

**PUBLIC UTILITY COMMISSION OF OREGON
STAFF REPORT
PUBLIC MEETING DATE: January 11, 2022**

REGULAR CONSENT EFFECTIVE DATE January 1, 2022

DATE: December 30, 2021

TO: Public Utility Commission

FROM: Brian Fjeldheim

THROUGH: Bryan Conway and John Crider **SIGNED**

SUBJECT: NORTHWEST NATURAL:
(Docket No. ADV 1357/Advice No. 21-19)
Language Revision for Schedule 32 – Large Volume Non-Residential
Sales and Transportation Service.

STAFF RECOMMENDATION:

Approve Northwest Natural's (NW Natural or Company) Advice No. 21-19, which makes a housekeeping change to Schedule 32 to reflect the correct per-term interruptible pipeline capacity charge for interruptible commercial customers served under Rate Schedule 32, effective for service on and after January 12, 2022.

DISCUSSION:

Issue

Whether the Oregon Public Utility Commission (OPUC or Commission) should approve NW Natural's proposal to revise its Schedule 32 to reflect the correct interruptible pipeline capacity charge for interruptible commercial customers served under Rate Schedule 32.

Applicable Law

ORS 757.205 requires public utilities to file schedules showing all rates, tolls, and charges for service that have been established and are in force at the time.

ORS 757.210 (1)(a) states a utility must show that a proposed rate or schedule of rates is fair, just, and reasonable. The Commission may authorize a rate or schedule of rates only if it is deemed to be fair, just, and reasonable.

ORS 757.220 and OAR 860-022-0015 state that energy utilities must provide the Commission with at least 30 days' notice prior to the effective date for any change in rates, tolls, charges, rules, or regulations.

OAR 860-022-0005 defines the required formatting all large energy utilities must use when making tariff submissions to the Commission.

OAR 860-022-0025 illustrates energy utility requirements for filing tariffs or changes to rate schedules.

Analysis

Background

On September 15, 2021, the Company filed Advice No. 21-14 to reflect temporary tariff changes resulting from the 2021 Purchased Gas Adjustment (PGA) filing and several additional deferral amortizations slated to go into effect November 1, 2021. The Company's original filing contained an incorrect volumetric interruptible pipeline capacity charge amount of \$0.10569/therm for commercial customers served under the Company's Rate Schedule 32.¹ This error only affects commercial customers; the pipeline capacity charge for interruptible industrial customers served under Rate Schedule 32 is correct at \$0.01258/therm. The Company's supporting workpapers indicate the correct pipeline capacity charge of \$0.01258/therm was applied to both commercial and industrial customers served under Rate Schedule 32.²

In a subsequent filing dated September 17, 2021, the Company submitted Advice No. 21-14A with corrected tariff sheets for Rate Schedule 100.³ While Advice No. 21-14A did not directly address the Schedule 32 error, NW Natural provided a supporting workpaper illustrating the correct volumetric interruptible pipeline capacity charge of \$0.01258/therm was used for both commercial and industrial customers served under Rate Schedule 32.⁴

¹ NW Natural Advice No. 21-14, page 32-13. See Attachment A, page 1.

² NW Natural Advice No. 21-14, Exhibit A, page 3 of 6. See Attachment A, page 2.

³ Rate Schedule 100 is a summary of temporary rate changes resulting from the annual PGA and certain deferral amortizations.

⁴ NW Natural Advice No. 21-14A, Exhibit A, page 3 of 5. See Attachment A, page 3.

Effects of Filing

Per NW Natural, the erroneous volumetric interruptible pipeline capacity charge of \$0.10569 was not incorporated into the Company's billing system and is limited solely to the published tariff Sheet 32-13 for Rate Schedule 32. NW Natural asserts customer bills will be unaffected by this filing, that this filing is solely a housekeeping effort to correct the published Schedule 32 volumetric interruptible pipeline capacity charge for commercial customers from \$0.10569/therm to the correct amount of \$0.01258/therm on Sheet 32-13.

Staff reviewed the Company's original and subsequent workpapers used to calculate the proposed correction to Schedule 32, and Staff finds the calculations to be accurate and consistent.

Conclusion

Based on Staff's analysis of NW Natural's application, as well as the workpapers provided in the Company's Advice No. 21-14 and subsequent Advice No. 21-14A submissions, Staff finds the proposed revision to Schedule 32 result in rates that are fair, just, and reasonable. Staff recommends the Commission approve NW Natural's filing.

