

February 14, 2023

NWN OPUC Advice No. 23-02

VIA ELECTRONIC FILING

Public Utility Commission of Oregon
Attention: Filing Center
201 High Street SE, Suite 100
Post Office Box 1088
Salem, OR 97308-1088

Re: REQUEST FOR AMORTIZATION ASSOCIATED WITH RESIDENTIAL RATE MITIGATION

Northwest Natural Gas Company, dba NW Natural (“NW Natural” or “Company”), files herewith revisions and additions to its Tariff, P.U.C. Or. 25,¹ stated to become effective with service on and after March 15, 2023, as follows:

First Revision of Sheet 166-1	Schedule 166	Residential Rate Mitigation
Fourteenth Revision of Sheet 2-1	Schedule 2	Residential Sales Service

An Application for Less than Statutory Notice is included with this filing.

Purpose

The purpose of this filing is to update the mitigation mechanism filed on November 1, 2022.

Background:

On November 1, 2022, the Company embedded a temporary bill credit in residential customer rates from November 1, 2022 through March 14, 2023 to mitigate the combined bill impact from the rate changes associated with the purchased gas adjustment (“PGA”) and base rate increases from UG 435.

The Company generated a regulatory asset with the credit included in rates effective November 1, 2022 through March 14, 2023 and the purpose of this advice filing is to amortize this deferral effective March 15, 2023 through October 31, 2023. As a result of this mitigation mechanism, the Company helped reduce winter bills for residential customers and now seeks to recover these amounts over the Spring, Summer and Fall months. Interest will accrue in the deferral and amortization accounts at the Company’s actual cost of short-term debt.

¹ Tariff P.U.C. Or. 25 originated November 1, 2012 with docket UG 221; Order No. 12-408 as supplemented by Order No. 12-437 and was filed in accordance with ORS 767.205 and OAR 860-022-0005.

Cost Recovery

The Company proposes to amortize the rate mitigation deferral generated from the winter rate credit during November 1, 2022 through March 14, 2023. Interest was accrued in the deferral and amortization accounts at the Company's actual cost of short-term debt.

Proposed Changes

The effect of this new tariff adjustment schedule is to increase the Company's annual revenues by \$29,834,050, or about 4.22%.

The monthly bill of the average residential customers served under Rate Schedule 2 using 31 therms will see an increase of \$6.73.

In compliance with OAR 860-022-0025 the Company states that the number of customers affected by the proposed change in this filing is 637,698 residential customers.

Conclusion

In support of this filing, the Company includes supporting materials as part of this filing and will separately submit work papers in electronic format, all of which are incorporated herein by reference.

In accordance with ORS 757.205, copies of this letter and the filing made herewith are available in the Company's main office in Oregon and on its website at www.nwnatural.com.

Please address correspondence on this matter to Lora Bourdo at lora.bourdo@nwnatural.com with copies to the following:

eFiling
Rates & Regulatory Affairs
NW Natural
250 SW Taylor St.
Portland, OR 97204
Fax: (503) 220-2579
Telephone: (503) 610-7330
eFiling@nwnatural.com

Sincerely,

NW NATURAL

/s/ Kyle Walker, CPA

Kyle Walker, CPA
Rates/Regulatory Manager

Enclosures

LESS THAN STATUTORY NOTICE APPLICATION

This document may be electronically filed by sending it as an attachment to an electronic mail message addressed to the Commission's Filing Center at puc.filingcenter@puc.oregon.gov.

BEFORE THE PUBLIC UTILITY COMMISSION OF OREGON

IN THE MATTER OF THE APPLICATION OF) UTILITY L.S.N. APPLICATION
Northwest Natural Gas Company dba NW Natural) NO. _____
(UTILITY COMPANY)) (LEAVE BLANK)
TO WAIVE STATUTORY NOTICE.)

NOTE: ATTACH EXHIBIT IF SPACE IS INSUFFICIENT.

1. GENERAL DESCRIPTION OF THE PROPOSED SCHEDULE(S) ADDITION, DELETION, OR CHANGE. (SCHEDULE INCLUDES ALL RATES, TOLLS AND CHARGES FOR SERVICE AND ALL RULES AND REGULATIONS AFFECTING THE SAME)

First Revision of Sheet 166-1 - Residential Rate Mitigation
Fourteenth Revision of Sheet 2-1 - Residential Sales Service

2. APPLICANT DESIRES TO CHANGE THE SCHEDULE(S) NOW ON FILE KNOWN AND DESIGNATED AS: (INSERT SCHEDULE REFERENCE BY NUMBER, PAGE, AND ITEM)

Original Sheet 166-1 - Residential Rate Mitigation
Thirteenth Revision of Sheet 2-1 - Residential Sales Service


3. THE PROPOSED SCHEDULE(S) SHALL BE AS FOLLOWS: (INSERT SCHEDULE REFERENCE BY NUMBER, PAGE AND ITEM)

First Revision of Sheet 166-1 - Residential Rate Mitigation
Fourteenth Revision of Sheet 2-1 - Residential Sales Service

4. REASONS FOR REQUESTING A WAIVER OF STATUTORY NOTICE:

In Order No. 22-425 (docket UG 459) the Commission approved the Company's rate mitigation proposal that provided a bill credit from November 1, 2022 - March 14, 2023 that would generate a deferral of uncollected revenue that will be amortized from March 15, 2023 through October 31, 2023. The proposed tariff sheets in this filing implement the amortization of the deferral from the temporary bill credits from March 15, 2023 through October 31, 2023.

