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November 29, 2018

NWN OPUC Advice No. 18-15 / 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 301, Public Purposes Funding Surcharge

Northwest Natural Gas Company, dba NW Natural (NW Natural or Company), files herewith the following revision to its Tariff, P.U.C. Or. 25, stated to become effective with service on and after January 1, 2019:

Seventh Revision of Sheet 301-1,
Schedule 301,
“Public Purposes Funding Surcharge.”

The purpose of this filing is to revise the portion of public purpose funds allocated to Energy Trust of Oregon (Energy Trust) for the administration of residential and commercial energy efficiency programs from 3.59% to 3.88%. This change will ensure that Energy Trust of Oregon (Energy Trust) will have approximately \$23.7 million dollars of total program funding in 2019, which is sufficient to acquire nearly 3.9 million therm savings.

This filing will result in a total public purpose charge of 5.18% applied to Residential bills and 4.43% applied to Commercial bills. The effect of this filing is to increase the average residential bill by about \$0.15 per month and the average commercial bill by about \$0.58 per month

Attached are worksheets demonstrating the calculation of the rate, the impact this will have on customer bills, and a worksheet from Energy Trust detailing their funding requirements for 2019.

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.

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
eFiling@nwnatural.com

Please contact me at (503) 721-2452, if you have questions.

Sincerely,

/s/ Onita King

Onita King
Tariffs and Regulatory Compliance

Attachments

NORTHWEST NATURAL GAS COMPANY

P.U.C. Or. 25

Seventh Revision of Sheet 301-1
Cancels Sixth Revision of Sheet 301-1

SCHEDULE 301 PUBLIC PURPOSES FUNDING SURCHARGE

PURPOSE:

To specify the method of billing of a Public Purposes surcharge that is to fund public purposes activities to be administered through one or more independent entities. Public purposes activities include, but may not necessarily be limited to, energy efficiency programs, market transformation programs, residential low-income energy efficiency programs, and residential low-income bill payment assistance programs designed to benefit Residential and Commercial Customers within NW Natural's service territory in Oregon.

APPLICABLE:

To Residential and Commercial Customers served on the following Rate Schedules of this Tariff:

Residential	Commercial
Rate Schedule 2	Rate Schedule 3 (03CSF)
	Rate Schedule 27 (27R)
	Rate Schedule 31 (31CSF)

ADJUSTMENT TO RATES: Effective: January 1, 2019

A Public Purposes surcharge will be assessed on the total energy use billed (the total of the Customer Charge plus the per therm usage charges) and shown as a line item on each customer's monthly bill as follows:

Residential: 5.18% of the total energy use billed

Commercial: 4.43% of the total energy use billed

The funds collected from such Public Purposes surcharge shall be allocated to specific separate accounts to fund the specified public purposes program(s) as follows:

RESIDENTIAL:

3.88% will support public purpose funding for **Schedule 350** energy efficiency programs delivered and administered by the Energy Trust of Oregon (Energy Trust).

0.75% will support public purpose funding for **Schedule 310** low-income bill payment assistance activities.

0.55% will support public purpose funding for **Schedule 320** low-income energy efficiency activities.

COMMERCIAL:

3.88% will support public purpose funding for **Schedule 350** energy efficiency programs delivered and administered by the Energy Trust.

0.55% will support public purpose funding for **Schedule 320** low-income energy efficiency activities.

(continue to Sheet 301-2)

Issued November 29, 2018
NWN OPUC Advice No. 18-15

Effective with service on
and after January 1, 2019

EXHIBIT A

BEFORE THE PUBLIC UTILITY COMMISSION
OF OREGON

NW NATURAL SUPPORTING MATERIALS

NWN OPUC Advice No. 18-15, ADV ____

November 29, 2018

NW NATURAL

EXHIBIT A

Supporting Materials

NWN'S OPUC ADVICE NO. 18-15 / ADV _____

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NW Natural
Rates & Regulatory Affairs
OPUC Advice No. 18-15 - 2019 Public Purpose Charges
Oregon Bill Impacts of 2019 Public Purpose Charges

1				
2		Monthly bill	ETO related	Monthly bill
3		<u>w/out PPC</u>	<u>PPC charge</u>	<u>w/ PPC</u>
4	<u>Residential</u>			
5	Current Bill (ETO PPC = 3.59%)	\$51.34	\$1.84	\$53.18
6	Proposed Bill (ETO PPC = 3.88%)	\$51.34	\$1.99	\$53.33
7	\$ Change		\$0.15	\$0.15
8	% Change		8.2%	0.3%
9	RS2 using average therms/month:	53		
10				
11				
12	<u>Commercial</u>			
13	Current Bill (ETO PPC = 3.59%)	\$198.93	\$7.14	\$206.07
14	Proposed Bill (ETO PPC = 3.88%)	\$198.93	\$7.72	\$206.65
15	\$ Change		\$0.58	\$0.58
16	% Change		8.1%	0.3%
17	RS3 using average therms/month:	237		
18				
19				
20	<u>Notes:</u>			
21	Current Bill (ETO PPC = 3.59%)			
22	Proposed Bill (ETO PPC = 3.88%)			

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Schedule 301

ETO-Related PPC Calculation

Schedule	customers	Estimated collection for tracker year	Addition for new PPC charge	Current average bill with new PPC	Current average bill with old PPC	Total % Bill Change
2R	606,830.5	373,149,969	\$1.99	\$53.33	\$53.18	0.3%
27 dry-out	1,962.0	986,363.0	\$1.63	\$43.62	\$43.50	0.3%
3C Firm Sales	58,616.7	139,735,122	\$ 7.72	\$206.65	\$206.07	0.3%
31C Firm Sales	740.0	15,710,459	\$69.09	\$1,849.84	\$1,844.68	0.3%
	Total expected collection	<u>529,581,913</u>				
	PPC 1 year	<u>20,558,144</u>				
	Proposed ETO PPC Rate	3.88%				
	Current ETO related PPC	3.59%				
	Change	0.29%				
	% Change in Rate	8.1%				

Energy Trust of Oregon 2019 Oregon Energy Efficiency Program Funding Requirements

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PROGRAM EXPENSE	
Program Costs to achieve 3,867,131 annual therms in 2019	\$22,286,386
Negotiated Reserve	\$1,460,923
TOTAL EXPENSE plus RESERVE	\$23,747,309

PROGRAM FUNDING	
2019 Schedule 301 Collections	\$20,558,144
2018 Forecasted Year End Carry Over	\$3,189,165
TOTAL FUNDING RESOURCE	\$23,747,309