.00064)
	Block 5		\$0.28916	\$0.24649	\$0.02289	\$0.01978					1.0		(\$0.00036)
	Block 6		\$0.27893	\$0.24649	\$0.02256	\$0.00988					1.0		(\$0.00018)
32I Firm Sales	Block 1	5,569,521	\$0.36907	\$0.24649	\$0.02505	\$0.09753	\$1,144,105	\$675.00	63	\$1,654,405	1.0	(\$15,131)	(\$0.00129)
	Block 2	5,571,066	\$0.35408	\$0.24649	\$0.02468	\$0.08291					1.0		(\$0.00110)
	Block 3	1,915,493	\$0.32908	\$0.24649	\$0.02408	\$0.05851					1.0		(\$0.00077)
	Block 4	788,792	\$0.30412	\$0.24649	\$0.02348	\$0.03415					1.0		(\$0.00045)
	Block 5		\$0.28911	\$0.24649	\$0.02312	\$0.01950					1.0		(\$0.00026)
	Block 6		\$0.27897	\$0.24649	\$0.02268	\$0.00980					1.0		(\$0.00013)
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		651,236,287					\$242,373,159			\$317,557,947	\$317,557,947	(\$2,904,256)	

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 2019 Storage Activity
Calculation of Increments Allocated on the EQUAL CENT PER THERM BASIS
ALL VOLUMES IN THERMS

				Schedule 186 Credits		
1				Proposed Amount:	(\$14,271,975) Temporary Increment	
2				Revenue Sensitive Multiplier:	2.798% add revenue sensitive factor	
3				Amount to Amortize:	(\$14,682,799) to all sales	
4					Multiplier	Volumes
5						Increment
6	Schedule	Block	2019 Active Customer Volumes		B	C
7			A			D
7	2R		377,894,579		1.0	377,894,579 (\$0.02104)
8	3C Firm Sales		173,068,314		1.0	173,068,314 (\$0.02104)
9	3I Firm Sales		5,424,913		1.0	5,424,913 (\$0.02104)
10	27 Dry Out					
11	31C Firm Sales	Block 1	12,542,089		1.0	12,542,089 (\$0.02104)
12		Block 2	11,061,226		1.0	11,061,226 (\$0.02104)
13	31C Firm Trans	Block 1				
14		Block 2				
15	31I Firm Sales	Block 1	4,107,162		1.0	4,107,162 (\$0.02104)
16		Block 2	8,552,632		1.0	8,552,632 (\$0.02104)
17	31I Firm Trans	Block 1				
18		Block 2				
19	32C Firm Sales	Block 1	33,517,254		1.0	33,517,254 (\$0.02104)
20		Block 2	9,638,066		1.0	9,638,066 (\$0.02104)
21		Block 3	1,315,887		1.0	1,315,887 (\$0.02104)
22		Block 4	269,294		1.0	269,294 (\$0.02104)
23		Block 5	52,653		1.0	52,653 (\$0.02104)
24		Block 6	0		1.0	0 (\$0.02104)
25	32I Firm Sales	Block 1	5,569,521		1.0	5,569,521 (\$0.02104)
26		Block 2	5,571,066		1.0	5,571,066 (\$0.02104)
27		Block 3	1,915,493		1.0	1,915,493 (\$0.02104)
28		Block 4	788,792		1.0	788,792 (\$0.02104)
29		Block 5	709,681		1.0	709,681 (\$0.02104)
30		Block 6	0		1.0	0 (\$0.02104)
31	32 Firm Trans	Block 1				
32		Block 2				
33		Block 3				
34		Block 4				
35		Block 5				
36		Block 6				
37	32C Interr Sales	Block 1	5,006,327		1.0	5,006,327 (\$0.02104)
38		Block 2	7,077,035		1.0	7,077,035 (\$0.02104)
39		Block 3	3,871,367		1.0	3,871,367 (\$0.02104)
40		Block 4	4,689,985		1.0	4,689,985 (\$0.02104)
41		Block 5	38,295		1.0	38,295 (\$0.02104)
42		Block 6	0		1.0	0 (\$0.02104)
43	32I Interr Sales	Block 1	5,917,967		1.0	5,917,967 (\$0.02104)
44		Block 2	7,254,544		1.0	7,254,544 (\$0.02104)
45		Block 3	3,447,969		1.0	3,447,969 (\$0.02104)
46		Block 4	6,900,105		1.0	6,900,105 (\$0.02104)
47		Block 5	1,728,459		1.0	1,728,459 (\$0.02104)
48		Block 6	0		1.0	0 (\$0.02104)
49	32 Interr Trans	Block 1				
50		Block 2				
51		Block 3				
52		Block 4				
53		Block 5				
54		Block 6				
55	33					
56						
57	TOTALS			697,930,674		697,930,674 (\$0.02104)