PROPOSED COMMISSION MOTION:

Approve NW Natural's Advice No. 21-19, which corrects Schedule 32 to reflect the correct per-therm interruptible pipeline capacity charge for interruptible commercial customers served under Rate Schedule 32, effective for service on and after January 12, 2022.

RATE SCHEDULE 32
LARGE VOLUME NON-RESIDENTIAL SALES AND TRANSPORTATION SERVICE
(continued)

MONTHLY RATES (continued):

Effective: November 1, 2021

The rates shown in this Rate Schedule may not always reflect actual billing rates. See **SCHEDULE 100** for a list of applicable temporary adjustments. Rates are subject to changes for purchased gas costs and technical rate adjustments. The rates for Coos County customers are subject to the additional adjustment set forth in **SCHEDULE 160**

INTERRUPTIBLE SALES SERVICE CHARGES [1][4]:					Billing Rates
Customer Charge (per month):					\$675.00
	Base Rate	Base Rate Adjustment	Commodity Component [2]	Total Temporary Adjustments [3]	
32 CSI Volumetric Charges (per therm):					
Block 1: 1 st 10,000 therms	\$0.11743	\$0.00000	\$0.31601	\$0.06614	\$0.49958
Block 2: Next 20,000 therms	\$0.09914	\$0.00000	\$0.31601	\$0.06612	\$0.48127
Block 3: Next 20,000 therms	\$0.06862	\$0.00000	\$0.31601	\$0.06609	\$0.45072
Block 4: Next 100,000 therms	\$0.03810	\$0.00000	\$0.31601	\$0.06606	\$0.42017
Block 5: Next 600,000 therms	\$0.01978	\$0.00000	\$0.31601	\$0.06604	\$0.40183
Block 6: All additional therms	\$0.00638	\$0.00000	\$0.31601	\$0.06579	\$0.38818
Interruptible Pipeline Capacity Charge (per therm):					\$0.01258
32 ISI Volumetric Charges (per therm):					
Block 1: 1 st 10,000 therms	\$0.11691	\$0.00000	\$0.31601	\$0.06642	\$0.49934
Block 2: Next 20,000 therms	\$0.09869	\$0.00000	\$0.31601	\$0.06639	\$0.48109
Block 3: Next 20,000 therms	\$0.06831	\$0.00000	\$0.31601	\$0.06636	\$0.45068
Block 4: Next 100,000 therms	\$0.03792	\$0.00000	\$0.31601	\$0.06634	\$0.42027
Block 5: Next 600,000 therms	\$0.01968	\$0.00000	\$0.31601	\$0.06631	\$0.40200
Block 6: All additional therms	\$0.00634	\$0.00000	\$0.31601	\$0.06604	\$0.38839
Interruptible Pipeline Capacity Charge (per therm):					\$0.01258

(T)

- [1] The Monthly Bill shall equal the sum of the Customer Charge, plus the Volumetric Charges, plus the Pipeline Capacity Charge selected by the Customer, plus any other charges that may apply from Schedule C or Schedule 15.
- [2] The stated rate is the Company's Annual Sales WACOG. However, the Commodity Component to be billed will be dependent on Customer's Service Type Selection and may instead be Winter Sales WACOG or Monthly Incremental Cost of Gas.
- [3] Where applicable, as set forth in this rate schedule, the Account 191 portion of the Temporary Adjustments as set forth in Schedule 162 may not apply.
- [4] Where applicable, as set forth in this rate schedule, the Account 191 portion of the Sales Service Temporary Adjustments as set forth in Schedule 162 may also apply.

(continue to Sheet 32-14)

NW Natural
Rates & Regulatory Affairs
2021-22 PGA - Oregon: September Filing
Calculation of Proposed Rates - DETAIL

