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June 11, 2021

NWN OPUC Advice No. 20-19C

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: ADV 1215 / NWN OPUC Advice No. 20-19C Schedule 198 – Renewable Natural Gas Recovery Mechanism

On December 4, 2020, Northwest Natural Gas Company, dba NW Natural (NW Natural or Company), filed with the Public Utility Commission of Oregon Advice No. 20-19 proposing new Schedule 198, Renewable Natural Gas Recovery Mechanism, with a requested effective date of March 30, 2021. On April 30, 2021, NW Natural submitted a revised effective date for Schedule 198 of July 1, 2021.

In order to facilitate further discussions with stakeholders, NW Natural submits this replacement filing to change the requested effective date to September 1, 2021.

The enclosed proposed tariff sheets reflect the new requested effective date of September 1, 2021, and replace the previous tariff sheets filed April 30, 2021, in their entirety.

Please address correspondence on this matter to me with copies to the following:

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Respectfully submitted,

/s/ Zachary Kravitz

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**SCHEDULE 198
RENEWABLE NATURAL GAS ADJUSTMENT MECHANISM**

(N)

PURPOSE:

The purpose of this Schedule is to identify adjustments to rates in the Rate Schedules listed below for the recovery of the revenue requirement of qualified investments, as defined by ORS 757.392(5), in renewable natural gas (RNG) infrastructure.

This adjustment mechanism will recover the revenue requirement associated with the prudently incurred qualified investments that contribute to the Company meeting the targets set forth in ORS 757.396. For purposes of this Schedule, "qualified investment" has the meaning given that term in ORS 757.392. This Adjustment Schedule is implemented as an automatic adjustment clause as provided for under ORS 757.210 and Oregon Senate Bill 98 (2019) codified as ORS 757.396.

APPLICABLE:

To Sales Service Customers on the Rate Schedules of this Tariff listed below:

Rate Schedule 2	Rate Schedule 31
Rate Schedule 3	Rate Schedule 32
Rate Schedule 27	

Application to Rates:

The Base Adjustment in the applicable Rate Schedules include the following adjustment:

		Effective Date:
Schedule 198 ongoing	\$0.00000 per therm	November 1, 20xx
Schedule 198 amortization of RNG Project Deferral	\$0.00000 per therm	November 1, 20xx
Total Schedule 198 adjustment	\$0.00000 per therm	

SPECIAL CONDITIONS:

1. The Company will file this Schedule by August 1 of each year as necessary to update all charges already included on this schedule as needed. Updating of charges will include updating for the relevant vintage of the revenue requirement for previously included investments and a true-up for actual costs and volumes of previously included costs. This updating of charges will be supported by a deferral application (Schedule 198 Deferral) that will apply to costs recovered through this Schedule 198. The amortization of the Schedule 198 Deferral amount will not be subject to the provisions of ORS 757.259(5).

(N)

(continue to Sheet 198-2)

SCHEDULE 198
RENEWABLE NATURAL GAS ADJUSTMENT MECHANISM

(continued)

(N)

2. In addition, the Company will file this Schedule as necessary for proposed charges relating to new qualified investments in anticipation of the expected in-service date of the RNG project and providing time for stakeholder review. When the Company anticipates that a new qualified investment will commence operation, the Company may file a deferral request by the in-service date (RNG Project Deferral). The RNG Project Deferral will include any start-up operating and maintenance costs incurred prior to the project being placed in service and the revenue requirements of the qualified investment beginning on the project's in-service date. Amounts will be deferred until the qualified investment can be placed in base rate adjustment under Schedule 198. NW Natural will make a filing to amortize these deferred amounts under this Schedule 198. The amortization of the RNG Project Deferral amount will not be subject to the provisions of ORS 757.259(5).
3. The Company will provide in its Schedule 198 RNG project application filings a draft procedural schedule to accommodate stakeholder review and feedback, and may also include a technical workshop, depending on the size and complexity of the RNG project.
4. NW Natural will change rates under this schedule concurrent with annual Purchased Gas Adjustment on November 1, except in the event NW Natural can demonstrate it is in the public interest to propose an alternative rate effective date.
5. NW Natural will propose a cost allocation methodology consistent with ORS 757.390 through ORS 757.398
6. For purposes of this Schedule, only applications for RNG Project(s) exceeding \$5 million individually or in aggregate will be eligible for recovery under this mechanism.
7. Within three years of the effective date of this tariff, NW Natural will convene a meeting with the parties in docket ADV 1215 to meet and confer in good faith regarding a comprehensive review of Schedule 198. Any changes in Schedule 198 as a result of this review would apply prospectively to new RNG projects.
8. The provisions listed in the special conditions above may be modified if approved by the Commission.

