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September 14, 2023

NWN OPUC Advice No. 23-23

**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 60 – Special Contracts**

Northwest Natural Gas Company, dba NW Natural (NW Natural or Company), files herewith the following revisions to its Tariff P.U.C. Or. 25, stated to become effective November 1, 2023.

First Revision of Sheet 60-2	Schedule 60	Special Contracts
Second Revision of Sheet 60-3	Schedule 60	Special Contracts
First Revision of Sheet 60-4	Schedule 60	Special Contracts
First Revision of Sheet 60-5	Schedule 60	Special Contracts
First Revision of Sheet 60-6	Schedule 60	Special Contracts
First Revision of Sheet 60-7	Schedule 60	Special Contracts
First Revision of Sheet 60-8	Schedule 60	Special Contracts
First Revision of Sheet 60-9	Schedule 60	Special Contracts

**Purpose**

The purpose of this filing is administrative in nature to request minor revisions to its Schedule 60 to streamline the tariff process for both NW Natural and the Commission.

**Background**

In Order No. 22-388 entered in docket UG 435 on October 24, 2022, as amended by Order No. 23-046 entered in the same docket on February 21, 2023, the Commission directed that “costs for the Lexington project shall be allocated to all non-storage customers on an equal cents per therm basis, unless and until a new cost allocation methodology is approved” (Order No. 22-388, p. 79; Order No. 23-046, p. 5). “All non-storage customers” includes transportation and special contract customers. Accordingly, the special contracts associated with the tariff schedules referenced above have been amended as necessary to enable recovery of the Company's costs attributable to compliance with the Oregon Climate Protection Program (CPP). NW Natural hereby proposes to amend the above-listed tariff sheets to reflect those contract amendments.

**Proposed Changes**

NW Natural is proposing to add the sentences to the Rates section of the above-listed tariff sheets: “The rates shown in this Rate Schedule may not always reflect actual billing rates. See Schedule 100 for a list of applicable temporary adjustments.” These sentences are standard language that are included in the Company's main rate schedules (Schedules 2, 3, 31, 32 and 33) and the

Company proposes to include the same for the special contract rates in Schedule 60. This language will enable the inclusion of CPP-related rate adjustment schedules in the billing rates for special contract customers. Currently, these CPP-related rate adjustment schedules applicable to special contract customers include Schedule 171, Transportation Customer Renewable Natural Gas Offtake Costs, Schedule 151, Oregon Climate Protection Program Costs - Community Climate Investments, and Schedule 198, Renewable Natural Gas Adjustment Mechanism. Adding the proposed language to the special contract tariffs in this manner will streamline tariff filing processes by reducing the number of tariff filings for special contract schedules.

**Conclusion**

NW Natural respectfully requests that the Commission approve the proposed revisions of the enclosed tariff sheets to become effective with service on and after November 1, 2023.

In compliance with OAR 860-022-0025, NW Natural states that the tariff changes proposed in this filing will affect the 8 customers on Schedule 60 that have executed special contracts with NW Natural. There is no impact to NW Natural's annual revenue resulting from the proposed tariff changes.

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:

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

Respectfully submitted,

*/s/ Rebecca Trujillo*

Rebecca Trujillo  
Regulatory Consultant

# NORTHWEST NATURAL GAS COMPANY

P.U.C. Or. 25

First Revision of Sheet 60-2  
Cancels Original Sheet 60-2

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## SCHEDULE 60 SPECIAL CONTRACTS (continued)

### INTERNATIONAL PAPER COMPANY (Springfield, Oregon Plant)

*Weyerhaeuser Paper Company transferred assignment of this Special Contract to International Paper Company, the purchaser of Weyerhaeuser's Springfield, Oregon Plant, through an Integrated Services Agreement, executed August 4, 2008.*

*Part 4 of the Integrated Services Agreement terminated July 1, 2009. Parts 2 and 3 terminated November 1, 2010.*

#### **ELIGIBILITY CRITERIA:**

Customer is economically and physically capable of bypassing the Company's system.

#### **High-Volume Firm Transportation Agreement:**

Effective July 1, 1996, and for five (5) years from the date of initial deliveries of gas, and thereafter until terminated on the giving of not less than twelve (12) months' notice. Customer shall operate in accordance with the provisions of **Schedule T**.

#### **RATES:**

Transportation Service Charge:	\$ 1,000.00 per month
Transportation Capacity Charge:	\$36,000.00 per month
Transportation Commodity Charge:	\$0.0005 per therm

The rates shown in this Rate Schedule may not always reflect actual billing rates. See Schedule 100 for a list of applicable temporary adjustments. State taxes and any local franchise fees are added to the total of all charges. At any time after the first five (5) years of this Agreement, the Company, its sole discretion, may annually adjust the Transportation Service Charge and the Transportation Commodity Charge based upon the percentage change experienced in the Consumer Price Index (CPI).

