



Oregon

Tina Kotek, Governor

Public Utility Commission

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March 19, 2024



BY EMAIL

Northwest Natural Gas Company

efiling@nwnatural.com

RE: Advice No. 24-01

At the public meeting on March 19, 2024, the Commission adopted Staff's recommendation in this matter docketed as ADV 1592. The Staff Report and a receipted copy of the sheets in your advice filing are attached.

Nolan Moser

Chief Administrative Law Judge

Public Utility Commission of Oregon

(503) 378-3098

**PUBLIC UTILITY COMMISSION OF OREGON
STAFF REPORT
PUBLIC MEETING DATE: March 19, 2024**

REGULAR **CONSENT** **EFFECTIVE DATE** March 20, 2024

DATE: March 8, 2024

TO: Public Utility Commission

FROM: Joseph Bartholomew

THROUGH: Bryan Conway and Marc Hellman **SIGNED**

SUBJECT: NORTHWEST NATURAL:
(Docket No. ADV 1592/Advice No. 24-01)
Rate Increase Schedule 80, Firm Storage Service.

STAFF RECOMMENDATION:

Staff recommends approving Northwest Natural's Advice No. 24-01 and allowing the new tariff sheet to become effective on March 20, 2024.

DISCUSSION:

Issue

Advice No. 24-01 was filed by Northwest Natural (NWN) on February 9, 2014, and it proposes to revise the rates in Rate Schedule 80 Firm Interstate Storage with an effective date of on or after March 20, 2024.

Applicable Rule or Law

Under ORS 757.205(1), a public utility must file schedules showing all rates, tolls, and charges for service that have been established and are in force at the time. Tariff revisions or corrections may be made by filing revised sheets with the information required under the Commission's administrative rules, including OAR 860-022-0005 and OAR 860-022-0025. Filings that make any change in rates, tolls, charges, rules, or regulations must be filed with the Commission at least 30 days before the effective date of the changes. ORS 757.220. The Commission reviews tariffs filed under ORS 757.205 and 757.210 to determine whether they are fair, just, and reasonable.

Analysis

Background

The Firm Storage Service offered under Schedule 80 is provided by NW Natural using the Mist underground natural gas storage facility (Mist), a facility owned and operated by the company located near Mist, Oregon. In addition to using the storage facility for its retail customers, the Company has prebuilt storage in advance of core need and uses that excess capacity to provide storage services to customers in the interstate and intrastate market.

The Firm Storage Service provided under Schedule 80 consists of a bundled storage and transportation service of customer-owned gas subject to interruption by NW Natural due to force majeure. All gas stored under Schedule 80 must be consumed by a customer capable of receiving the service from Mist within the Company's Oregon service territory.

The Federal Energy Regulatory Commission (FERC) regulates interstate storage services, using a maximum cost of service model where gas storage prices may be at or below the cost of service as approved by the FERC in their last regulatory filing. NW Natural filed its most recent Mist Interstate Storage Rate Petition with FERC on August 25, 2023. The petition was automatically deemed effective under the FERC's Optional Notice Procedure regulations.

The next FERC rate update is required to take place on or before November 1, 2028.

Analysis

NW Natural proposes to reflect in Schedule 80 the updated rates as approved by FERC in Docket No. PR23-65-000. These rates reflect the Company's updated cost of operating Mist. The table below reflects the existing rates and the new FERC approved rates.

	Current Schedule 80 Rate	Updated FERC Approved Rates
Maximum Authorized Overrun Charge	\$0.5127	\$0.1993
Fuel Charge		
Firm Storage and Transmission Service		
Maximum Monthly Deliverability Reservation Charge	\$4.6445	\$6.0623
Maximum Monthly Capacity Charges	\$0.0562	\$0.0881
Modified Firm Storage and Transmission Service		
Maximum Monthly Deliverability Reservation Charge	N/A	\$5.4600
Maximum Monthly Capacity Charges	N/A	\$0.0881

Conclusion

Staff has reviewed the proposed rate increase in this filing and recommends implementation by NWN. NWN currently has no customers utilizing this service, therefore the increase does not impact any consumers currently. NWN requests that the increase be approved to become effective on March 20, 2024.

PROPOSED COMMISSION MOTION:

Approve NWN Advice No. 24-01 and allow the tariff sheet revisions to go into effect on March 20, 2024.

NORTHWEST NATURAL GAS COMPANY

P.U.C. Or. 25

Third Revision of Sheet 80-6
Cancels Second Revision of Sheet 80-6

RATE SCHEDULE 80 FIRM STORAGE SERVICE (continued)

RATES AND CHARGES: Effective: September 1, 2023 (C)

Firm Storage and Transmission Service (N)

Monthly Deliverability Reservation Charge.

A monthly charge, as set forth in the Service Agreement, shall apply for each Dekatherm (Dth) of Customer's MDWQ. The maximum Monthly Deliverability Reservation Charge is \$6.0623/month and the minimum charge is \$0. (I)

Monthly Capacity Charge.

A monthly charge, as set forth in the Service Agreement, shall apply for each Dth of Customer's MSC. The maximum Monthly Capacity Charge is \$0.0881/month and the minimum charge is \$0. (I)

Modified Firm Storage and Transmission Service (N)

Monthly Deliverability Reservation Charge.

A monthly charge, as set forth in the Service Agreement, shall apply for each Dekatherm (Dth) of Customer's MDWQ. The maximum Monthly Deliverability Reservation Charge is \$5.4600/month and the minimum charge is \$0. (N)

Monthly Capacity Charge.

A monthly charge, as set forth in the Service Agreement, shall apply for each Dth of Customer's MSC. The maximum Monthly Capacity Charge is \$0.0881/month and the minimum charge is \$0. (N)

Authorized Overrun Charge.

A charge, as set forth in the Service Agreement, may apply for each Dth of Gas withdrawn in excess of Customer's MDWQ or injected in excess of Customer's MDIQ (Authorized Overrun Quantities) on each Gas Day of a given Month. The maximum charge is \$0.1993 and the minimum charge is \$0.0000. (I)

Fuel Charge.

Customers shall be assessed a 2.19% fuel-in-kind charge for each Dth of gas injected. (C)

Other Applicable Charges.

Any other applicable charges as provided for in the Tariff may be set forth on the Service Agreement or monthly invoice, as appropriate.

Service Charge Credit.

If the Company fails to deliver to the designated Storage Delivery Point or receive at the Receipt Point hereunder, other than as may be excused by Force Majeure, ninety-five percent (95%) or more of the aggregate Confirmed Daily Nominations (as hereinafter defined) of all firm intrastate Storage Service Customers for more than twenty-eight (28) Days in any given Contract Year, then for each Gas Day during that Contract Year in excess of twenty-eight (28) Days that the Company so fails to deliver or receive (a "Credit Day"), Customer, as its sole remedy, shall be entitled to a Service Charge Credit calculated as set forth below.

(continue to Sheet 80-7)

Issued February 9, 2024
NWN OPUC Advice No. 24-01

Effective with service on
and after March 20, 2024

Received
Filing Center
FEB 9 2024