QUALIFIED INVESTMENT COST RECOVERY:

The revenue requirement associated with qualified investments in RNG includes incremental depreciation expense, property and other taxes, return on investment, income taxes, operating and maintenance costs, and other costs relating to the Company's qualified investment. The capital structure and the cost of capital to be used in the calculation of return on rate base will be that adopted by the Commission in the Company's most recent general rate case.

(N)

(continue to Sheet 198-3)

SCHEDULE 198
RENEWABLE NATURAL GAS ADJUSTMENT MECHANISM

(continued)

(N)

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.

(N)

Issued June 11, 2021
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Effective with service on
and after September 1, 2021

NORTHWEST NATURAL GAS COMPANY

P.U.C. Or. 25

Ninth Revision of Sheet v
Cancels Eighth Revision of Sheet v

TARIFF INDEX

(continued)

ADJUSTMENT SCHEDULES	SHEET
Schedule 100: Summary of Adjustments.....	100-1 to 100-5
Schedule 150: Monthly Incremental Cost of Gas.....	150-1
Schedule 160: Revision of Charges for Coos County Customers	160-1
Schedule 162: Temporary (Technical) Adjustments to Rates.....	162-1 to 162-2
Schedule 164: Purchased Gas Cost Adjustments to Rates.....	164-1
Schedule 164A: Special Purchased Gas Adjustment Credit.....	164-A
Schedule 165: Special Adjustment to Rates – Gas Reserves Credit	165-1
Schedule 167: General Adjustments to Rates	167-1
Schedule 168: Temporary Rate Adjustment – Net Curtailment and Entitlement Revenues.....	168-1
Schedule 172: Special Adjustment to Rates for Intervenor Funding	172-1
Schedule 173: Credits to Customers Related to Holding Company Formation	173-1 to 173-2
Schedule 177: Adjustment for Corporate Activity Tax	177-1 to 177-2
Schedule 178: Regulatory Rate Adjustment.....	178-1 to 178-2
Schedule 179: Automated Meter Reading (AMR) Rate Adjustment.....	179-1
Schedule 180: Adjustment for EDIT True-up.....	180-1 to 180-3
Schedule 181: Special Rate Adjustment – Regulatory Fee Increase	181-1 to 181-2
Schedule 182: Rate Adjustment for Environmental Cost Recovery	182-1
Schedule 183: Site Remediation Recovery Mechanism (SRRM).....	183-1 to 183-3
Schedule 184: CANCELLED - Special Rate Adjustment Gasco Upland Pumping Stations..	184-1 to 184-3
Schedule 185: Special Annual Interstate and Intrastate Storage and Transportation Credit	185-1 to 185-2
Schedule 186: Special Annual Core Pipeline Capacity Optimization Credit.....	186-1
Schedule 187: Special Rate Adjustment for Mist Capacity Recall.....	187-1
Schedule 188: Industrial Demand Side Management (DSM) Program Cost Recovery.....	188-1
Schedule 190: Partial Decoupling Mechanism	190-1 to 190-2
Schedule 195: Weather Adjusted Rate Mechanism (WARM Program).....	195-1 to 195-5
Schedule 196: Adjustment for Certain Excess Deferred Income Taxes Related To	196-1 to 196-3
	The 2017 Federal Tax Cuts and Jobs Act
Schedule 197: Amortization of Pension Balancing Account.....	197-1 to 197-2
Schedule 198: Renewable Natural Gas Adjustment Mechanism	198-1 to 198-3

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PROMOTIONAL CONCESSIONS

Schedule 200: Promotional Concessions Index	200-1
General Merchandise Sales Program (Appliance Center).....	200-2
Equipment Sales Promotions.....	200-3
Cooperative Advertising Program	200-4
Showcase Developments	200-5
Natural Gas Vehicle Program	200-6
Equipment Financing Program	200-7
Promotions for Company-Offered Products and Services	200-8

PUBLIC PURPOSES SCHEDULES

Schedule 301: Public Purposes Funding Surcharge	301-1 to 301-3
Schedule 310: Oregon Low-Income Gas Assistance (OLGA).....	310-1 to 310-2
Schedule 320: Oregon Low-Income Energy Efficiency (OLIEE) Programs	320-1 to 320-6
Schedule 350: Energy Efficiency Services and Programs – Residential and Commercial.....	350-1
Schedule 360: Industrial Demand Side Management (DSM) Programs.....	360-1 to 360-2

OTHER PROGRAMS

Schedule 400: Smart Energy Program	400-1 to 400-2
Schedule 405: Builder/Developer Program (Optional) Multi-Story Multi-Family	405-1 to 405-2

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