

July 31, 2023

NWN OPUC Advice No. 23-05 / UG 472
(UM 1101)**VIA ELECTRONIC FILING**

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

**Re: REQUEST FOR AMORTIZATION OF CERTAIN NON-GAS COST DEFERRED
ACCOUNTS RELATING TO: UM 1101 - Intervenor Funding**

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

Eleventh Revision of Sheet 172-1	Schedule 172	Special Adjustment to Rates for Intervenor Funding
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Purpose

The purpose of this filing is to request amortization of amounts deferred for intervenor funding grants under docket UM 1101. The Company revises rates for this purpose annually; the last filing was effective November 1, 2022.

Background

This filing is in compliance with ORS 757.259, which authorizes deferred utility expenses or revenues to be allowed (amortized) in rates to the extent authorized by the Public Utility Commission of Oregon in a proceeding to change rates, and ORS 757.072, which deals directly with the deferral of intervenor funding. All of the deferrals included in this filing occurred with appropriate application by Commission authorization, as rate orders or under approved tariffs.

Proposed Changes

The net effect of the removal of the current temporary adjustments applied to rates effective November 1, 2022, and the application of the new temporary adjustments is to increase the Company's annual revenues by \$311,634.

This tariff is designed to recover the costs of all intervenor funding agreements entered into pursuant to ORS 757.072, including those that provide funding to organizations that represent the broad interest of customers, those that represent the interests of low-income customers, and those that represent the interests of residential customers that are environmental justice communities.

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 757.205 and OAR 860-022-0005.

The monthly bill impact to the residential customer served on Rate Schedule 2 using 56 therms is an increase of \$0.03. The monthly increase for the average industrial Rate Schedule 3 customer using about 1,304 therms is \$0.33, the average industrial Rate Schedule 31 firm sales customer using 5,776 therms will see a monthly increase of about \$1.44, and the average industrial Rate Schedule 32 firm sales customer using about 18,823 therms will see a monthly increase of about \$4.71.

The proposed adjustments for the amortization of the Intervenor Funding Account are \$0.00079 per therm for the residential Rate Schedule 2 customers and \$0.00044 for Rate Schedule 3, Rate Schedule 31 and Rate Schedule 32 industrial customers.

In compliance with OAR 860-022-0025 the Company states that the number of customers affected by the proposed change in this filing is 636,785 residential customers and 845 industrial 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:

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

Sincerely,

NW NATURAL

/s/ Kyle Walker, CPA

Kyle Walker, CPA
Rates/Regulatory Senior Manager

Attachments: Exhibit A – Supporting Materials

NORTHWEST NATURAL GAS COMPANY

P.U.C. Or. 25

Eleventh Revision of Sheet 172-1
Cancels Tenth Revision of Sheet 172-1

SCHEDULE 172 SPECIAL ADJUSTMENT TO RATES FOR INTERVENOR FUNDING

PURPOSE:

To identify adjustments to rates in the Rate Schedules listed below for the amortization of deferred balances related to Intervenor Funding. The rate adjustments under this Schedule are made pursuant to the Intervenor Funding Agreements in dockets UM 2264 and UM 2276 and their related predecessor dockets.

(T)
(T)

APPLICABLE:

To the following Rate Schedules of this Tariff:

Residential:

Rate Schedule 2

Industrial:

Rate Schedule 3 ISF
Rate Schedule 31 (all Industrial Classes)
Rate Schedule 32 (all Industrial Classes)

APPLICATION TO RATE SCHEDULES:

Effective: November 1, 2023

(C)

The Total Adjustment amount shown below is included in the Temporary Adjustments reflected in the above-listed Rate Schedules. NO ADDITIONAL ADJUSTMENT TO RATES IS REQUIRED.

Residential Customer Adjustment: \$0.00079

(I)

Industrial Customer Adjustment: \$0.00044

(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.

