ONITA R. KING

Tariffs and Regulatory Compliance

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May 6, 2016



NWN OPUC Advice No. 16-06 / ADV _____

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 164A: Special Purchased Gas Adjustment Credit (LSN Application Included)

Northwest Natural Gas Company, dba NW Natural (NW Natural or Company), files herewith the following revisions and additions to its Tariff P.U.C. Or. 25 stated to become effective with service, on less than statutory notice, on and after **June 1, 2016**:

Third Revision of Sheet v, Tariff Index; and

Original Sheet 164-A, Schedule 164A "Special Purchased Gas Adjustment Credit."

The purpose of this filing is to establish Schedule 164A to apply an adjustment (credit) to be used to calculate a lump sum credit that would be applied to customer bills in the June 2016 billing cycle. The credit would reflect purchased gas cost savings of \$16.85 million, without revenue sensitive, experienced by the Company. The credit will apply to all customers that received sales service from the Company at any time between July 1, 2015 and March 31, 2016. The credit will apply only to customer accounts that are active at the time of the June 2016 bill issue date.

The Schedule 164A credit will reduce June 2016 customer bills. The average bill reduction for residential and small commercial customers is as follows:

Schedule 2 – Residential \$ 16.33
Schedule 3 – Commercial \$74.95

The average bill effect on Large Commercial and Industrial customers is shown in the attached worksheet.

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¹ The credit reflects the amount of deferred gas cost savings as of the end of March, less \$3,000,000 that will be retained in the deferred account for application during the 2016-2017 PGA.

Public Utility Commission of Oregon NWN OPUC Advice No. 16-06 May 6, 2016, Page 2

The Company respectfully requests that the tariff sheets filed herein be approved to become effective with service on and after June 1, 2016. A request for approval on less than statutory notice is included with this filing.

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.

The Company waives paper service in this proceeding.

Please address correspondence on this matter to me with copies to the following:

eFiling NW Natural Rates & Regulatory Affairs 220 NW Second Avenue Portland, Oregon 97209 Telecopier: (503) 721-2516 Telephone: (503) 226-4211, ext. 3589 eFiling@nwnatural.com

Please call me if you have questions.

Sincerely,

/s/ Onita King

Onita R. King Rates and Regulatory Affairs

Attachments

BEFORE THE PUBLIC UTILITY COMMISSION OF OREGON

3930 FAIRVIEW INDUSTRIAL DRIVE SE

SALEM, OR 97308-1088

	THE MATTER OF THE APPLICATION OF INTERPRETATION OF) UTILITY L.S	.N. APPLICATION
то	WAIVE STATUTORY NOTICE.) NO	
NO.	TE: ATTACH EXHIBIT IF SPACE IS INSUFFICIENT		
1.	GENERAL DESCRIPTION OF THE PROPOSED SCHEDU CHARGES FOR SERVICE AND ALL RULES AND REGUL	JLE(S) ADDITION, DELETION OF CH ATIONS AFFECTING THE SAME)	ANGE. (SCHEDULE INCLUDES ALL RATES, TOLLS AND
	The purpose of this filing is to establish Schlump sum credit that would be applied to cu		adjustment (credit) to be used to calculate a billing cycle.
2.	APPLICANT DESIRES TO CHANGE THE SCHEDULE(S NUMBER, PAGE, AND ITEM)	S) NOW ON FILE KNOWN AND DE	SIGNATED AS: (INSERT SCHEDULE REFERENCE BY
	Second Revision of Sheet v, Tariff Index, and		
3.	THE PROPOSED SCHEDULE(S) SHALL BE AS FOLLOW:	S: (INSERT SCHEDULE REFERENCI	E BY NUMBER, PAGE, AND ITEM)
	Third Revision of Sheet v, Tariff Index,		
	Original Sheet 164-A, Schedule 164A "Special Purchased Gas Adjustment Credit."		
4.	REASONS FOR REQUESTING A WAIVER OF STATUTOR	RY NOTICE:	
	A waiver of less than statutory notice is requ June 1, 2016, coincident with the June 2016		heets are approved and become effective on ules 185 and 186.
5.	REQUESTED EFFECTIVE DATE OF THE NEW SCHEDUL	.E(S) OR CHANGES(S)	June 1, 2016
6.	AUTHORIZED SIGNATURE:	TITLE	DATE
	/s/ Onita King	Rates & Regulatory Affairs	05-06-2016
		PUC USE ONLY	
	APPROVED DENIED	EFFECTIVE DATE OF APPROVED S	CHEDULE(S) OR CHANGE
ΑU	THORIZED SIGNATURE:		DATE

