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VIA ELECTRONIC FILING

September 11, 2015

Public Utility Commission of Oregon
Attention: Filing Center
201 High Street SE, Suite 100
Post Office Box 1088
Salem, Oregon 97301-1088

Re: OPUC Docket UM 1027: Application for Reauthorization for Deferred Accounting of Refunds or Collections of Distribution Margin for Twelve Months

Northwest Natural Gas Company, dba NW Natural (“NW Natural” or the “Company”), hereby files the above-referenced Application for Reauthorization of Deferred Accounting of Refunds or Collections of Distribution Margin.

A notice of this Application has been served on all parties who participated in the Company’s most recent general rate case, UG 221, and is attached hereto as Exhibit B.

A Certificate of Service is attached as Exhibit C.

If you have any questions, please call me at (503) 721-2476.

Sincerely,

/s/ Mark R. Thompson

Mark Thompson
Manager, Rates and Regulatory Affairs

attachments

BEFORE THE PUBLIC UTILITY COMMISSION

OF OREGON

UM 1027

NW Natural Application for Reauthorization
For Deferred Accounting of Refunds or
Collections of Distribution Margin

1 In accordance with ORS 757.259 and ORS 757.262, and OAR 860-030-0035,
2 NW Natural (or the “Company”) files this application with the Public Utility Commission of
3 Oregon (the “Commission”) for an order authorizing the Company to record and defer
4 with interest, on an ongoing basis, the amount by which actual distribution margin per
5 residential and commercial customer is different from the margin to be collected from
6 residential and commercial customers based on “normal” consumption, as assumed in
7 the Company’s most recent general rate case, UG 221. This request is for the twelve-
8 month period beginning November 1, 2015 and ending October 31, 2016.

9 In support of this Application, NW Natural states:

10 **1. NW Natural**

11 NW Natural is a public utility in the state of Oregon and is subject to the
12 jurisdiction of the Commission with regard to rates, service, and accounting practices.

13 NW Natural also provides retail natural gas service in the states of Oregon and
14 Washington.

15 **2. Statutory Authority**

16 This Application is filed pursuant to ORS 757.259 and ORS 757.262, which
17 empower the Commission to authorize the deferral of expenses or revenues of a public
18 utility for later incorporation in rates.

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1 **3. Communications**

2 Communications regarding this Application should be addressed to:

3
4 NW Natural
5 e-filing for Regulatory Affairs
6 220 NW Second Avenue
7 Portland, Oregon 97209-3991
8 Telephone: (503) 226-4211, ext. 3589
9 Facsimile: (503) 721-2516
10 E-mail: eFiling@nwnatural.com
11
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13 **4. Description of Request - OAR 860-027-0300(3)(a)**

14 Parties to the Company's last general rate case, UG 221, signed a stipulation
15 agreeing to the continuation of the Company's decoupling mechanism. This Stipulation
16 was adopted by Commission Order No. 12-408, issued October 26, 2012.

17 **5. Reason for Application for Reauthorization of Deferred Accounting - OAR**
18 **860-027-0300(3)(b)**

19 In accordance with the statutory authority provided by ORS 767.259 and ORS
20 757.262, and the agreement reached by parties in UG 221 to allow the Company to
21 continue its decoupling mechanism with minor but no substantive changes, NW Natural
22 proposes to record and defer, with interest, the amount by which actual distribution
23 margin per residential and commercial customer is different from the margin to be
24 collected from residential and commercial customers based on "normal" consumption, as
25 assumed in the Company's most recent general rate case filing, UG 221.

1 **6. Accounting - OAR 860-027-0300(3)(c)**

2 NW Natural proposes to record the amounts described in paragraph (7) below of
3 this Application in a sub-account of Account 186. In the absence of the Commission's
4 approval of this Application, the Company would record under- or over-collected
5 distribution margin as utility operating revenue in FERC Account 400.

6 **7. Estimated Amounts Subject to Deferral – OAR 860-027-0300(3)(d)**

7 NW Natural cannot estimate what amounts will be recorded in the distribution
8 margin normalization “use balancing account” for the upcoming twelve-month period
9 because the amount is dependent on volume variance resulting from the actual price
10 and conservation responses.

11 **8. Entries in Deferred Account To-Date– OAR 860-027-0300(4)(a)**

12 Exhibit A, which is attached, demonstrates the distribution margin differential
13 deferred under this docket (UM 1027) since November 2012.