Issued July 31, 2023
NWN OPUC Advice No. 23-05

Effective with service on
and after November 1, 2023

EXHIBIT A

BEFORE THE PUBLIC UTILITY COMMISSION
OF OREGON

NW NATURAL SUPPORTING MATERIALS

Non-Gas Cost Deferral Amortizations

Intervenor Funding

UM 1101

NWN OPUC Advice No. 23-05 / UG 472

July 31, 2023

NW NATURAL

EXHIBIT A

Supporting Materials

Non-Gas Cost Deferral Amortizations

Intervenor Funding

NWN OPUC ADVICE NO. 23-05 / UG 472

Description	Page
Calculation of Increments Allocated on Equal Cent per Therm Basis	1
Effects on Average Bill by Rate Schedule	2
Basis for Revenue Related Costs	3
PGA Effects on Revenue	4
Summary of Deferred Accounts Included in the PGA	5
151866 Deferral of CUB Intervenor Funding	6
151878 Deferral of Intervenor Funding Issue Fund	7
151880 Amortization of CUB Intervenor Funding	8
151870 Deferral of AWEC Intervenor Funding	9
151882 Amortization of AWEC Intervenor Funding	10

NW Natural
 Rates & Regulatory Affairs
 2023-24 PGA - Oregon: August Filing
 Calculation of Increments Allocated on the EQUAL CENT PER THERM BASIS