(N)

TARIFF INDEX

(continued)

ADJUSTMENT		SHEET
Schedule 100:	Summary of Adjustments	100-1 to 100-4
Schedule 150:	Monthly Incremental Cost of Gas	150-1
	Revision of Charges for Coos County Customers	
Schedule 162:		
Schedule 164:	Purchased Gas Cost Adjustments to Rates	164-1
Schedule 164A	Special Purchased Gas Adjustment Credit	
Schedule 165	Special Adjustment to Rates - Gas Reserves Cred	it 165-1
Schedule 167:	General Adjustments to Rates	167-1
Schedule 172:	Special Adjustment to Rates for Intervenor Funding	g 172-1
Schedule 177:	System Integrity Program Rate Adjustment	177-1 to 177-4
Schedule 178:	Regulatory Rate Adjustment	178-1 to 178-2
Schedule 179:	Automated Meter Reading (AMR) Rate Adjustmen	179-1
Schedule 180:	Special Rate Adjustment for Working Gas Inventor	
Schedule 183:	Site Remediation Recovery Mechanism (SRRM)	183-1 to 183-3
Schedule 184:	Special Rate Adjustment Gasco Upland Pumping S	Stations 184-1
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	Transportation Credit	185-1 to 185-2
Schedule 186:	Special Annual Core Pipeline Capacity Optimization	n Credit 186-1
Schedule 187:	Special Rate Adjustment for Mist Capacity Recall	
Schedule 188:	Industrial Demand Side Management (DSM) Progr	am Cost Recovery 188-1
	Partial Decoupling Mechanism	
Schedule 195:	Weather Adjusted Rate Mechanism (WARM Progr	am)195-1 to 195-5
	L CONCESSIONS	
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	Cooperative Advertising Program	200-4
	Showcase Developments	200-5
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	Equipment Financing Program	
	Promotions for Company-Offered Products and Se	
PUBLIC PURP	OSES SCHEDULES	
Schedule 301:	Public Purposes Funding Surcharge	
Schedule 310:	Oregon Low-Income Gas Assistance (OLGA)	
Schedule 320:	Oregon Low-Income Energy Efficiency (OLIEE) Pro	ograms320-1 to 320-6
Schedule 350:	Energy Efficiency Services and Programs - Reside	ential
Cohodula 260:	and Commercial	300-1
Schedule 360:	Industrial Demand Side Management (DSM) Progr	ariis 360-1 to 360-2
OTHER PROG		400.4 to 400.0
	Smart Energy Program	
Issued May 6,		Effective with service on
NWN OPUC A	Advice No. 16-06	and after June 1, 2016

Issued by: NORTHWEST NATURAL GAS COMPANY

P.U.C. Or. 25 Original Sheet 164-A

SCHEDULE 164A SPECIAL PURCHASED GAS ADJUSTMENT CREDIT

PURPOSE:

To adjust bills rendered to Sales Service Customers served under the below-listed Rate Schedules for a lump sum credit relating to purchased gas cost savings incurred between July 1, 2015 and March 31, 2016.

APPLICABLE:

To Customers with an active account at the time that the Customer's June 2012 bill is issued and who received Sales Service under one of the following Rate Schedules between July 1, 2015 and March 31, 2016:

Schedule 2 Schedule 31 Schedule 3 Schedule 32

CREDIT: Effective Billing Cycle: June 2016

The bill credit to be applied to Customer bills during the effective billing cycle will be calculated by multiplying the following per therm credit by the Customer's actual gas usage billed during the period July 1, 2015 through March 31, 2016:

(\$0.03571)

TERM:

The credit under this Schedule shall automatically terminate following the end of the June 2016 billing cycle.