		11/1/2020	REMOVE	REMOVE		ADD	ADD	ADD				Current	Proposed	Current	Proposed		Net change	Net change		Current	Proposed	Current	Proposed		Net change	11/01/21	11/01/21	
		Billing	Current	Current		Proposed	Proposed	Proposed				Permanent	Permanent	Temporary	Temporary		WACOG	Demand [1]		Items	Items	Items	Items		Temporary	Proposed	Proposed	Proposed
		Rates	WACOG	FIRM	INTER	WACOG	FIRM	INTER				Items	Items	Items	Items					Items	Items	Items	Items		Increases	Illustrative	Proposed	Proposed
		\$0.25644	\$0.10027	\$0.01193		\$0.31601	\$0.10569	\$0.01258																		Rates [1]	excl RS 31& 32 demand	Rates [1]
		E=A-B-C-D	F	G	H	I=E+F+G+H	J	K	L	M	N = I+J+K+L+M	O=I+J+K+L+M	P															
Schedule	Block	A	B	C	D	E	F	G	H	I	J	K	L	M	N	O	P											
2R		\$0.90732	\$0.25644	\$0.10027	\$0.00000	\$0.55061	\$0.31601	\$0.10569	\$0.00000	\$0.05957	\$0.00542	\$0.97231	\$0.00000	\$0.00000	(\$0.02738)	\$0.04668	\$1.04637	\$0.07406	\$1.04637						\$1.04637		\$1.04637	
3C Firm Sales		\$0.80219	\$0.25644	\$0.10027	\$0.00000	\$0.44548	\$0.31601	\$0.10569	\$0.00000	\$0.05957	\$0.00542	\$0.86718	\$0.00000	\$0.00000	(\$0.02246)	\$0.06216	\$0.95180	\$0.04842	\$0.95180						\$0.95180		\$0.95180	
3I Firm Sales		\$0.76992	\$0.25644	\$0.10027	\$0.00000	\$0.41321	\$0.31601	\$0.10569	\$0.00000	\$0.05957	\$0.00542	\$0.83491	\$0.00000	\$0.00000	\$0.02078	\$0.07021	\$0.88434	\$0.04943	\$0.88434						\$0.88434		\$0.88434	
27 Dry Out		\$0.75070	\$0.25644	\$0.10027	\$0.00000	\$0.39399	\$0.31601	\$0.10569	\$0.00000	\$0.05957	\$0.00542	\$0.81569	\$0.00000	\$0.00000	(\$0.00447)	\$0.05061	\$0.87077	\$0.05508	\$0.87077						\$0.87077		\$0.87077	
31C Firm Sales	Block 1	\$0.50653	\$0.25644			\$0.25009	\$0.31601	\$0.10569	\$0.00000	\$0.05957	\$0.10569	\$0.67179	\$0.00000	\$0.00000	(\$0.00980)	\$0.05240	\$0.73399	\$0.06220	\$0.73399						\$0.73399		\$0.73399	
	Block 2	\$0.48418	\$0.25644			\$0.22774	\$0.31601	\$0.10569	\$0.00000	\$0.05957		\$0.64944	\$0.00000	\$0.00000	(\$0.00939)	\$0.05240	\$0.71123	\$0.06179	\$0.71123						\$0.71123		\$0.71123	
31C Firm Trans	Block 1	\$0.22515	\$0.00000			\$0.22515	\$0.00000	\$0.00000	\$0.00000	\$0.00000		\$0.22515	\$0.00000	\$0.00000	(\$0.00433)	\$0.00060	\$0.23008	\$0.00493	\$0.23008						\$0.23008		\$0.23008	
	Block 2	\$0.20587	\$0.00000			\$0.20587	\$0.00000	\$0.00000	\$0.00000	\$0.00000		\$0.20587	\$0.00000	\$0.00000	(\$0.00393)	\$0.00057	\$0.21037	\$0.00450	\$0.21037						\$0.21037		\$0.21037	
31I Firm Sales	Block 1	\$0.47924	\$0.25644			\$0.22280	\$0.31601	\$0.10569	\$0.00000	\$0.05957		\$0.64450	\$0.00000	\$0.00000	\$0.02238	\$0.07022	\$0.69234	\$0.04784	\$0.69234						\$0.69234		\$0.69234	