14 **9. Reason for Continuation of Deferral Account – OAR 860-027-0300(4)(b)**

15 NW Natural seeks continuation of this deferral account in accordance with the
16 agreement reached by parties in UG 221 to continue to allow the Company to recover
17 one hundred percent (100%) of the difference between the actual distribution margin per
18 residential and commercial customer and the margin to be collected from residential and
19 commercial customers based on “normal” consumption, as assumed in the Company's
20 most recent general rate case, UG 221.

21 **10. Requirements per Commission Order No. 09-263**

22 Below is the information required per Commission Order No. 09-263, issued in
23 Docket UM 1286, Staff's Investigation into Purchased Gas Adjustment Mechanisms:

- 24 **a. A completed Summary Sheet, the location in the PGA filing, and an**
25 **account map that highlights the transfer of dollars from one account to**
26 **another**

1 Exhibit A includes the Summary Sheet which shows the amounts
2 deferred for residential and commercial customers and demonstrates the
3 transfer of dollars from one account to another. Exhibit A was included in our
4 2015-16 PGA filing as work papers and attached to the electronic filing as a
5 file entitled, "Proposed Temps Oregon 2015-2016 PGA August filing.xlsx."
6 plus additions for July 2015 deferral and amortization activity.

7 **b. The effective date of the deferral**

8 This application is for the twelve-month period beginning November 1,
9 2015, and ending October 31, 2016.

10 **c. Prior year Order Number approving the deferral**

11 Permission to defer 100% of the Company's distribution margin
12 differential was last granted on October 28, 2014, in Commission Order No.
13 14-364.

14 **d. The amount deferred last year**

15 See Exhibit A.

16 **e. The amount amortized last year**

17 See Exhibit A.

18 **f. The interest rate that will apply to the accounts**

19 The interest rate for deferral accounts is 7.78%. Monies that have
20 been transferred for amortization accrue interest at the rate of 1.93%.

21 **g. An estimate of the upcoming PGA-period deferral and / or amortization**

22 NW Natural is unable to estimate the amount to be deferred during
23 the next PGA cycle. The Company's intent is to amortize for collection all
24 that is deferred.

25 WHEREFORE, NW Natural respectfully requests that in accordance with ORS
26 757.259, as amended, the Commission authorize the Company to record and defer, on

1 an ongoing basis and commencing as of the date of this filing, the amount by which
2 actual distribution margin per residential and commercial customer is different from the
3 margin assumed in UG 221 to be collected from residential and commercial customers
4 based on “normal” consumption.

5 DATED this 11th day of September 2015.

6 Respectfully submitted,

7 NW NATURAL

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/s/ Mark R. Thompson

Mark R. Thompson

Manager, Rates and Regulatory Affairs

NW Natural

220 NW Second Avenue

Portland, Oregon 97209

Phone: (503) 721-2476

Facsimile: (503) 721-2516

E-mail: Mark.Thompson@nwnatural.com

Company: Northwest Natural Gas Company
 State: Oregon
 Description: Deferral of Oregon Residential Decoupling
 Account Number: 186275
 Authorized in dockets UG 143 and UM 1027
 Last deferral reauthorization was Order 14-364 in UM 1027

1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31	32	33	34	35	36	37	38	39	40	41	42	43	44	45	46	47	48	49	50	51	52	53	54	55	56	57	58	59	60	61	62	63	64	65	66	67	68	69	70	71	72	73	74	75	76	77	78	79	80	81	82	83	84	85	86	87	88	89	90	91	92	93	94	95	96	97	98	99	100	101	102	103	104	105	106	107	108	109	110	111	112
Debit	(Credit)	Month/Year	Note	Deferral	Transfers	Interest	Interest Rate	Activity	Total																																																																																																						
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)																																																																																																								
Beginning Balance																																																																																																															
Oct-13		(1,831,355)		13,537		7.78%	(1,817,818)	1,185,841																																																																																																							
Nov-13	1	472,967	(1,757,813)	(2,175)		7.78%	(1,287,021)	(101,180)																																																																																																							
Dec-13		2,106,762		6,173		7.78%	2,112,936	2,011,756																																																																																																							
Jan-14		(1,327,521)		8,740		7.78%	(1,318,782)	692,974																																																																																																							
Feb-14		(871,792)		1,667		7.78%	(870,125)	(177,151)																																																																																																							
Mar-14		1,063,171		2,298		7.78%	1,065,469	888,318																																																																																																							
Apr-14		(394,135)		4,482		7.78%	(389,654)	498,664																																																																																																							
May-14		2,126,359		10,126		7.78%	2,136,485	2,635,149																																																																																																							
Jun-14		(189,099)		16,472		7.78%	(172,628)	2,462,522																																																																																																							
Jul-14		377,304		17,188		7.78%	394,492	2,857,014																																																																																																							
Aug-14		674,870		20,711		7.78%	695,581	3,552,595																																																																																																							
Sep-14		685,886		25,256		7.78%	711,142	4,263,737																																																																																																							
Oct-14		3,290,955		38,311		7.78%	3,329,266	7,593,003																																																																																																							
Nov-14	1	(1,525,661)	(2,527,007)	27,899		7.78%	(4,024,769)	3,568,234																																																																																																							
Dec-14		56,751		23,318		7.78%	80,069	3,648,303																																																																																																							
Jan-15		871,035		26,477		7.78%	897,511	4,545,814																																																																																																							
Feb-15		119,952		29,861		7.78%	149,813	4,695,627																																																																																																							
Mar-15		213,881		31,137		7.78%	245,017	4,940,644																																																																																																							
Apr-15		847,564		34,779		7.78%	882,343	5,822,987																																																																																																							
May-15		1,241,092	0	41,776		7.78%	1,282,868	7,105,855																																																																																																							
Jun-15		815,574		48,713		7.78%	864,287	7,970,143																																																																																																							
Jul-15		626,974		53,706		7.78%	680,680	8,650,822																																																																																																							

