

250 SW Taylor Street Portland, OR 97204 503-226-4211 nwnatural.com

July 31, 2023

NWN OPUC Advice No. 23-14/UG 481

VIA ELECTRONIC FILING

Public Utility Commission of Oregon Attention: Filing Center 201 High Street SE, Suite 100 Post Office Box 1088 Salem, Oregon 97308-1088

Re: REQUEST FOR AMORTIZATION OF RESIDUAL TEMPORARY BILL CREDITS
ASSOCIATED WITH RESIDENTIAL RATE MITIGATION FOR THE 2022/2023 WINTER
HEATING SEASON

Northwest Natural Gas Company, dba NW Natural ("NW Natural" or "Company"), files herewith revisions and additions to its Tariff, P.U.C. Or. 25,¹ stated to become effective with service on and after November 1, 2023, as follows:

Second Revision of 166-1	Schedule 166	Residential Rate Mitigation
--------------------------	--------------	-----------------------------

<u>Purpose</u>

The purpose of this filing is to request inclusion in rates the residual amounts from the temporary bill credits associated with residential rate mitigation from the 2022/2023 winter heating season.

Background:

This filing is in compliance with ORS 757.259, which authorizes deferred utility expenses or revenues to be allowed (amortized) in rates to the extent authorized by the Public Utility Commission of Oregon (Commission) in a proceeding to change rates. In 2022, the Commission approved a rate mitigation deferral that would lower customer bills in the winter months, via credits, and recover those back, via surcharges, during the non-winter months. The Company under forecasted customer usage in February and March of 2023, causing an under recovery of the rate mitigation deferral. The Company proposes amortization of residual amounts that are forecasted to not be fully amortized by October 31, 2023 with a rate effective date of November 1, 2023.

Proposed Changes

The net effect of the removal of the current temporary adjustments applied to rates effective March 15, 2023, and the application of the new temporary adjustments decrease the Company's annual revenues by \$8,427,139, or about 0.99%.

The monthly bill of the average residential customers served under Rate Schedule 2 using 56 therms will see a decrease of \$4.87.

¹ Tariff P.U.C. Or. 25 originated November 1, 2012 with docket UG 221; Order No. 12-408 as supplemented by Order No. 12-437 and was filed in accordance with ORS 767.205 and OAR 860-022-0005.

Public Utility Commission of Oregon UG 481; NWN OPUC Advice No. 23-14 July 31, 2023, Page 2

In compliance with OAR 860-022-0025 the Company states that the number of customers affected by the proposed change in this filing is 636,785 residential customers.

Conclusion

In support of this filing, the Company includes supporting materials as part of this filing and will separately submit work papers in electronic format, all of which are incorporated herein by reference.

In accordance with ORS 757.205, copies of this letter and the filing made herewith are available in the Company's main office in Oregon and on its website at www.nwnatural.com.

Please address correspondence on this matter to Lora Bourdo at lora.bourdo@nwnatural.com with copies to the following:

eFiling
Rates & Regulatory Affairs
NW Natural
250 SW Taylor Street
Portland, Oregon 97204
Fax: (503) 220-2579
Telephone: (503) 610-7330
eFiling@nwnatural.com

Sincerely,

NW NATURAL

/s/ Kyle Walker, CPA

Kyle Walker, CPA Rates/Regulatory Senior Manager

Attachment: Exhibit A – Supporting Materials

NORTHWEST NATURAL GAS COMPANY

P.U.C. Or. 25

Second Revision of Sheet 166-1 Cancels First Revision of Sheet 166-1

Effective: November 1, 2023

SCHEDULE 166 RESIDENTIAL RATE MITIGATION

PURPOSE:

To temporarily mitigate residential customer rates due to high natural gas prices and the Company's approved general rate case, UG 435.