	Block 2	\$0.45984	\$0.25644			\$0.20340	\$0.31601	\$0.10569	\$0.00000	\$0.05957		\$0.62510	\$0.00000	\$0.00000	\$0.02272	\$0.07023	\$0.67261	\$0.04751	\$0.67261						\$0.67261		\$0.65692	
31I Firm Trans	Block 1	\$0.19824	\$0.00000			\$0.19824	\$0.00000	\$0.00000	\$0.00000	\$0.00000		\$0.19824	\$0.00000	\$0.00000	(\$0.00315)	\$0.00069	\$0.20208	\$0.00384	\$0.20208						\$0.20208		\$0.20208	
	Block 2	\$0.17920	\$0.00000			\$0.17920	\$0.00000	\$0.00000	\$0.00000	\$0.00000		\$0.17920	\$0.00000	\$0.00000	(\$0.00282)	\$0.00068	\$0.18270	\$0.00350	\$0.18270						\$0.18270		\$0.18270	
32C Firm Sales	Block 1	\$0.40807	\$0.25644			\$0.15163	\$0.31601	\$0.10569	\$0.00000	\$0.05957		\$0.57333	\$0.00000	\$0.00000	\$0.02238	\$0.06999	\$0.62094	\$0.04761	\$0.62094						\$0.62094		\$0.62094	
	Block 2	\$0.38844	\$0.25644			\$0.13200	\$0.31601	\$0.10569	\$0.00000	\$0.05957		\$0.55370	\$0.00000	\$0.00000	\$0.02289	\$0.07000	\$0.60081	\$0.04711	\$0.60081						\$0.49512		\$0.49512	
	Block 3	\$0.35581	\$0.25644			\$0.09937	\$0.31601	\$0.10569	\$0.00000	\$0.05957		\$0.52107	\$0.00000	\$0.00000	\$0.02372	\$0.07002	\$0.56737	\$0.04630	\$0.56737						\$0.46168		\$0.46168	
	Block 4	\$0.32309	\$0.25644			\$0.06665	\$0.31601	\$0.10569	\$0.00000	\$0.05957		\$0.48835	\$0.00000	\$0.00000	\$0.02457	\$0.07003	\$0.53381	\$0.04546	\$0.53381						\$0.42812		\$0.42812	
	Block 5	\$0.29959	\$0.25644			\$0.04315	\$0.31601	\$0.10569	\$0.00000	\$0.05957		\$0.46485	\$0.00000	\$0.00000	\$0.02519	\$0.06963	\$0.50929	\$0.04444	\$0.50929						\$0.40360		\$0.40360	
	Block 6	\$0.28810	\$0.25644			\$0.03166	\$0.31601	\$0.10569	\$0.00000	\$0.05957		\$0.45336	\$0.00000	\$0.00000	\$0.02514	\$0.06964	\$0.49786	\$0.04450	\$0.49786						\$0.39217		\$0.39217	
32I Firm Sales	Block 1	\$0.39859	\$0.25644			\$0.14215	\$0.31601	\$0.10569	\$0.00000	\$0.05957		\$0.56385	\$0.00000	\$0.00000	\$0.02328	\$0.07018	\$0.61075	\$0.04690	\$0.61075						\$0.50506		\$0.50506	
	Block 2	\$0.38045	\$0.25644			\$0.12401	\$0.31601	\$0.10569	\$0.00000	\$0.05957		\$0.54571	\$0.00000	\$0.00000	\$0.02366	\$0.07018	\$0.59223	\$0.04652	\$0.59223						\$0.48654		\$0.48654	
	Block 3	\$0.35013	\$0.25644			\$0.09369	\$0.31601	\$0.10569	\$0.00000	\$0.05957		\$0.51539	\$0.00000	\$0.00000	\$0.02427	\$0.07019	\$0.56131	\$0.04592	\$0.56131						\$0.45562		\$0.45562	
	Block 4	\$0.31990	\$0.25644			\$0.06346	\$0.31601	\$0.10569	\$0.00000	\$0.05957		\$0.48516	\$0.00000	\$0.00000	\$0.02488	\$0.07021	\$0.53049	\$0.04533	\$0.53049						\$0.42480		\$0.42480	
	Block 5	\$0.29882	\$0.25644			\$0.04238	\$0.31601	\$0.10569	\$0.00000	\$0.05957		\$0.46408	\$0.00000	\$0.00000	\$0.02532	\$0.06988	\$0.50864	\$0.04456	\$0.50864						\$0.40295		\$0.40295	
	Block 6	\$0.28793	\$0.25644			\$0.03149	\$0.31601	\$0.10569	\$0.00000	\$0.05957		\$0.45319	\$0.00000	\$0.00000	\$0.02526	\$0.06989	\$0.49782	\$0.04463	\$0.49782						\$0.39213		\$0.39213	