ALL VOLUMES IN THERMS

			Intervenor Funding CUB and Energy Justice			Intervenor Funding - AWEC (NWIGU)		
1								
2	Oregon PGA	Proposed Amount:	324,761	Temporary Increment	148,144	Temporary Increment		
3	Volumes page,	Revenue Sensitive Multiplier:	2.819%	add revenue sensitive factor	2.819%	add revenue sensitive factor		
4	Column F	Amount to Amortize:	334,181	to residential	152,441	to industrial		
5								
6	Schedule	Block	A	Multiplier	Volumes	Increment	Multiplier	Volumes
7				T	U	V	W	X
8	2R		425,261,320	1.0	425,261,320	\$0.00079	0.0	0
9	3C Firm Sales		180,723,276	0.0	0	\$0.00000	0.0	0
10	3I Firm Sales		5,242,606	0.0	0	\$0.00000	1.0	5,242,606
11	27 Dry Out		790,225	0.0	0	\$0.00000	0.0	0
12	31C Firm Sales	Block 1	10,541,198	0.0	0	\$0.00000	0.0	0
13		Block 2	11,528,162	0.0	0	\$0.00000	0.0	0
14	31C Firm Trans	Block 1	1,150,855	0.0	0	\$0.00000	0.0	0
15		Block 2	1,621,395	0.0	0	\$0.00000	0.0	0
16	31I Firm Sales	Block 1	3,851,855	0.0	0	\$0.00000	1.0	3,851,855
17		Block 2	8,832,261	0.0	0	\$0.00000	1.0	8,832,261
18	31I Firm Trans	Block 1	153,988	0.0	0	\$0.00000	1.0	153,988
19		Block 2	363,573	0.0	0	\$0.00000	1.0	363,573
20	32C Firm Sales	Block 1	31,802,850	0.0	0	\$0.00000	0.0	0
21		Block 2	10,782,597	0.0	0	\$0.00000	0.0	0
22		Block 3	2,237,041	0.0	0	\$0.00000	0.0	0
23		Block 4	1,038,828	0.0	0	\$0.00000	0.0	0
24		Block 5	30,626	0.0	0	\$0.00000	0.0	0
25		Block 6	0	0.0	0	\$0.00000	0.0	0
26	32I Firm Sales	Block 1	7,308,477	0.0	0	\$0.00000	1.0	7,308,477
27		Block 2	7,116,901	0.0	0	\$0.00000	1.0	7,116,901
28		Block 3	2,428,784	0.0	0	\$0.00000	1.0	2,428,784
29		Block 4	1,682,852	0.0	0	\$0.00000	1.0	1,682,852
30		Block 5	210,463	0.0	0	\$0.00000	1.0	210,463
31		Block 6	0	0.0	0	\$0.00000	1.0	0
32	32C Firm Trans	Block 1	2,586,658	0.0	0	\$0.00000	0.0	0
33		Block 2	2,000,143	0.0	0	\$0.00000	0.0	0
34		Block 3	713,689	0.0	0	\$0.00000	0.0	0
35		Block 4	908,192	0.0	0	\$0.00000	0.0	0
36		Block 5	22,758	0.0	0	\$0.00000	0.0	0
37		Block 6	0	0.0	0	\$0.00000	0.0	0
38	32I Firm Trans	Block 1	11,491,095	0.0	0	\$0.00000	1.0	11,491,095
39		Block 2	16,722,073	0.0	0	\$0.00000	1.0	16,722,073
40		Block 3	10,683,887	0.0	0	\$0.00000	1.0	10,683,887
41		Block 4	22,101,234	0.0	0	\$0.00000	1.0	22,101,234
42		Block 5	23,116,595	0.0	0	\$0.00000	1.0	23,116,595
43		Block 6	7,997,925	0.0	0	\$0.00000	1.0	7,997,925
44	32C Interr Sales	Block 1	4,812,286	0.0	0	\$0.00000	0.0	0
45		Block 2	6,912,175	0.0	0	\$0.00000	0.0	0
46		Block 3	3,915,818	0.0	0	\$0.00000	0.0	0
47		Block 4	6,195,667	0.0	0	\$0.00000	0.0	0
48		Block 5	3,369,903	0.0	0	\$0.00000	0.0	0
49		Block 6	0	0.0	0	\$0.00000	0.0	0
50	32I Interr Sales	Block 1	4,976,544	0.0	0	\$0.00000	1.0	4,976,544
51		Block 2	6,358,575	0.0	0	\$0.00000	1.0	6,358,575
52		Block 3	3,824,879	0.0	0	\$0.00000	1.0	3,824,879
53		Block 4	11,455,866	0.0	0	\$0.00000	1.0	11,455,866
54		Block 5	6,274,793	0.0	0	\$0.00000	1.0	6,274,793
55		Block 6	1,589,833	0.0	0	\$0.00000	1.0	1,589,833
56	32C Interr Trans	Block 1	787,487	0.0	0	\$0.00000	0.0	0
57		Block 2	1,577,765	0.0	0	\$0.00000	0.0	0
58		Block 3	946,128	0.0	0	\$0.00000	0.0	0
59		Block 4	3,171,260	0.0	0	\$0.00000	0.0	0
60		Block 5	663,407	0.0	0	\$0.00000	0.0	0
61		Block 6	0	0.0	0	\$0.00000	0.0	0
62	32I Interr Trans	Block 1	6,332,023	0.0	0	\$0.00000	1.0	6,332,023
63		Block 2	10,799,708	0.0	0	\$0.00000	1.0	10,799,708
64		Block 3	7,423,918	0.0	0	\$0.00000	1.0	7,423,918
65		Block 4	17,235,563	0.0	0	\$0.00000	1.0	17,235,563
66		Block 5	38,975,154	0.0	0	\$0.00000	1.0	38,975,154
67		Block 6	98,124,177	0.0	0	\$0.00000	1.0	98,124,177
68	Special Contracts		51,198,641	0.0	0	\$0.00000	0.0	0
69	TOTALS		1,109,965,950		425,261,320	\$ 0.00079		342,675,600
70	Sources for line 2 above:							
71	Inputs page			Line 47			Line 45	
72	Tariff Schedules							
73	Rate Adjustment Schedule			Sched 172			Sched 172	

NW Natural
Rates and Regulatory Affairs
2023-2024 PGA Filing - OREGON
Basis for Revenue Related Costs