History truncated for ease of viewing **Amount deferred during Nov 14 - Jul 15 with interest: 3,584,826.24**

NOTES

1 - Transfer June balance plus July-October interest on June balance to account 186277 for amortization

Company: Northwest Natural Gas Company
 State: Oregon
 Description: Amortization of Oregon Residential Decoupling
 Account Number: 186277
 Dockets UM 1027 and UG 273
 Amortization of 2013-14 deferral balance approved in Order 14-379 in UG 273

1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	
Debit	(Credit)	Month/Year	Note	Amortization	Transfers	Interest	Interest	Rate	Activity	Balance										
(a)	(b)	(c)	(d)	(e1)	(e2)	(f)	(g)													
Beginning Balance																				
109		Oct-14		(151,204)		(2,425)		1.38%	(153,629)	(2,186,948)										
110		Nov-14	old rates	(186,578)		(2,622)		1.38%	(189,200)	(2,376,149)										
111		Nov-14	new rates (1)	(5,226)	2,527,007	3,723		1.77%	2,525,504	149,355										
112		Dec-14		(18,208)		207		1.77%	(18,002)	131,354										
113		Jan-15		(20,090)		179		1.77%	(19,911)	111,443										
114		Feb-15		(14,232)		154		1.77%	(14,078)	97,365										
115		Mar-15		(11,592)		135		1.77%	(11,457)	85,908										
116		Apr-15		(9,560)		120		1.77%	(9,441)	76,467										
117		May-15		(6,812)	0	108		1.77%	(6,704)	69,764										
118		Jun-15		(3,928)		100		1.77%	(3,828)	65,936										
119		Jul-15		(2,690)		95		1.77%	(2,595)	63,341										
120																				
121																				
122																				
123																				
124																				

History truncated for ease of viewing

Amount deferred during Nov 14 - Jul 15 with interest:

(87,517.47)

NOTES

1 - Transfer in authorized balance from account 186275

Company: Northwest Natural Gas Company
 State: Oregon
 Description: Deferral of Oregon Commercial Decoupling
 Account Number: 186270
 Authorized in dockets UG 143 and UM 1027
 Last deferral reauthorization was Order 14-364 in UM 1027

1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16
Debit (Credit)	Month/Year	Note	Deferral	Transfers	Interest	Interest Rate	Activity	Balance							
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)							
Beginning Balance															
Oct-13			(116,769)		31,708	7.78%	(85,062)	4,863,966							
Nov-13		1	929,994	(5,104,286)	1,457	7.78%	(4,172,835)	691,131							
Dec-13			1,876,823		10,565	7.78%	1,887,388	2,578,519							
Jan-14			(52,092)		16,549	7.78%	(35,544)	2,542,975							
Feb-14			576,651		18,356	7.78%	595,008	3,137,983							
Mar-14			888,355		23,224	7.78%	911,579	4,049,562							
Apr-14			225,491		26,986	7.78%	252,477	4,302,039							
May-14			1,308,907		32,135	7.78%	1,341,042	5,643,081							
Jun-14			173,522		37,148	7.78%	210,671	5,853,752							
Jul-14			779,742		40,479	7.78%	820,222	6,673,974							
Aug-14			673,521		45,453	7.78%	718,974	7,392,948							
Sep-14			554,604		49,729	7.78%	604,333	7,997,280							
Oct-14			1,279,176		55,996	7.78%	1,335,172	9,332,452							
Nov-14		1	589,881	(6,007,042)	23,472	7.78%	(5,393,689)	3,938,763							
Dec-14			738,925		27,932	7.78%	766,857	4,705,620							
Jan-15			1,526,949		35,458	7.78%	1,562,407	6,268,026							
Feb-15			773,469		43,145	7.78%	816,615	7,084,641							
Mar-15			738,403		48,326	7.78%	786,729	7,871,370							
Apr-15			1,010,855		54,310	7.78%	1,065,165	8,936,535							
May-15			769,542	(1)	60,433	7.78%	829,974	9,766,509							
Jun-15			875,040		66,156	7.78%	941,196	10,707,705							
Jul-15			736,295		71,808	7.78%	808,103	11,515,808							
History truncated for ease of viewing								Amount amortized during Nov 14 - Jul 15 with interest:				8,190,399.20			

