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December 1, 2015

NWN OPUC Advice No. 15-16 / ADV 143
SUPPLEMENT A

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: **Partial Replacement Filing: Schedule P: Purchased Gas Cost Adjustments
Compliance Filing: UM 1717 OPUC Order 15-297**

Northwest Natural Gas Company, dba NW Natural (“NW Natural” or the “Company”), files herewith the following revision to its Tariff P.U.C. Or. 25 stated to become effective with service on and after **December 21, 2015**:

Fourth Revision of Sheet P-5,
Schedule P,
“Purchased Gas Cost Adjustments (continued).”

The purpose of this filing is to make corrections to the seasonalized fixed charges shown on Sheet P-5. It recently came to our attention that the numbers reflected in the table are incorrect. A worksheet in support of the tariff revisions is attached. The Company has discussed these corrections with Commission Staff.

There are no revisions to Sheet P-4, which is requested to become on effective on December 21, 2015 as originally filed.

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.

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NW Natural Rates & Regulatory Affairs
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Sincerely,

/s/ Onita R. King

Onita R. King
Rates & Regulation
attachment

NORTHWEST NATURAL GAS COMPANY

P.U.C. Or. 25

Fourth Revision of Sheet P-5
Cancels Third Revision of Sheet P-5

SCHEDULE P
PURCHASED GAS COST ADJUSTMENTS
(continued)

CALCULATION OF MONTHLY GAS COSTS FOR DEFERRAL PURPOSES (continued):

- 1. A debit or credit entry shall be made equal to 100% of the difference between the monthly Actual Non-Commodity Cost and the Monthly Embedded Non-Commodity Cost, net of revenue sensitive effects (M)
(M)
(M)
- 2. A debit or credit entry shall be made equal to 100% of any monthly difference between actual monthly fixed charge recoveries and Monthly Seasonalized Fixed Charges. The Monthly Seasonalized Fixed Charges for the period November 1, 2015 through October 31, 2016 are:

| | | | |
|---------------------|------|---------------------|-----|
| November | 2015 | \$8,471,835 | (C) |
| December | 2015 | \$12,067,176 | |
| January | 2016 | \$11,362,722 | |
| February | 2016 | \$9,513,684 | |
| March | 2016 | \$8,084,910 | |
| April | 2016 | \$5,998,813 | |
| May | 2016 | \$3,884,088 | |
| June | 2016 | \$2,357,145 | |
| July | 2016 | \$2,048,540 | |
| August | 2016 | \$2,033,750 | |
| September | 2016 | \$2,180,285 | |
| October | 2016 | \$4,934,552 | |
| ANNUAL TOTAL | | \$72,937,500 | (C) |

- 3. A debit or credit entry shall be made equal to 80% of the difference between the Actual Commodity Cost and the Embedded Commodity Cost. A debit or credit entry will also be made equal to 100% of the difference between storage withdrawals priced at the actual book inventory rate as of October 31 prior to the PGA year and storage withdrawals priced at the inventory rate used in the PGA filing. For any given tracker year, if the total activity subject to debit or credit entries that is related to the Gas Reserves transaction exceeds \$10 million, amounts beyond \$10 million will be recorded at 100%.
- 4. Monthly differentials shall be deemed to be positive if actual costs exceed embedded costs and to be negative if actual costs fall below embedded costs.
- 5. The cost differential entries shall be debited to the sub-accounts of Account 191 if positive, and credited to the sub-accounts of Account 191 if negative.
- 6. Interest – Beginning November 1, 2007, the Company shall compute interest on existing deferred balances on a monthly basis using the interest rate(s) approved by the Commission.
(continue to Sheet P-6)

Issued December 1, 2015
NWN OPUC Advice No. 15-16A

Effective with service on
and after December 21, 2015

NW Natural
2015-2016 PGA - OREGON: October Filing
Derivation of Oregon Seasonalized Fixed Charges

| | | | Normalized Residential Volumes | Normalized Commercial Volumes | Firm Industrial Volumes | Interruptible Volumes | Total | Firm Demand Increment Eff. 11/01/15 | Interr. Demand Increment Eff. 11/01/15 | Seasonalized Fixed Charges |
|----|-----------|------|--------------------------------------|-------------------------------------|-------------------------------|--------------------------|--------------------|---|--|----------------------------------|
| | (a) | (b) | (c) | (d) | (e) | (f) | (g) | (h) | (i) | (j) |
| 6 | November | 2015 | 44,299,737 | 26,054,779 | 2,478,751 | 5,366,265 | 78,199,532 | \$0.11525 | \$0.01371 | \$8,471,835 |
| 7 | December | 2015 | 64,804,593 | 36,307,524 | 2,931,461 | 5,575,561 | 109,619,139 | \$0.11525 | \$0.01371 | \$12,067,176 |
| 8 | January | 2016 | 60,606,861 | 34,275,583 | 3,035,403 | 5,686,429 | 103,604,276 | \$0.11525 | \$0.01371 | \$11,362,722 |
| 9 | February | 2016 | 50,295,028 | 28,869,220 | 2,765,044 | 5,219,495 | 87,148,787 | \$0.11525 | \$0.01371 | \$9,513,684 |
| 10 | March | 2016 | 41,979,347 | 24,985,230 | 2,554,610 | 5,325,725 | 74,844,912 | \$0.11525 | \$0.01371 | \$8,084,910 |
| 11 | April | 2016 | 30,062,225 | 18,896,816 | 2,461,683 | 5,303,960 | 56,724,684 | \$0.11525 | \$0.01371 | \$5,998,813 |
| 12 | May | 2016 | 17,918,894 | 12,980,024 | 2,262,994 | 4,541,932 | 37,703,844 | \$0.11525 | \$0.01371 | \$3,884,088 |
| 13 | June | 2016 | 9,326,736 | 8,492,706 | 2,105,764 | 4,436,257 | 24,361,463 | \$0.11525 | \$0.01371 | \$2,357,145 |
| 14 | July | 2016 | 7,289,851 | 7,755,038 | 2,251,606 | 4,023,927 | 21,320,422 | \$0.11525 | \$0.01371 | \$2,048,540 |
| 15 | August | 2016 | 7,298,639 | 7,754,336 | 2,133,440 | 3,870,499 | 21,056,914 | \$0.11525 | \$0.01371 | \$2,033,750 |
| 16 | September | 2016 | 8,164,120 | 7,878,368 | 2,402,350 | 3,980,255 | 22,425,093 | \$0.11525 | \$0.01371 | \$2,180,285 |
| 17 | October | 2016 | 23,939,828 | 15,927,942 | 2,396,853 | 4,644,156 | 46,908,779 | \$0.11525 | \$0.01371 | \$4,934,552 |
| 18 | | | | | | | | | | |
| 19 | | | | | | | | | | |
| 20 | | | | | | | | | | |
| 21 | | | <u>365,985,857</u> | <u>230,177,565</u> | <u>29,779,961</u> | <u>57,974,461</u> | <u>683,917,844</u> | | | <u>\$72,937,500</u> |