	Twelve Months <u>Ended 06/30/23</u>	
1		
2		
3	\$ 977,383,649	
4	\$ 981,971,599	
5		
6	n/a	0.430% Statutory rate
7	\$ 22,573,887	2.299% Line 7 ÷ Line 4
8	<u>\$ 881,388</u>	<u>0.090% Line 8 ÷ Line 4</u>
9		
10		<u>2.819%</u> Sum lines 8-9
11		
12		

13 **Note:**

- 14 [1] Dollar figure is set at statutory level of 0.275% times Total Oregon Revenues (line 4).
 15 Because the fee changed since our last general rate case, the difference between the previous fee of 0.375%
 16 and the new fee of 0.430%, as it affects our base rates, is being captured as a temporary deferral.
 17 [2] Represents the normalized net write-offs based on a three-year average.

NW Natural
Rates & Regulatory Affairs
2023-2024 PGA Filing - Oregon: August Filing
PGA Effects on Revenue
UG 472: Intervenor Funding

	Including Revenue Sensitive Amount
1	
2	
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<u>Temporary Increments</u>	
<u>Removal of Current Temporary Increments</u>	
Amortization of Intervenor Funding - CUB	(110,361)
Amortization of Intervenor Funding - AWEC (NWIGU)	(64,627)
	<hr/>
	(174,988)
<u>Addition of Proposed Temporary Increments</u>	
Amortization of Intervenor Funding - CUB and Energy Justice	334,181
Amortization of Intervenor Funding - AWEC (NWIGU)	152,441
	<hr/>
	486,622
TOTAL OF ALL COMPONENTS OF RATE CHANGES	<u><u>\$311,634</u></u>
2022 Oregon Earnings Test Normalized Total Revenues	\$849,278,042
Effect of this filing, as a percentage change (line 13 ÷ line 17)	0.04%

Company: Northwest Natural Gas Company
 State: Oregon
 Description: Deferral of CUB Intervenor Funding
 Account Number: 151866
 Docket: Docket UM 1101
 Last deferral reauthorization was approved in Order No. 22-398

1	Debit	(Credit)					
2							
3							
4	Month/Year	Note	Deferral	Transfers	Interest (1)	Activity	Balance
5	(a)	(b)	(c)	(d)	(e)	(f)	(g)
6							
7	Beginning Balance						
199	Jul-22		-			-	101,125.00
200	Aug-22		-			-	101,125.00
201	Sep-22		-			-	101,125.00
202	Oct-22		-			-	101,125.00
203	Nov-22	2	-	(101,125.00)		(101,125.00)	-
204	Dec-22		-			-	-
205	Jan-23		-			-	-
206	Feb-23		-			-	-
207	Mar-23	3	116,294.00			116,294.00	116,294.00
208	Apr-23		-			-	116,294.00
209	May-23		-			-	116,294.00
210	Jun-23		-			-	116,294.00
211	Jul-23		-			-	116,294.00
212	Aug-23		-			-	116,294.00
213	Sep-23		-			-	116,294.00
214	Oct-23		-			-	116,294.00

215
 216 **History truncated for ease of viewing**

217
 218 **NOTES**

- 219 **1** - No interest is applied to this activity.
 220 **2** - June balance transferred to account 151880 for amortization.
 221 **3** - Payments made in:
 222 Mar 2023 - see order 22-506

Company: Northwest Natural Gas Company
 State: Oregon
 Description: Deferral of Intervenor Funding - ISSUE FUND
 Account Number: 151878
 Docket: Docket UM 1101
 Last deferral reauthorization was approved in Order No. 22-398

