

May 10, 2024

NWN OPUC Advice No. 23-29E / ADV 1582

**VIA ELECTRONIC FILING**

Public Utility Commission of Oregon  
Attn: Filing Center  
201 High Street SE, Suite 100  
P.O. Box 1088  
Salem, OR 97308-1088

**Re: ADV 1582 – Energy Efficiency Program for Transportation Customers**

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 on June 12, 2024.

Twelfth Revision of Sheet v	Tariff Index	Tariff Index
First Revision of Sheet vi	Tariff Index	Tariff Index
Original Sheet 169-1	Schedule 169	Transportation Customer Energy Efficiency
Original Sheet 361-1	Schedule 361	Transportation Customer Energy Efficiency Cost Recovery

**Purpose**

On December 18, 2023, NW Natural filed in this docket its proposed tariffs for energy efficiency programs for transportation customers which included decarbonization assessments for transportation customers in furtherance of Oregon’s Climate Protection Program (“CPP”). In that filing, the Company proposed Schedule 361 Transportation Customer Energy Efficiency Programs as informed by stakeholder meetings held in July and August of 2023 and Schedule 169, which addressed the cost recovery proposal for the program. Shortly after the Company’s filing, the Oregon Court of Appeals issued a ruling invalidating the CPP as enacted by the Department of Environmental Quality. Without the compliance obligation under the CPP, NW Natural revisited the scope, size and cost allocation for the program. As a result, NW Natural worked with the Alliance of Western Energy Consumers (“AWEC”), Commission Staff and the Energy Trust of Oregon (“Energy Trust”) to adjust certain components of the Company’s proposal to appropriately scale the program and address cost recovery in the absence of carbon compliance regulation. The updated program design and features are described below.

**The enclosed tariff sheets reflect these changes from the original filing and replace the tariff sheets previously filed in this docket in their entirety.**

**Proposed Program**

In the Company’s initial filing, we proposed two distinct program offerings from NW Natural and the Energy Trust. First, NW Natural proposed that all transportation customers using under one million

therms (average annual) would have the option to participate in Energy Trust's Strategic Energy Management ("SEM") program and also leverage standard track incentive offerings. The second proposal would have had all transportation customers with annual usage greater than one million therms work with NW Natural and a third-party implementor to provide custom energy efficiency analysis to customer equipment and process improvements. While we believe that this type of program would be extremely valuable to our transportation customers and help with major energy efficiency improvements, development of the program became infeasible without the CPP in place. However, we have worked closely with AWEC, Commission Staff, and the Energy Trust and are pleased to bring forward the program proposal described below and put an energy efficiency program in motion for natural gas transportation customers for 2024.

In this filing, NW Natural proposes a transportation customer energy efficiency program featuring an offering from the Energy Trust. All transportation customers will have the opportunity to participate in Energy Trust's Standard Track incentive program. The Standard Track is one of Energy Trust's offerings in which eligible energy efficiency measures are assigned deemed savings and customers may submit project applications to receive incentives without a site-specific technical analysis. Eligible energy efficiency measures are listed on Energy Trust's website and include items such as steam traps and pipe insulation. NW Natural expects to have its first customers participating in this program by mid- to late-summer.

While a NW Natural program offering is not included in our current proposal, the Company will continue to work with stakeholders to bring a program offering in the future and will make appropriate filings as needed.

The 2024 costs of this program will be capped at \$700,000 and will be available on a first-come, first-served basis.

### **Cost Recovery**

NW Natural proposes new tariff Schedule 169 to recover the costs of the transportation customer energy efficiency program. The Company proposes to track the costs associated with this program in a deferred account. NW Natural is concurrently filing a petition for deferred accounting for this purpose.

Costs will be recovered from Schedule 31, 32, and 33 customers and allocated based on equal percentage of margin.

NW Natural proposes to update Schedule 169 each year to place into rates for collection the deferred costs at the same time as the Company's annual Purchased Gas Adjustment (PGA) filings. Accordingly, the Company is not including any costs to be recovered at this time but will do so with the 2024-25 PGA filings.