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.

Issued May 6, 2016 NWN OPUC Advice No. 16-06 Effective with service on and after June 1, 2016

Portland, Oregon 97209-3991

EXHIBIT A
BEFORE THE PUBLIC UTILITY COMMISSION
OF OREGON
OI OKEGON
NW NATURAL SUPPORTING MATERIALS
NWN OPUC Advice No. 16-06 / ADV
Schedule 164A
Special Purchased Gas Adjustment Credit
Dated: May 6, 2016

Exhibit A – Table of Contents Supporting Materials Dated: May 6, 2016

NWN OPUC Advice No. 16-06 / ADV ____

Schedule 164A Special Purchased Gas Adjustment Credit

Title	Page
Calculation of Increments Allocated on the Equal Cent Per Therm Basis	1
Account 191400 - Core Market Commodity Gas Cost Deferral	2

NW Natural
Rates & Regulatory Affairs
2016 Early WACOG Savings Refund
Calculation of Increments Allocated on the EQUAL CENT PER THERM BASIS
ALL VOLUMES IN THERMS

Chaptered Amount both control Chaptered Amount both control Chaptered Amount both control Chaptered Chap						WACOG Deferral		
Cutomer Cutomer Cutomer Cutomer Security Cutomer Cut				Proposed Amount:	(16,849,573)	Temporary Increment		Average
Columbia				Revenue Sensitive Multiplier:	2.732% 8	add revenue sensitive fa	ctor	
Proceeding Proceding Proced		Volumes	Customers	Amount to Amortize:	(17,322,832) t	o all sales	Increment	Effect
Marie May Ma		ı	æ		o dining	O D	THICH CHICK	L
Marches 11,520,777 5,50,99	2R	259,121,275	208'992		1.0	259,121,275	(\$0.03571)	(\$16.33)
The content of the	C Firm Sales	115,567,277	55,059		1.0	115,567,277	(\$0.03571)	(\$74.95)
March Marc	3I Firm Sales	3,283,736	345		1.0	3,283,736	(\$0.03571)	(\$339.89)
March Marc								
Mary Seek 1 1 1 1 1 1 1 1 1			901		1.0	11,830,276 10,051,571	(\$0.03571) (\$0.03571)	(\$867.26)
March Marc								
m Trans Book 2 1 10 18741,93 (40.0571) mm Sales Block 2 1 10 6,275,166 (40.0571) Block 3 6,275,166 (40.0571) 10 6,275,166 (40.0571) Block 4 4,471 10 6,275,166 (40.0571) Block 5 10,275,167 53 10 6,275,166 (40.0571) Block 6 3,775,77 53 10 6,775,767 (40.0571) Block 6 3,775,77 10 4,71 (40.0571) Block 5 3,50,137 53 10 4,715,777 Block 6 6 10 4,715,777 (40.0571) First 80ck 1 4,877,785 74 10 4,222,281 (40.0571) Block 5 Block 6 6,79,593 10 4,877,785 (40.0571) First 80ck 1 4,877,785 74 10 4,877,785 (40.0571) Block 5 1,674,556 10 4,877,785 (40.0571)			212		1.0	3,166,230	(\$0.03571)	(\$1,733 32)
Microscopies Micr								
Block 612,134 10 612,134 (90.0571)			382		1.0	18,741,793	(\$0.03571)	(\$2,396 27)
Block 4 4471	Block				1.0	612,134	(\$0.03571)	
Block 5 Block 6 Block 1 Block 6 Block 1 Block 2 Block 3 Block 2 Block 4 483,036 Glood 371) Block 5 Block 5 Block 5 Glood 371) Block 6 3,200,569 Glood 371) Block 6 3,200,569 Glood 371) Block 6 6,504,186 Glood 371) Block 6 6,504,186 Glood 371) Block 6 Glood 371) Glood 3710,699 Glood	Block				1.0	4,471	(\$0.03571)	
Block 2 3,944,765 53 10 3,717,677 (\$40.03571)	Block	9			1.0 1.0	0 0	(\$0.03571) (\$0.03571)	
Beack 2 1,570,173 1,500,			53		1.0	3,717,677	(\$0.03571)	(\$6,519.17)