1 Debit (Credit)

2
3
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7

Month/Year	Note	Deferral-CUB	Deferral-AWEC	Transfers-CUB	Transfers-AWEC	Interest (1)	Activity	Balance-CUB	Balance-AWEC	Balance Grand Total
(a)	(b)	(c1)	(c2)	(d1)	(d2)	(e)	(f)	(g1)	(g2)	(gtotal)
Beginning Balance				to 186286 amort account	to 186288 amort account					
Jul-22							-	5,000.00	-	5,000.00
Aug-22							-	5,000.00	-	5,000.00
Sep-22							-	5,000.00	-	5,000.00
Oct-22							-	5,000.00	-	5,000.00
Nov-22	2,4		96,000.00	(5,000.00)			91,000.00	-	96,000.00	96,000.00
Dec-22	2	17,142.00					17,142.00	17,142.00	96,000.00	113,142.00
Jan-23							-	17,142.00	96,000.00	113,142.00
Feb-23							-	17,142.00	96,000.00	113,142.00
Mar-23	2	113,500					113,500.00	130,642.00	96,000.00	226,642.00
Apr-23							-	130,642.00	96,000.00	226,642.00
May-23	2	52,168.00					52,168.00	182,810.00	96,000.00	278,810.00
Jun-23	2	20,200.00					20,200.00	203,010.00	96,000.00	299,010.00
Jul-23							-	203,010.00	96,000.00	299,010.00
Aug-23							-	203,010.00	96,000.00	299,010.00
Sep-23							-	203,010.00	96,000.00	299,010.00
Oct-23							-	203,010.00	96,000.00	299,010.00

217 **History truncated for ease of viewing**

219 **NOTES**

- 220 **1** - No interest is applied to this activity.
- 221 **2** - Payments made in:
 - 222 November 2022 - see order 22-357
 - 223 December 2022 - see order 22-449
 - 224 March 2023 - see Order 23-096
 - 225 May 2023 - See Order 23-180
 - 226 June 2023 - see Order 23-183
- 227 **3** - Transferred \$68,010.00 of CUB June balance to 151880 amortization account and \$68,113.96 of AWEC June balance to 151882 amortization account.
- 228 **4** - Transferred \$5,000 of CUB June balance to amortization account

Company: Northwest Natural Gas Company
 State: Oregon
 Description: Amortization of CUB Intervenor Funding
 Account Number: 151880
 Docket: Dockets UM 1101 and UG 446
 Amortization of 2021-22 deferral approved in Order 22-410

1	Debit	(Credit)						
2								
3						Interest		
4	Month/Year	Note	Amortization	Transfers	Interest	rate	Activity	Balance
5	(a)	(b)	(c)	(d)	(e1)	(e2)	(f)	(g)
6								
7	Beginning Balance							
219	Nov-22	Old rates	(6,223.77)		4.96	1.24%	(6,218.81)	1,692.58
220	Nov-22	New rates (1)	(5,892.38)	106,125.00	156.49	1.82%	100,389.11	102,081.69
221	Dec-22		(18,849.50)		140.53	1.82%	(18,708.97)	83,372.72
222	Jan-23		(18,008.36)		112.79	1.82%	(17,895.57)	65,477.15
223	Feb-23		(16,861.48)		86.52	1.82%	(16,774.96)	48,702.19
224	Mar-23		(16,262.34)		61.53	1.82%	(16,200.81)	32,501.38
225	Apr-23		(12,418.47)		39.88	1.82%	(12,378.59)	20,122.79
226	May-23		(6,143.99)		25.86	1.82%	(6,118.13)	14,004.66
227	Jun-23		(3,098.93)		18.89	1.82%	(3,080.04)	10,924.62
228	Jul-23	<i>forecasted</i>	<i>(2,402.93)</i>		14.75	1.82%	(2,388.18)	8,536.44
229	Aug-23	<i>forecasted</i>	<i>(2,394.15)</i>		11.13	1.82%	(2,383.02)	6,153.42
230	Sep-23	<i>forecasted</i>	<i>(2,636.67)</i>		7.33	1.82%	(2,629.34)	3,524.08
231	Oct-23	<i>forecasted</i>	<i>(6,913.72)</i>		0.10	1.82%	(6,913.62)	(3,389.54)

232
 233
 234

235 **History truncated for ease of viewing**

236

237 **NOTES**

238 **1** - Transferred in authorized balances from CUB Deferral account 151866 and Issue Fund Deferral account 151878.

