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nwnatural.com

December 13, 2021

NWN OPUC Advice No. 21-20

**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 196 – Adjustment for Certain Excess Deferred Income Taxes Related to the 2017 Federal Tax Cuts and Jobs Act**

Northwest Natural Gas Company, dba NW Natural (NW Natural or Company), files herewith the following housekeeping revision to its Tariff P.U.C. Or. 25, stated to become effective January 26, 2022.

Second Revision of Sheet 196-1	Schedule 196	Adjustment for Certain Excess Deferred Income Taxes Related to the 2017 Federal Tax Cuts and Jobs Act
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**Purpose**

The purpose of this filing is to make a housekeeping revision to correct the ending date of Gas Reserves excess deferred income taxes (EDIT).

**Background**

Schedule 196 allows NW Natural to amortize deferred amounts to customers reflecting the net benefit of the EDIT associated with Non-Plant Gas Reserves, and Plant, that result from the 2017 federal Tax Cuts and Jobs Act. This is applicable to customers on rate Schedules 2, 3, 27, 31, 32, and 33.

**Proposed Housekeeping Change**

NW Natural is correcting the ending date of the amortization period from March 31, 2023 to October 31, 2023. The Company is amortizing the portion of EDIT associated with Non-Plant Gas Reserves over a three-year period, from November 1, 2020, to October 31, 2023.

NW Natural has confirmed that our Tax Department has been amortizing the EDIT balance based on the ending date of October 31, 2023. Customer bills will not be affected by this housekeeping change.

**Conclusion**

NW Natural respectfully requests that the Commission approve this housekeeping tariff change to become effective January 26, 2022.

In accordance with ORS 757.205, 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:

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NW Natural Rates & Regulatory Affairs  
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Respectfully submitted,

*/s/ Rebecca T. Brown*

Rebecca T. Brown  
Regulatory Consultant

# NORTHWEST NATURAL GAS COMPANY

P.U.C. Or. 25

Second Revision of Sheet 196-1  
Cancels First Revision of Sheet 196-1

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## SCHEDULE 196 ADJUSTMENT FOR CERTAIN EXCESS DEFERRED INCOME TAXES RELATED TO THE 2017 FEDERAL TAX CUTS AND JOBS ACT

### PURPOSE:

To amortize deferred amounts to Customers on the Rate Schedules listed below pursuant to the Third Stipulation adopted by Commission Order No. 19-105 in docket UG 344 entered on March 25, 2019, and Order No. 20-364 in docket UG 388 entered on October 16, 2020.

### DESCRIPTION:

The rate adjustments reflected in this Schedule will amortize deferred amounts to Customers reflecting the net benefit of the excess deferred income taxes (EDIT) associated with: 1) Non-Plant Gas Reserves; and 2) Plant, that result from the 2017 federal Tax Cuts and Jobs Act (TCJA).

#### 1) Non-Plant Gas Reserves

The adjustment to Customer rates for the amortization of the portion of EDIT associated with Non-Plant Gas Reserves will occur over three years. The total amount to be amortized is a credit of \$7.92 million, or \$2.6 million per year, prior to full revenue gross up.

This rate adjustment shall be effective for a 3-year period commencing November 1, 2020, with the last adjustments to become effective November 1, 2022 ending October 31, 2023, or such other date the Commission may approve. (T)

#### Applicable:

To all Customers taking service under the following Rate Schedules of this Tariff of which this Schedule 196 is a part:

Rate Schedule 2	Rate Schedule 31
Rate Schedule 3	Rate Schedule 32
Rate Schedule 27	Rate Schedule 33

#### 2) Plant

The adjustment to Customer rates for the amortization of the portion of EDIT associated with Plant will occur until such time as the balance is fully amortized or the amortization schedule is otherwise changed in the Company's next general rate case with Commission approval. The total amount to be amortized is a credit of \$125.1 million, which will be amortized at \$3.0 million per year, prior to full revenue gross up.

This rate adjustment shall be effective commencing November 1, 2020.

#### Applicable:

To all Customers taking service under the following Rate Schedules of this Tariff of which this Schedule 196 is a part:

Rate Schedule 2	Rate Schedule 31
Rate Schedule 3	Rate Schedule 32
Rate Schedule 27	Rate Schedule 33

(continue to Sheet 196-2)

Issued December 13, 2021  
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Effective with service on  
and after January 26, 2022