APPLICABLE:

To the following Rate Schedules of this Tariff:

Residential:

Rate Schedule 2

ADJUSTMENT TO RATE SCHEDULES:

The Temporary Adjustments for Residential Customers taking service on the above-listed Rate Schedules includes the following adjustment that sunsets on the date listed and is therefore not applicable for service after the Rate Sunset Date:

\$0.01427 per therm

(D) (R)

(C)

GENERAL TERMS:

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

Issued July 31, 2023 NWN OPUC Advice No. 23-14 Effective with service on and after November 1, 2023

Issued by: NORTHWEST NATURAL GAS COMPANY d.b.a. NW Natural

EXHIBIT A

BEFORE THE PUBLIC UTILITY COMMISSION OF OREGON

NW NATURAL SUPPORTING MATERIALS

Inclusion of Temporary Bill Credits Associated with Residential Rate Mitigation for 2022/2023 Winter Heating Season

NWN OPUC Advice No. 23-14/UG 481 July 31, 2023

NW NATURAL

EXHIBIT A

Supporting Materials

Inclusion of Temporary Bill Credits Associated with Residential Rate Mitigation for 2022/2023 Winter Heating Season

NWN OPUC ADVICE NO. 23-14/UG 481

Description	Page
Calculation of Increments Allocated on Equal Cent per Therm Basis	1
Effects on Average Bill by Rate Schedule	2
Basis for Revenue Related Costs	3
PGA Effects on Revenue	4
Summary of Deferred Accounts Included in the PGA	5
151912 OR Rate Mitigation Amortization	6

2023-24 PGA - Oregon: August Filing
Calculation of Increments Allocated on the EQUAL CENT PER THERM BASIS

		Orege: DC4	Droposed Amount:	Rate Mitigation			
		Oregon PGA	Proposed Amount:		emporary Increment		
		Volumes page,	Revenue Sensitive Multiplier:	2.819% ac	dd revenue sensitive fa	ctor	
		Column F	Amount to Amortize:	6,069,525 to	residential		
Calcadula	Disale			Multiplier	Volumes	Increment P	
Schedule 2R	Block	A 425,261,320	1	1.0	O 425,261,320	\$0.014	
3C Firm Sales		180,723,276		0.0	0	\$0.000	
3I Firm Sales		5,242,606		0.0	0	\$0.000	
27 Dry Out		790,225		0.0	0	\$0.000	
31C Firm Sales	Block 1	10,541,198		0.0	0	\$0.000	
	Block 2	11,528,162		0.0	0	\$0.000	
31C Firm Trans	Block 1	1,150,855		0.0	0	\$0.000	
241 5: 5-1	Block 2	1,621,395	-	0.0	0	\$0.000	
31I Firm Sales	Block 1 Block 2	3,851,855 8,832,261		0.0	0	\$0.000 \$0.000	
31I Firm Trans	Block 1	153,988	-	0.0	0	\$0.000	
51111111111111	Block 2	363,573		0.0	0	\$0.000	
32C Firm Sales	Block 1	31,802,850		0.0	0	\$0.000	
	Block 2	10,782,597		0.0	0	\$0.000	
	Block 3	2,237,041		0.0	0	\$0.000	
	Block 4	1,038,828		0.0	0	\$0.00	
	Block 5	30,626		0.0	0	\$0.00	
	Block 6	0	-	0.0	0	\$0.00	
32I Firm Sales	Block 1	7,308,477		0.0	0	\$0.00	
	Block 2	7,116,901		0.0	0	\$0.00	
	Block 3 Block 4	2,428,784 1,682,852		0.0	0	\$0.00	
	Block 5	210,463		0.0	0	\$0.000 \$0.000	
	Block 6	0		0.0	0	\$0.00	
32C Firm Trans	Block 1	2,586,658		0.0	0	\$0.00	
	Block 2	2,000,143		0.0	0	\$0.00	
	Block 3	713,689		0.0	0	\$0.00	
	Block 4	908,192		0.0	0	\$0.00	
	Block 5	22,758		0.0	0	\$0.00	
	Block 6	0	4	0.0	0	\$0.000	
32I Firm Trans	Block 1	11,491,095		0.0	0	\$0.000	
	Block 2 Block 3	16,722,073 10,683,887		0.0	0	\$0.000 \$0.000	
	Block 4	22,101,234		0.0	0	\$0.00	
	Block 5	23,116,595		0.0	0	\$0.00	
	Block 6	7,997,925		0.0	0	\$0.00	
32C Interr Sales	Block 1	4,812,286		0.0	0	\$0.00	
	Block 2	6,912,175		0.0	0	\$0.00	
	Block 3	3,915,818		0.0	0	\$0.00	
	Block 4	6,195,667		0.0	0	\$0.00	
	Block 5	3,369,903		0.0	0	\$0.00	
221 Inters Cales	Block 6	4 976 544	-	0.0	0	\$0.00	
32I Interr Sales	Block 1 Block 2	4,976,544 6,358,575		0.0	0	\$0.000 \$0.000	
	Block 3	3,824,879		0.0	0	\$0.00	
	Block 4	11,455,866		0.0	0	\$0.00	
	Block 5	6,274,793		0.0	0	\$0.00	
	Block 6	1,589,833		0.0	0	\$0.00	
32C Interr Trans	Block 1	787,487		0.0	0	\$0.00	
	Block 2	1,577,765		0.0	0	\$0.00	
	Block 3	946,128		0.0	0	\$0.00	
	Block 4	3,171,260		0.0	0	\$0.00	
	Block 5	663,407		0.0	0	\$0.00	
221 Int T	Block 6	6 222 022		0.0	0	\$0.00	
32I Interr Trans	Block 1	6,332,023		0.0	0	\$0.00	
	Block 2 Block 3	10,799,708 7,423,918		0.0	0	\$0.000 \$0.000	
	Block 4	17,235,563		0.0	0	\$0.00	
	Block 5	38,975,154		0.0	0	\$0.00	
	Block 6	98,124,177		0.0	0	\$0.00	
Special Contracts		51,198,641		0.0	0	\$0.00	
TOTALS		1,109,965,950			425,261,320 \$	0.01	
Sources for line 2 abo	ve:						
Inputs page							
Tariff Schedules							