(N)  
(N)

(continue to Sheet 60-3)

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# NORTHWEST NATURAL GAS COMPANY

P.U.C. Or. 25

Second Revision of Sheet 60-3  
Cancels First Revision of Sheet 60-3

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## SCHEDULE 60 SPECIAL CONTRACTS

(continued)

**COLUMBIA PACIFIC BIO-REFINERY (Clatskanie, Oregon)** *(formerly known as Cascade Kelly Holdings, LLC, and Cascade Grain Products, LLC)*  
Special Firm Transportation Service Agreement.

### **ELIGIBILITY CRITERIA:**

Customer (a) has met the criteria established by the Commission in Order No. 87-402; (b) agrees not to receive direct Sales or Transportation Service by direct ("bypass") connection with the Pipeline; (c) can demonstrate an ability to construct, own and operate a bypass pipeline having the ability to take delivery of Natural Gas from the Pipeline to serve the respective Natural Gas requirements of the Customer.

### **BASIC TERM:**

Effective the seventh (7th) calendar day following receipt of approval of the Agreement from the OPUC, for fifteen (15) years, with an optional second primary term extension of ten (10) years; and year-to-year thereafter until terminated on the giving of not less than twelve (12) months' written notice.

### **MONTHLY RATES:**

Capacity Service Charge:	\$20,000.00 per month
Volumetric Charge:	\$0.0025 per therm transported

At each anniversary of the service commencement date under the agreement after the first year of service, the volumetric charge will be increased in the amount of the Consumer Price Index change for All Urban Consumers – U.S. City Average for the preceding November through October period not to exceed three percent (3%). The rates shown in this Rate Schedule may not always reflect actual billing rates. See Schedule 100 for a list of applicable temporary adjustments.

(N)  
(N)

Charges are subject to late payment charges as provided for in NW Natural's General Rules and Regulations, and to charges associated with gas management telemetry, or any additional services requested by Customer and provided by Company, such as telemetering or submetering.

Company will add to the total of all charges, the actual amounts payable by Company, if any, as city exactions or franchise taxes on account of revenues received by Company under this Agreement.

### **SPECIAL PROVISIONS:**

1. Customer will operate in accordance with **Schedule T** and with the General Rules and Regulations contained in this Tariff.
2. Other special conditions are as specified in the Agreement.

(continue to Sheet 60-4)

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# NORTHWEST NATURAL GAS COMPANY

P.U.C. Or. 25

First Revision of Sheet 60-4  
Cancels Original Sheet 60-4

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## SCHEDULE 60 SPECIAL CONTRACTS (continued)

**Georgia-Pacific West, Inc. (Halsey Mill)** (*formerly known as James River Paper Co.*)  
Special Transportation Service Agreement.

**ELIGIBILITY CRITERIA:**

Customer (a) is located such that it is economically physically capable of bypassing the Company's system; (b) has the capability of economically substituting an alternate fuel for current Natural Gas requirements; (c) holds firm capacity rights on the Pipeline, and agrees to provide Company with recall provisions during the winter heating season; and (d) agrees to a specified minimum monthly payment.

**BASIC TERM:** Effective July 1, 1993 for two (2) Years from the date of initial deliveries of gas, and thereafter until terminated on the giving of not less than twelve (12) months' notice.

**RATES:**

Customer Charge:	\$1,873/\$2,000 per month, without/with telemetry
Transportation Capacity Charge:	\$18,200 per month
Transportation Commodity Charge:	\$0.004 per therm

**Minimum Monthly Bill:** The Customer Charge plus the Transportation Capacity Charge, plus applicable taxes and fees.

The rates shown in this Rate Schedule may not always reflect actual billing rates. See Schedule 100 for a list of applicable temporary adjustments. State taxes and any local franchise fees are added to the total of all charges.

(N)  
(N)

**SPECIAL PROVISIONS:**

1. This Agreement may be terminated and superseded at any time upon negotiation of a new agreement governing additional cogeneration load at Customer's plant.
2. Customer agrees to deliver to Company up to 10,000 Therms per day for up to fifteen (15) days per winter heating season (November through March). No single delivery shall exceed five (5) days. Subsequent deliveries in the same heating season shall begin no earlier than the 7th day following the date of the last delivery. Company will only request gas volumes from Customer when needed, in Company's sole judgement, to serve Firm Sales Customers.
3. Company will credit Customer's monthly gas bill in the month following a Company recall of a gas delivery in an amount equal to Customer's cost of replacing the Natural Gas delivered to Company with an alternate fuel, transported F.O.B. Halsey Mill.
4. Customer will operate in accordance with **Schedule T**.
5. Other special conditions specified in the Agreement.