32C Firm Trans	Block 1	\$0.11831	\$0.00000			\$0.11831	\$0.00000	\$0.00000	\$0.00000	\$0.00000		\$0.11831	\$0.00000	\$0.00000	(\$0.00228)	\$0.00027	\$0.12086	\$0.00255	\$0.12086						\$0.12086		\$0.12086	
	Block 2	\$0.10056	\$0.00000			\$0.10056	\$0.00000	\$0.00000	\$0.00000	\$0.00000		\$0.10056	\$0.00000	\$0.00000	(\$0.00191)	\$0.00024	\$0.10271	\$0.00215	\$0.10271						\$0.10271		\$0.10271	
	Block 3	\$0.07103	\$0.00000			\$0.07103	\$0.00000	\$0.00000	\$0.00000	\$0.00000		\$0.07103	\$0.00000	\$0.00000	(\$0.00133)	\$0.00021	\$0.07257	\$0.00154	\$0.07257						\$0.07257		\$0.07257	
	Block 4	\$0.04149	\$0.00000			\$0.04149	\$0.00000	\$0.00000	\$0.00000	\$0.00000		\$0.04149	\$0.00000	\$0.00000	(\$0.00073)	\$0.00016	\$0.04238	\$0.00089	\$0.04238						\$0.04238		\$0.04238	
	Block 5	\$0.02362	\$0.00000			\$0.02362	\$0.00000	\$0.00000	\$0.00000	\$0.00000		\$0.02362	\$0.00000	\$0.00000	(\$0.00047)	\$0.00015	\$0.02424	\$0.00062	\$0.02424						\$0.02424		\$0.02424	
	Block 6	\$0.01187	\$0.00000			\$0.01187	\$0.00000	\$0.00000	\$0.00000	\$0.00000		\$0.01187	\$0.00000	\$0.00000	(\$0.00023)	\$0.00001	\$0.01211	\$0.00024	\$0.01211						\$0.01211		\$0.01211	
32I Firm Trans	Block 1	\$0.11711	\$0.00000			\$0.11711	\$0.00000	\$0.00000	\$0.00000	\$0.00000		\$0.11711	\$0.00000	\$0.00000	(\$0.00192)	\$0.00044	\$0.11947	\$0.00236	\$0.11947						\$0.11947		\$0.11947	
	Block 2	\$0.09955	\$0.00000			\$0.09955	\$0.00000	\$0.00000	\$0.00000	\$0.00000		\$0.09955	\$0.00000	\$0.00000	(\$0.00161)	\$0.00042	\$0.10158	\$0.00203	\$0.10158						\$0.10158		\$0.10158	
	Block 3	\$0.07032	\$0.00000			\$0.07032	\$0.00000	\$0.00000	\$0.00000	\$0.00000		\$0.07032	\$0.00000	\$0.00000	(\$0.00110)	\$0.00038	\$0.07180	\$0.00148	\$0.07180						\$0.07180		\$0.07180	
	Block 4	\$0.04108	\$0.00000			\$0.04108	\$0.00000	\$0.00000	\$0.00000	\$0.00000		\$0.04108	\$0.00000	\$0.00000	(\$0.00060)	\$0.00036	\$0.04204	\$0.00096	\$0.04204						\$0.04204		\$0.04204	
	Block 5	\$0.02350	\$0.00000			\$0.02350	\$0.00000	\$0.00000	\$0.00000	\$0.00000		\$0.02350	\$0.00000	\$0.00000	(\$0.00029)	\$0.00034	\$0.02413	\$0.00063	\$0.02413						\$0.02413		\$0.02413	
	Block 6	\$0.01186	\$0.00000			\$0.01186	\$0.00000	\$0.00000	\$0.00000	\$0.00000		\$0.01186	\$0.00000	\$0.00000	(\$0.00008)	\$0.00032	\$0.01226	\$0.00040	\$0.01226						\$0.01226		\$0.01226	
32C Interr Sales	Block 1	\$0.39799	\$0.25644			\$0.14155	\$0.31601	\$0.00000	\$0.01258	\$0.05957		\$0.47014	\$0.00000	\$0.00000	\$0.02412	\$0.06614	\$0.51216	\$0.04202	\$0.51216						\$0.49958		\$0.49958	
	Block 2	\$0.37999	\$0.25644			\$0.12355	\$0.31601	\$0.00000	\$0.01258	\$0.05957		\$0.45214	\$0.00000	\$														