UG 481-NWN OPUC Advice No. 23-14 Exhibit A- Supporting Materials 1 of 6

UG 481-NWN OPUC Advice No. 23-14 Exhibit A Supporting Materials

2			Oregon PGA Normalized		Normal Therms	Minimum	3/15/2023	3/15/2023	Proposed 11/1/2023	Proposed 11/1/2023	Proposed 11/1/2023
3			Volumes page,	Therms in	Monthly	Monthly	Billing	Current	Rate Mitigation	Rate Mitigation	Rate Mitigation
4		_	Column D	Block	Average use	Charge	Rates	Average Bill	Rates	Average Bill	% Bill Change
5 6	Schedule	Block	A	В	С	D	E	F=D+(C * E)	AH	AI = D+(C * AH)	AJ = (AI- F)/F AJ
7	2R	DIOCK	425,261,320	N/A	56	\$8.00	\$1.43686	\$88.46	\$1.34976	\$83.59	-5.5%
8	3C Firm Sales		180,723,276	N/A	255	\$15.00	\$1.18666	\$317.60	\$1.18666	\$317.60	0.0%
9	3I Firm Sales		5,242,606	N/A	1,304	\$15.00	\$1.13570	\$1,495.95	\$1.13570	\$1,495.95	0.0%
10	27 Dry Out		790,225	N/A	44	\$8.00	\$1.16589	\$59.30	\$1.16589	\$59.30	0.0%
11	31C Firm Sales	Block 1	10,541,198	2,000	2,816	\$325.00	\$0.85127	\$2,700.12	\$0.85127	\$2,700.12	0.0%
12		Block 2	11,528,162	all additional			\$0.82424		\$0.82424		
13	31C Firm Trans	Block 1	1,150,855	2,000	3,916	\$575.00	\$0.28505	\$1,645.54	\$0.28505	\$1,645.54	0.0%
14	31I Firm Sales	Block 2 Block 1	1,621,395	all additional 2.000	5,776	\$325.00	\$0.26119 \$0.84102	\$5,095.29	\$0.26119 \$0.84102	\$5,095.29	0.0%
16	211 LILIII 29IG2	Block 2	3,851,855 8,832,261	all additional	3,776	\$525.00	\$0.81786	\$5,095.29	\$0.81786	\$5,095.29	0.0%
17	31I Firm Trans	Block 1	153,988	2,000	6,161	\$575.00	\$0.24605	\$1,995.36	\$0.24605	\$1,995.36	0.0%
18	321111111111111111111111111111111111111	Block 2	363,573	all additional	0,101	Ç373.00	\$0.22309	42,333.30	\$0.22309	\$2,333.30	0.070
19	32C Firm Sales	Block 1	31,802,850	10,000	7,043	\$675.00	\$0.76861	\$6,088.29	\$0.76861	\$6,088.29	0.0%
20		Block 2	10,782,597	20,000			\$0.74322		\$0.74322		
21		Block 3	2,237,041	20,000			\$0.70109		\$0.70109		
22		Block 4	1,038,828	100,000			\$0.65879		\$0.65879		
23		Block 5	30,626	600,000			\$0.62840		\$0.62840		
24		Block 6	0	all additional			\$0.61401		\$0.61401		
25 26	32I Firm Sales	Block 1 Block 2	7,308,477 7,116,901	10,000 20,000	18,823	\$675.00	\$0.73013 \$0.71078	\$14,247.56	\$0.73013 \$0.71078	\$14,247.56	0.0%
27		Block 3	2,428,784	20,000			\$0.67847		\$0.67847		
28		Block 4	1.682.852	100.000			\$0.64624		\$0.64624		
29		Block 5	210,463	600,000			\$0.62372		\$0.62372		
30		Block 6	0	all additional			\$0.61239		\$0.61239		