Block 4	Block				1.0	1,530,137	(\$0.03571)	
Block 5 Block 6 Block 1 Block 1 Block 2 Block 2 Block 3 Block 4 Block 4 Block 4 Block 4 Block 4 Block 5 Block 5 Block 6 Block 6 Block 6 Block 6 Block 7 Block 7 Block 7 Block 6 Block 7 Block 7 Block 6 Block 6 Block 7 Block 7 Block 7 Block 7 Block 8 Block 8 Block 8 Block 9 Bloc	Block				1.0	483,036	(\$0.03571)	
## Block 1 Block 2 Block 3 Block 4 Block 4 Block 4 Block 4 Block 5 Block 5 Block 5 Block 1 Block 6 Block 6 Block 1 4,222,281 (\$6.03571)		9			1:0	0 0	(\$0.03571) (\$0.03571)	
Block 4 Block 5 Block 5 Block 6 Block 1 4,222,281 (\$0.03571)		1 3						
Block 4	Block	3 6						
Block 6 Block 6 Block 1 4,222,281 (\$0.03571)	Block	5 7						
Block 2 3,129,983 1.0 1.0 1,202,401 1.0 1,202,512 1.0 1,202,521 1.0 1,202,521 1.0 1,202,521 1.0 1,202,521 1.0 1,202,521 1.0 1,202,521 1.0 1,202,521 1.0 1,202,521 1.0 1.0 1,202,521 1.0 1.0 1,202,521 1.0 1.0 1,202,521 1.0 1.0 1,202,521 1.0 1.0 1,202,521 1.0 1.0 1,202,521 1.0 1.0 1,202,521 1.0 1.0 1,202,521 1.0 1.0 1,202,521 1.0 1.0 1,202,521 1.0 1.0 1,202,521 1.0 1.0 1,202,521 1.0 1.0 1,202,521 1.0 1.0 1,202,521 1.0 1.0 1,202,521			13		Ç.	100 000 1	(40 02524)	(00 121 014)
Block 3 3,129,983 (\$0.03571) Block 4 3,970,569 (\$0.03571) Block 5 80,395			19		0 0:1	4,222,281 5.972.620	(\$0.035/1) (\$0.03571)	(\$10,171.99)
Block 4 3,970,569 1.0 3,970,569 (\$0.03571)	Block				1.0	3,129,983	(\$0.03571)	
Block 6 4,877,785 74 1.0 0 0 0 0 0 0 0 0 0	Block				1.0	3,970,569 80 395	(\$0.03571) (\$0.03571)	
err Sales Block 1 4,877,785 (\$0.03571) Block 2 5,799,134 (\$0.03571) Block 3 3,206,893 (\$0.03571) Block 4 6,674,186 (\$0.03571) Block 5 1,674,556 (\$0.03571) Block 6 1,674,556 (\$0.03571) Block 7 1,674,556 (\$0.03571) Block 8 1,674,556 (\$0.03571) Block 9 1,674,556 (\$0.03571) Block 1 0 (\$0.03571) Block 2 1,674,556 (\$0.03571) Block 4 1,674,556 (\$0.03571) Block 5 1,674,556 (\$0.03571) Block 4 1,674,556 (\$0.03571) Block 5 1,674,556 (\$0.03571)	Block				1.0	0	(\$0.03571)	
Block 5 3,739,137 1.0 3,739,137 1.0 3,739,137 1.0 3,739,137 1.0 3,739,137 1.0 3,739,137 1.0 3,739,137 1.0 3,739,137 1.0 3,739,137 1.0 3,739,137 1.0 3,739,137 1.0 3,739,137 1.0 6,674,186 1.0 6,674,186 1.0 6,674,186 1.0 6,674,186 1.0 1,674,556 1.0 1,674,576,576,576 1.0 1,674,576 1.0			74		1.0	4,877,785	(\$0.03571)	(\$10,728.71)
Block 4 6,674,186 1.0 6,674,186 1.0 6,674,186 0	Block				1.0	3,206,893	(\$0.03571)	
Block 5 1,674,556	Block				1.0	6,674,186	(\$0.03571)	
Block 2 Block 2 Block 3 Block 4 Block 5 Block 6 Block 5 Block 6 3 485.061.929 623.892	BOCK				1.0	1,674,556 0	(\$0.03571) (\$0.03571)	
Block 2 Block 3 Block 4 Block 5 Block 6 3 485.061.929 623.892 485.061.929		0					(1,000)	
Block 5 Block 6 Block 6 3 485.061.929 623.892 485.061.929	Block	3 8						
Block 6 Block 6 3 485.061.929 623.892 485.061.929 485.061.929	Block	4						
3 485.061.929 623.892 485.061.929	Block	9						
485.061.929 623.892 485.061.929								
100'COL	TALS	485,061,929	623,892			485,061,929	(\$0.03571)	