NOTES

1 -Transfer June balance plus July-October interest on June balance to account 186271 for amortization

Company: Northwest Natural Gas Company
 State: Oregon
 Description: Amortization of Oregon Commercial Decoupling
 Account Number: 186271
 Dockets UM 1027 and UG 273
 Amortization of 2013-14 deferral balance approved in Order 14-379 in UG 273

1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25
Debit	(Credit)	Month/Year	Note	Amortization	Transfers	Interest	Interest	Rate	Activity	Balance														
(a)	(b)	(c)	(d)	(e)	(f)	(g)																		
Beginning Balance																								
Oct-14		(173,065)				409		1.38%	(172,657)	269,147														
Nov-14 old rates		(168,761)				212		1.38%	(168,549)	100,598														
Nov-14 new rates (1)		(193,757)		6,007,042		8,717		1.77%	5,822,002	5,922,600														
Dec-14		(775,255)				8,164		1.77%	(767,091)	5,155,510														
Jan-15		(855,676)				6,973		1.77%	(848,703)	4,306,807														
Feb-15		(627,756)				5,890		1.77%	(621,867)	3,684,940														
Mar-15		(521,947)				5,050		1.77%	(516,897)	3,168,043														
Apr-15		(433,406)				4,353		1.77%	(429,053)	2,738,990														
May-15		(334,935)			0	3,793		1.77%	(331,141)	2,407,849														
Jun-15		(232,336)				3,380		1.77%	(228,955)	2,178,893														
Jul-15		(183,399)				3,079		1.77%	(180,320)	1,998,573														
History truncated for ease of viewing										(4,109,067.58)														

NOTES

1 - Transfer in authorized balance from account 186270



September 11, 2015

**NOTICE OF APPLICATION FOR REAUTHORIZATION TO
DEFER CERTAIN EXPENSES OR REVENUES**

To All Parties Who Participated in UG 221:

Please be advised that today Northwest Natural Gas Company, dba NW Natural ("NW Natural" or "Company"), applied for reauthorization to continue deferrals relative to the Company's decoupling mechanism, pursuant to the provisions of ORS 757.259(2)(e). Copies of the Company's application are available for inspection at its main office.

This is not a rate case. The purpose of this Notice is to inform parties of record in the Company's most recent general rate case, UG 221, that the Application was filed.

Parties who desire more information or who wish to obtain a copy of the filing, or notice of the time and place of any hearing, if scheduled, should contact the Company or the Public Utility Commission of Oregon as follows:

**NW Natural
Attn: Onita King
220 NW Second Ave
Portland, Oregon 97209-3991
Telephone: (503) 721-2452**

**Public Utility Commission of Oregon
Attn: Filing Center
201 High Street, SE, Suite 100
PO Box 1088
Salem, Oregon 97301-1088
Telephone: (503) 373-0886**

Any person may submit to the Commission written comments on this matter no sooner than 25 days from the date of this Application. The granting of this Application will not authorize a change in rates, but will permit the Company to defer amounts in rates to a subsequent proceeding.



CERTIFICATE OF SERVICE

I hereby certify that I have this day served the foregoing NOTICE OF APPLICATION FOR DEFERRED ACCOUNTING ORDER FOR THE COMPANY'S DECOUPLING MECHANISM by electronic mail to all parties of record in the UG 221 proceeding, which is the Company's most recent general rate case.

G. CATRIONA MCCRACKEN W
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DATED at Portland, Oregon, this 11th day of September 2015.

/s/ Shannon L. Seagondollar
Shannon L. Seagondollar
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