31	32C Firm Trans	Block 1	2,586,658	10,000	19,973	\$925.00	\$0.13291	\$3,390.69	\$0.13291	\$3,390.69	0.0%
32		Block 2	2,000,143	20,000			\$0.11396		\$0.11396		
33		Block 3	713,689	20,000			\$0.08251		\$0.08251		
34		Block 4	908,192	100,000			\$0.05102		\$0.05102		
35		Block 5	22,758	600,000			\$0.03209		\$0.03209		
36	221 51 7	Block 6	0	all additional	77.526	4005.00	\$0.01952	47 407 27	\$0.01952	47 407 27	0.0%
37 38	32I Firm Trans	Block 1 Block 2	11,491,095 16,722,073	10,000 20,000	77,536	\$925.00	\$0.13069 \$0.11214	\$7,487.37	\$0.13069 \$0.11214	\$7,487.37	0.0%
39		Block 3	10,683,887	20,000			\$0.08125		\$0.08125		
40		Block 4	22,101,234	100,000			\$0.05039		\$0.05039		
41		Block 5	23,116,595	600,000			\$0.03179		\$0.03179		
42		Block 6	7,997,925	all additional			\$0.01948		\$0.01948		
43	32C Interr Sales	Block 1	4,812,286	10,000	53,859	\$675.00	\$0.74068	\$38,643.34	\$0.74068	\$38,643.34	0.0%
44		Block 2	6,912,175	20,000			\$0.71933		\$0.71933		
45		Block 3	3,915,818	20,000			\$0.68371		\$0.68371		
46		Block 4	6,195,667	100,000			\$0.64806		\$0.64806		
47 48		Block 5 Block 6	3,369,903 0	600,000 all additional			\$0.62665 \$0.61101		\$0.62665 \$0.61101		
49	32I Interr Sales	Block 1	4,976,544	10,000	42,886	\$675.00	\$0.72514	\$30,744.73	\$0.72514	\$30,744.73	0.0%
50	J_1C11 Jule3	Block 2	6,358,575	20,000	72,000	Ç073.00	\$0.70622	Ç30,1-4.73	\$0.70622	<i>\$30,741.73</i>	0.0%
51		Block 3	3,824,879	20,000			\$0.67469		\$0.67469		
52		Block 4	11,455,866	100,000			\$0.64312		\$0.64312		
53		Block 5	6,274,793	600,000			\$0.62420		\$0.62420		
54		Block 6	1,589,833	all additional			\$0.61033		\$0.61033		
55	32C Interr Trans	Block 1	787,487	10,000	198,501	\$925.00	\$0.12584	\$12,252.01	\$0.12584	\$12,252.01	0.0%
56		Block 2	1,577,765	20,000			\$0.10802		\$0.10802		
57 58		Block 3 Block 4	946,128 3,171,260	20,000 100,000			\$0.07829 \$0.04854		\$0.07829 \$0.04854		
59		Block 5	663,407	600,000			\$0.04854		\$0.04854		
60		Block 6	0	all additional			\$0.01883		\$0.01883		
61	32I Interr Trans	Block 1	6,332,023	10,000	209,965	\$925.00	\$0.12605	\$12,645.11	\$0.12605	\$12,645.11	0.0%
62		Block 2	10,799,708	20,000	,.		\$0.10821		\$0.10821		
63		Block 3	7,423,918	20,000			\$0.07848		\$0.07848		
64		Block 4	17,235,563	100,000			\$0.04873		\$0.04873		
65		Block 5	38,975,154	600,000			\$0.03090		\$0.03090		
66		Block 6	98,124,177	all additional			\$0.01900		\$0.01900		
67	Special Contracts		51,198,641	N/A	0	\$0	\$0.00000	\$0.00	\$0.00000	\$0.00	