(continue to Sheet 60-5)

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**SCHEDULE 60  
SPECIAL CONTRACTS**

(continued)

**MICROCHIP TECHNOLOGY, INC. (Gresham, Oregon Plant)**

Special Firm Transportation Service Agreement.

**ELIGIBILITY CRITERIA:**

- (1) Customer took assignment of the Fujitsu Special Contract approved by the Oregon Public Utility Commission on January 22, 1997, but has given notice to NW Natural of its desire to terminate that contract;
- (2) Customer is economically and physically capable of bypassing NW Natural's system;
- (3) Customer has demonstrated the ability to construct, own and operate a bypass pipeline having the ability to take delivery of natural gas from Northwest Pipeline to serve the natural gas requirements of the facility;
- (4) Customer agrees not to receive Sales or Transportation Service via a bypass of Company's system during the effective term of this agreement;

**BASIC TERM:**

Effective on the first Gas Day following receipt of approval from the Oregon Public Utility Commission for fifteen (15) years, and thereafter extend year-to-year until terminated on the giving of not less than twelve (12) months' written notice.

**RATES:**

Capacity Service Charge: \$5,000.00 per month

Volumetric Charges:

1 <sup>st</sup> 200,000 therms/month	\$0.005 per therm transported
All additional therms/month	\$0.001 per therm transported

Minimum Monthly Charge: \$5,000.00

Adjustment to Rates:

- (1) The Company will add to the total of all charges, the actual amount of taxes payable by NW Natural, if any, as city exactions or franchise taxes on account of revenues received by NW Natural under this Agreement. The rates shown in this Rate Schedule may not always reflect actual billing rates. See Schedule 100 for a list of applicable temporary adjustments.
- (2) Charges are subject to periodic adjustments for costs incurred by the Company that are directly attributable to the Transportation of gas on account of Customer.

(N)  
(N)

**SPECIAL PROVISIONS:**

- 1. Customer will operate in accordance with **Schedule T**.
- 2. Other special conditions are as specified in the Agreement.

(continue to Sheet 60-6)

# NORTHWEST NATURAL GAS COMPANY

P.U.C. Or. 25

First Revision of Sheet 60-6  
Cancels Original Sheet 60-6

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## SCHEDULE 60 SPECIAL CONTRACTS (continued)

### UNIVERSITY OF OREGON (EUGENE, OREGON)

Special Firm Transportation Service Agreement.

#### **ELIGIBILITY CRITERIA:**

Customer (a) has met the criteria established by the Commission in Order No. 87-402; (b) agrees not to receive direct Sales or Transportation service by direct ("bypass") connection with the Pipeline; (c) is a public agency in the state of Oregon holding tax exempt status; and (d) can demonstrate an ability to jointly construct, own and operate a bypass pipeline with another party or parties, having the ability to take delivery of Natural Gas from the Pipeline to serve the respective Natural Gas requirements of all parties.

#### **BASIC TERM:**

Effective March 18, 1997 for ten (10) years from the date approved by the Commission, and year-to-year thereafter until terminated on the giving of not less than twelve (12) months' written notice.

#### **RATES:**

Capacity Service Charge:	\$5,312.50 per month
Volumetric Charge:	\$0.00475 per therm transported
Minimum Monthly Charge:	\$5,312.50

The rates shown in this Rate Schedule may not always reflect actual billing rates. See Schedule 100 for a list of applicable temporary adjustments.

(N)  
(N)

#### **SPECIAL PROVISIONS:**

1. The Agreement is contingent upon continuous service to the Customer and the Eugene Water & Electric Board (EWEB) under a Special Firm Transportation Service Agreement. In the event of termination by the EWEB, Customer will have the option to assume the obligations of that special agreement.
2. Customer will operate in accordance with **Schedule T**.
3. Other special conditions are as specified in the Agreement.

(continue to Sheet 60-7)

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First Revision of Sheet 60-7  
Cancels Original Sheet 60-7

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## SCHEDULE 60 SPECIAL CONTRACTS (continued)

### OREGON STEEL MILLS, HEAT TREAT FACILITY (Portland, Oregon)

Special Firm Transportation Service Agreement.

#### **ELIGIBILITY CRITERIA:**

Customer (a) has met the criteria established by the Commission in Order 87-402; (b) agrees not to receive direct Sales or Transportation Service by direct ("bypass") connection with the Pipeline; and (c) can demonstrate an ability to jointly construct, own and operate a bypass pipeline with another party or parties, having the ability to take delivery of Natural Gas from the Pipeline to serve the respective Natural Gas requirements of all parties.