5. REQUESTED EFFECTIVE DATE OF THE NEW SCHEDULE(S) OR CHANGE(S): March 15, 2023

AUTHORIZED SIGNATURE 	TITLE Manager, Regulatory Affairs	DATE February 14, 2023
PUC USE ONLY		
<input type="checkbox"/> APPROVED <input type="checkbox"/> DENIED	EFFECTIVE DATE OF APPROVED SCHEDULE(S) OR CHANGE	
AUTHORIZED SIGNATURE	DATE	

NORTHWEST NATURAL GAS COMPANY

P.U.C. Or. 25

First Revision of Sheet 166-1
Cancels Original Sheet 166-1

SCHEDULE 166 RESIDENTIAL RATE MITIGATION

PURPOSE:

To temporarily mitigate residential customer rates due to high natural gas prices and the Company's approved general rate case, UG 435.

APPLICABLE:

To the following Rate Schedules of this Tariff:

Residential:
Rate Schedule 2

ADJUSTMENT TO RATE SCHEDULES:

The Temporary Adjustments for Residential Customers taking service on the above-listed Rate Schedules includes the following adjustment that sunsets on the date listed and is therefore not applicable for service after the Rate Sunset Date:

Rate	Rate Effective Date	Rate Sunset Date
(\$0.11688)	November 1, 2022	March 14, 2023
\$0.10137	March 15, 2023	October 31, 2023

(I)

GENERAL TERMS:

Service under this Rate Schedule is governed by the terms of this Rate Schedule, the General Rules and Regulations contained in this Tariff, any other schedules that by their terms or by the terms of the Schedule apply to service under this Schedule, and by all rules and regulations prescribed by regulatory authorities, as amended from time to time.

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NORTHWEST NATURAL GAS COMPANY

P.U.C. Or. 25

Fourteenth Revision of Sheet 2-1
Cancels Thirteenth Revision of Sheet 2-1

RATE SCHEDULE 2 RESIDENTIAL SALES SERVICE

AVAILABLE:

To Residential Class Customers in all territory served by the Company under the Tariff of which this Rate Schedule is a part. Temporary Disconnection of Service is allowed subject to Special Provision 1 of this Rate Schedule. The installation of Distribution Facilities, when required before service can be provided to equipment served under this Rate Schedule, is subject to the provisions of **Schedule X**.

SERVICE DESCRIPTION:

Service under this Rate Schedule is Firm Sales Service to gas equipment used for Domestic purposes by qualifying Residential Class Customers.

Service to a Vehicle Fueling Appliance is subject to the conditions set forth in Special Provisions 3 through 6 of this Rate Schedule.

MONTHLY RATE: Effective: March 15, 2023

(C)

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**. The rates for service to a Vehicle Fueling Appliance shall be further adjusted as set forth in Special Provision 6 of this Rate Schedule.

Minimum Monthly Bill: Customer Charge plus charges under **Schedule C** or **Schedule 15** (if applicable)

	Base Rate	Base Adjustment	Pipeline Capacity	Commodity	Temporary Adjustment	Total Billing
Customer Charge:	\$8.00	---	---	---	---	\$8.00
Volumetric Charge (per therm):	\$0.68192	\$0.00196	\$0.08571	\$0.50676	\$0.16051	\$1.43686

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(continue to Sheet 2-2)

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EXHIBIT A

BEFORE THE PUBLIC UTILITY COMMISSION
OF OREGON

NW NATURAL SUPPORTING MATERIALS

REQUEST FOR AMORTIZATION ASSOCIATED WITH
RESIDENTIAL RATE MITIGATION

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NW NATURAL

EXHIBIT A

Supporting Materials

REQUEST FOR AMORTIZATION ASSOCIATED WITH RESIDENTIAL RATE MITIGATION

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Description	Page
Calculation of Increments Allocated on Equal Cent per Therm Basis	1
Calculation of Effect on Customer Average Bill by Rate Schedule	2
PGA Effects on Revenue	3

NW Natural
Rates & Regulatory Affairs
Rate Mitigation for 2022-23 PGA Year
Calculation of Increments Allocated on the EQUAL CENT PER THERM BASIS
ALL VOLUMES IN THERMS

1				Residential Rate Mitigation		
2		Mar 15-Oct 31	Proposed Amount:	\$14,496,664 Temporary Increment		
3		Active Customer	Revenue Sensitive Multiplier:	2.818% add revenue sensitive factor		
4		Volumes	Amount to Amortize:	\$14,917,025 To All sales		
5				Multiplier	Volumes	Increment
6	Schedule	Block	A	B	C	D
7	2R		147,150,446	1.0	147,150,446	\$0.10137
8						
9	TOTALS		147,150,446		147,150,446	\$0.10137

NW Natural
 Rates & Regulatory Affairs
 PGA Effects on Average Bill by Rate Schedule
 Calculation of Effect on Customer Average Bill by Rate Schedule
 Workpaper for OR Rate Mitigation

					RATE MITIGATION				
1	Normal	Current	Current	Current	3/15/2022	3/15/2022	3/15/2022		
2	Terms	Minimum	11/1/2022	11/1/2022	3/15/2022	3/15/2022	3/15/2022		
3	Monthly	Monthly	Billing	Current	Proposed	Proposed	Proposed		
4	Average use	Charge	Rates	Average Bill	Rates	Average Bill	% Bill Change		
5					I=F*(D * K)	Z	AA	AB	
6	Schedule	Block	D	F	H	I	Z	AA	AB
7									
8									
9	2 R		30.8	\$8.00	\$1.21861	\$45.53	\$1.43686	\$52.26	14.8%