1,109,965,950

- Totals 1,109,365,950

 Totals 2,109,365,950

 Totals 2,109,365

 Totals

NW Natural Rates and Regulatory Affairs 2023-2024 PGA Filing - OREGON Basis for Revenue Related Costs

1		Twelve Months Ended 06/30/23	
3	Total Billed Gas Sales Revenues	\$ 977,383,649	
4	Total Oregon Revenues	\$ 981,971,599	
5			
6	Regulatory Commission Fees [1]	n/a	0.430% Statutory rate
7	City License and Franchise Fees	\$ 22,573,887	2.299% Line 7 ÷ Line 4
8	Net Uncollectible Expense [2]	\$ 881,388	0.090% Line 8 ÷ Line 4
9			
10	Total		2.819% Sum lines 8-9
11			

13 **Note:**

12

- 14 [1] Dollar figure is set at statutory level of 0.275% times Total Oregon Revenues (line 4).
- 15 Because the fee changed since our last general rate case, the difference between the previous fee of 0.375%
- 16 and the new fee of 0.430%, as it affects our base rates, is being captured as a temporary deferral.
- 17 [2] Represents the normalized net write-offs based on a three-year average.

NW Natural Rates & Regulatory Affairs

2023-2024 PGA Filing - Oregon: August Filing

PGA Effects on Revenue

UG 481: Residential Rate Mitigation

1		Including Revenue Sensitive Amount
2	Temporary Increments	
3		
4	Removal of Current Temporary Increments	
5	Amortization of Residential Rate Mitigation	(14,496,664)
6		
7		
8	Addition of Proposed Temporary Increments	
9	Amortization of Residential Rate Mitigation	6,069,525
10		
11		
12	TOTAL OF ALL COMPONENTS OF RATE CHANGES	(\$8,427,139)
13		
14		
15		
16	2022 Oregon Earnings Test Normalized Total Revenues	\$849,278,042
17		
18	Effect of this filing, as a percentage change (line 12 ÷ line 16)	-0.99%

NW Natural Rates & Regulatory Affairs 2023-2024 PGA Filing - June Filing Summary of Deferred Accounts Included in the PGA

	Account	Balance 6/30/2023	Jul-Oct Estimated Activity	Jul-Oct Interest	Estimated Balance 10/31/2023	Interest Rate During Amortization	Estimated Interest During Amortization	Total Estimated Amount for (Refund) or Collection
_	A	В	С	D	E	F1	F2	G
					E = sum B thru D	5.13%		G = E + F2
51	151912 RATE MITIGATION AMORTIZATION	10,753,010	(5,170,832)	153,428	5,735,606			
52	Total	10,753,010	(5,170,832)	153,428	5,735,606	5.20%	162,834	5,898,440

Company: Northwest Natural Gas Company

State: Oregon

Description: OR RATE MITIGATION AMORT

Account Number: 151912

Docket: ADV 1488, Allowed by OPUC on 3/7/23

Debit (Credit)

	Month/Year	Note	Amortiztion	Transfers	Interest Rate	Interest	Activity	Balance
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)
1	Beginning Balance							
2	Mar-23	1	(1,066,605.63)	18,582,656.01	4.770%	(2,119.88)	17,513,930.50	17,513,930.50
3	Apr-23		(3,605,157.46)		5.000%	65,463.97	(3,539,693.49)	13,974,237.02
4	May-23		(2,210,317.87)		5.180%	55,551.52	(2,154,766.35)	11,819,470.67
5	Jun-23		(1,115,261.91)		5.200%	48,801.31	(1,066,460.60)	10,753,010.07
6	Jul-23 <i>F</i>	Forecasted	(866,015.10)		5.200%	44,720.01	(821,295.09)	9,931,714.98
7	Aug-23 <i>F</i>	Forecasted	(862,853.47)		5.200%	41,167.92	(821,685.55)	9,110,029.43
8	Sep-23 <i>F</i>	Forecasted	(950,256.83)		5.200%	37,417.90	(912,838.93)	8,197,190.50
9	Oct-23 <i>F</i>	Forecasted	(2,491,706.70)		5.200%	30,122.46	(2,461,584.24)	5,735,606.26

11 Notes:

10

13

¹² **1** - Transfer represents the balance of the rate mitigation balance to be amortized through the remainder of the 2022-23 PGA year.