### **Conclusion**

NW Natural respectfully requests the Commission approve the enclosed tariff proposals effective June 12, 2024.

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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eFiling  
NW Natural Rates & Regulatory Affairs  
250 SW Taylor Street  
Portland, OR 97204  
Phone: (503) 610-7330  
eFiling@nwnatural.com

Respectfully submitted,

*/s/ Rebecca Trujillo*

Rebecca Trujillo  
NW Natural Regulatory Consultant  
250 SW Taylor Street  
Portland, OR 97204  
Phone: (503) 610-7326  
rebecca.trujillo@nwnatural.com

# NORTHWEST NATURAL GAS COMPANY

P.U.C. Or. 25

Twelfth Revision of Sheet v  
Cancels Eleventh Revision of Sheet v

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P.U.C. Or. 25

First Revision of Sheet vi  
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**SCHEDULE 169**

**TRANSPORTATION CUSTOMER ENERGY EFFICIENCY PROGRAM COST RECOVERY**

**PURPOSE:**

This Schedule recovers the costs of the program offered under Schedule 361 "Transportation Customer Energy Efficiency Program."

**APPLICABLE:**

To all Transportation service Customers on the Rate Schedules of this Tariff listed below:

Rate Schedule 31

Rate Schedule 32

Rate Schedule 33

**APPLICATION TO RATE SCHEDULES:**

**Effective: June 12, 2024**

The Temporary Adjustments in the applicable above-listed Rate Schedules include the adjustment shown below. NO ADDITIONAL ADJUSTMENT TO RATES IS REQUIRED.

Schedule	Block	Total Adjustment
31 CTF	Block 1	\$0.00000
	Block 2	\$0.00000
31 ITF	Block 1	\$0.00000
	Block 2	\$0.00000
32 CTF	Block 1	\$0.00000
	Block 2	\$0.00000
	Block 3	\$0.00000
	Block 4	\$0.00000
	Block 5	\$0.00000
	Block 6	\$0.00000
32 ITF	Block 1	\$0.00000
	Block 2	\$0.00000
	Block 3	\$0.00000
	Block 4	\$0.00000
	Block 5	\$0.00000
	Block 6	\$0.00000

Schedule	Block	Total Adjustment
32 CTI	Block 1	\$0.00000
	Block 2	\$0.00000
	Block 3	\$0.00000
	Block 4	\$0.00000
	Block 5	\$0.00000
	Block 6	\$0.00000
32 ITI	Block 1	\$0.00000
	Block 2	\$0.00000
	Block 3	\$0.00000
	Block 4	\$0.00000
	Block 5	\$0.00000
	Block 6	\$0.00000
33 (all)		\$0.00000

**GENERAL TERMS:**

This Schedule is governed by the terms of this Schedule, the General Rules and Regulations contained in this Tariff, any other Schedules that by their terms or by the terms of this 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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**SCHEDULE 361  
TRANSPORTATION CUSTOMER ENERGY EFFICIENCY PROGRAM**

**AVAILABLE:**

In all territory served by the Company under the Tariff of which this program is a part.

**PURPOSE:**

This program is intended to provide an economical and effective means of conserving natural gas through energy efficiency. These programs are available to Customers with transportation service under Schedules 31, 32, and 33.

**PROGRAM COSTS:**

Program costs will be deferred annually and amortized for recovery coincident with the Company's Purchased Gas Adjustment through Schedule 169 of this Tariff.

**SPECIAL CONDITIONS:**

NW Natural is working in conjunction with the Energy Trust of Oregon to deliver energy efficiency programs to transportation customers.

**ENERGY TRUST OF OREGON OFFERINGS:**

All transportation customers will have the opportunity to participate in Energy Trust of Oregon's Standard Track incentive program. **This offering is available as June 12, 2024.**

**GENERAL TERMS:**

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

(N)

(N)

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