#### **BASIC TERM:**

Effective April 1, 1997 for an initial primary term of five (5) years from the date approved by the Commission, with an optional second primary term extension of five (5) years; and year-to-year thereafter until terminated on the giving of not less than twelve (12) months' written notice.

#### **RATES:**

Capacity Service Charge: \$8,750.00 per month  
Volumetric Charge: \$0.00350 per therm transported  
Minimum Monthly Charge: \$8,750.00

The rates shown in this Rate Schedule may not always reflect actual billing rates. See Schedule 100 for a list of applicable temporary adjustments. At any time after the first year of the primary term, the Company, in its sole discretion, may annually adjust the Volumetric Charge based upon the percentage change experienced in the Consumer Price Index for All Urban Consumers – U.S. City Average for the preceding November through October period.

(N)  
(N)

Charges under this schedule are subject periodic adjustments for costs incurred by the Company that are directly attributable to the Transportation of gas on account of Customer.

#### **SPECIAL PROVISIONS:**

1. Customer will operate in accordance with **Schedule T**.
2. Other special conditions are as specified in the Agreement.

(continue to Sheet 60-8)

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# NORTHWEST NATURAL GAS COMPANY

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First Revision of Sheet 60-8  
Cancels Original Sheet 60-8

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## SCHEDULE 60 SPECIAL CONTRACTS (continued)

### **COLUMBIA STEEL CASTING COMPANY, INC. (Portland, Oregon)**

Special Firm Transportation Service Agreement.

#### **ELIGIBILITY CRITERIA:**

Customer (a) has met the criteria established by the Commission in Order No. 87-402; (b) agrees not to receive direct Sales or Transportation Service by direct ("bypass") connection with the Pipeline; and (c) can demonstrate an ability to jointly construct, own and operate a bypass pipeline with another party or parties, having the ability to take delivery of Natural Gas from the Pipeline to serve the respective Natural Gas requirements of all parties.

#### **BASIC TERM:**

Effective April 1, 1997 for an initial primary term of five (5) years from the date approved by the Commission, with an optional second primary term extension of five (5) years; and year-to-year thereafter until terminated on the giving of not less than twelve (12) months' written notice.

#### **RATES:**

Capacity Service Charge:	\$8,750.00 per month
Volumetric Charge:	\$0.00350 per therm transported
Minimum Monthly Charge:	\$8,750.00

The rates shown in this Rate Schedule may not always reflect actual billing rates. See Schedule 100 for a list of applicable temporary adjustments. At any time after the first year of the primary term, the Company, in its sole discretion, may annually adjust the Volumetric Charge based upon the percentage change experienced in the Consumer Price Index for All Urban Consumers – U.S. City Average for the preceding November through October period.

(N)  
(N)

Charges are subject periodic adjustments for costs incurred by the Company that are directly attributable to the Transportation of gas on account of Customer.

#### **SPECIAL PROVISIONS:**

1. Customer will operate in accordance with **Schedule T**.
2. Other special conditions are as specified in the Agreement.

(continue to Sheet 60-9)

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First Revision of Sheet 60-9  
Cancels Original Sheet 60-9

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## SCHEDULE 60 SPECIAL CONTRACTS (continued)

**DYNO NOBEL, INC. (St. Helens, Oregon)** (*formerly known as Coastal St. Helens Chemical*  
(St. Helens, Oregon)  
Special Firm Transportation Service Agreement.

**ELIGIBILITY CRITERIA:**

Customer (a) has met the criteria established by the Commission in Order No. 87-402; (b) Customer agrees not to receive direct Sales or Transportation Service by direct ("bypass") connection with the Pipeline; and (c) can demonstrate an ability to construct, own and operate a bypass pipeline having the ability to take delivery of Natural Gas from the Pipeline to serve the respective Natural Gas requirements of the Customer.

**BASIC TERM:**

Effective June 1, 1997 for ten (10) years, and year-to-year thereafter until terminated on the giving of not less than twelve (12) months' written notice.

**ASSIGNMENT:** Special Contract was assigned on January 21, 2004, by Coastal St. Helens Chemical to Dyno Nobel, Inc., effective December 3, 2003.

**MONTHLY RATES:**

Capacity Charge: \$13,333.00 per month  
Volumetric Charge: \$0.00500 per therm

The rates shown in this Rate Schedule may not always reflect actual billing rates. See Schedule 100 for a list of applicable temporary adjustments. Company will add to the total of all charges, the actual amounts payable by Company, if any, as city exactions or franchise taxes on account of revenues received by Company under this Agreement.

(N)  
(N)

Charges are subject periodic adjustments for costs incurred by the Company that are directly attributable to the Transportation of gas on account of Customer.

**SPECIAL PROVISIONS:**

1. Customer will operate in accordance with **Schedule T**.
2. Other special conditions are as specified in the Agreement.

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