Company: Northwest Natural Gas Company
 State: Oregon
 Description: Deferral of AWEC Intervenor Funding
 Account Number: 151870
 Docket: Docket UM 1101
 Last deferral reauthorization was approved in Order No. 22-398

1	Debit	(Credit)					
2							
3							
4	Month/Year	Note	Deferral	Transfers	Interest (1)	Activity	Balance
5	(a)	(b)	(c)	(d)	(e)	(f)	(g)
6							
7	Beginning Balance						
199	Jul-22		-			-	63,567.08
200	Aug-22		-			-	63,567.08
201	Sep-22		-			-	63,567.08
202	Oct-22		-			-	63,567.08
203	Nov-22	3		(63,567.08)		(63,567.08)	0.00
204	Dec-22	2	31,030.55			31,030.55	31,030.55
205	Jan-23		-			-	31,030.55
206	Feb-23					-	31,030.55
207	Mar-23					-	31,030.55
208	Apr-23	2	16,142.10			16,142.10	47,172.65
209	May-23					-	47,172.65
210	Jun-23					-	47,172.65
211	Jul-23					-	47,172.65
212	Aug-23					-	47,172.65
213	Sep-23					-	47,172.65
214	Oct-23					-	47,172.65

215
 216 **History truncated for ease of viewing**

217
 218 **NOTES**

- 219 **1** - No interest is applied to this activity.
- 220 **2** - Payments made in:
 - 221 Dec 2022 - see order 22-417
 - 222 Apr 2023 - see order 22-123
- 223 **3** - June balance transferred to account 151882 for amortization.

Company: Northwest Natural Gas Company
 State: Oregon
 Description: Amortization of AWEC Intervenor Funding
 Account Number: 151882
 Docket: Dockets UM 1101 and UG 446
 Amortization of 2021-22 deferral approved in Order 22-410

1	Debit	(Credit)						
2								
3						Interest		
4	Month/Year	Note	Amortization	Transfers	Interest	rate	Activity	Balance
5	(a)	(b)	(c)	(d)	(e1)	(e2)	(f)	(g)
6								
7	Beginning Balance							
203	Nov-22	Old rates	(376.63)		(0.08)	1.24%	(376.71)	(262.68)
204	Nov-22	New rates (1)	(5,087.42)	63,567.08	92.55	1.82%	58,572.21	58,309.53
205	Dec-22		(5,691.62)		84.12	1.82%	(5,607.50)	52,702.03
206	Jan-23		(5,687.16)		75.62	1.82%	(5,611.54)	47,090.49
207	Feb-23		(5,303.69)		67.40	1.82%	(5,236.29)	41,854.20
208	Mar-23		(5,781.30)		59.09	1.82%	(5,722.21)	36,131.99
209	Apr-23		(5,072.82)		50.95	1.82%	(5,021.87)	31,110.12
210	May-23		(5,021.81)		43.38	1.82%	(4,978.43)	26,131.69
211	Jun-23		(4,659.43)		36.10	1.82%	(4,623.33)	21,508.36
212	Jul-23	<i>forecasted</i>	<i>(4,878.03)</i>		28.92	1.82%	(4,849.11)	16,659.25
213	Aug-23	<i>forecasted</i>	<i>(4,891.59)</i>		21.56	1.82%	(4,870.03)	11,789.22
214	Sep-23	<i>forecasted</i>	<i>(4,923.64)</i>		14.15	1.82%	(4,909.49)	6,879.73
215	Oct-23	<i>forecasted</i>	<i>(5,950.64)</i>		5.92	1.82%	(5,944.72)	935.01

216
 217
 218 **History truncated for ease of viewing**

219
 220 **NOTES**

221 **1** - Transferred in authorized balances from AWEC Deferral account 151870 and Issue Fund Deferral account 151878.