 $\begin{smallmatrix} 1 & 1 & 2 & 3 & 4 \\ 2 & 2 & 2 & 3 \\ 2 & 3 & 3 \\ 2$

Core Market Commodity gas cost deferral Northwest Natural Gas Company Oregon Description: Company: State:

191400 Account Number:

Docket UM 1496

Current reauthorization to defer was granted in Order No. 15-337

Deferral of customer's share of the difference between actual core commodity cost incurred and the Annual Sales WACOG embedded as defined in the related annual PGA. From Nov 2009 - Oct 2015 the deferral election was 90%. Effective

Nov 2015 the deferral election is 80%.

Narrative:

-	Debit (Credit)									Deferral
7			Commodity			Storage	Hedge			Plus Int.
κ	Month/Year	Note	Deferral (3)	Interest	Interest Rate	Adiustment (2)	Adjustment	Transfer	Activity	GL Balance
4	(a)	(q)	(p)	(e)	(f)	(b)	(h)	(<u>l</u>)	(j)	(k)
2										
9	Beginning Bal									
110	Jul-15		(1,146,322)	(96,298)	7.78%	(1,809)	(2,112)		(1,246,541)	(15,524,566)
111	Aug-15		(798,327)	(103,257)	7.78%	(1,774)	(3,974)		(907,332)	(16,431,898)
112	Sep-15		(1,626,855)	(111,834)	7.78%	(2,276)	(6,082)		(1,747,047)	(18,178,945)
113	Oct-15	7	(1,186,996)	(121,762)	7.78%	(3,009)	(14,241)	261	(1,325,748)	(19,504,693)
114	Nov-15	-	(1,134,029)	(34,369)	7.78%	(15,740)	(4,661)	14,780,708	13,591,908	(5,912,784)
115	Dec-15		(2,937,780)	(47,961)	7.78%	(18,897)	(12,888)		(3,017,526)	(8,930,310)
116	Jan-16		(3,013,130)	(67,813)	7.78%	(19,337)	(26,201)		(3,126,481)	(12,056,790)
117	Feb-16		(3,079,319)	(88,263)	7.78%	(13,757)	(21,100)		(3,202,440)	(15,259,230)
118	Mar-16		(4,448,651)	(113,443)	7.78%	(13,194)	(15,054)		(4,590,342)	(19,849,573)
119										
120							_	ess \$3,000,000 (3)	(3)	3,000,000
121	History trunce	ted for	History truncated for ease of viewing					TOTAL		(16,849,573)

NOTES:

1 - Transfer authorized balance to 191401 for amortization.

2 - Transfer represents a true-up to the General Ledger.

3 - Staff suggested, and NW Natural agreed, to retain \$3,000,000 in the deferred account to apply to the 2016-2017 PGA under the standard approach, 122 123 124 125 126

in order to assist with rate stability.