



Oregon

Tina Kotek, Governor

Public Utility Commission

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February 21, 2023



BY EMAIL

Northwest Natural Gas Company

efiling@nwnatural.com

RE: Advice No. 23-01

At the public meeting on February 21, 2023, the Commission adopted Staff's recommendation in this matter docketed as ADV 1485. The Staff Report and a receipted copy of the sheets in your advice filing are attached.

Nolan Moser

Chief Administrative Law Judge

Public Utility Commission of Oregon

(503) 378-3098

**PUBLIC UTILITY COMMISSION OF OREGON
STAFF REPORT
PUBLIC MEETING DATE: February 21, 2023**

REGULAR **CONSENT** **EFFECTIVE DATE** March 1, 2023

DATE: February 7, 2023

TO: Public Utility Commission

FROM: Ishraq Ahmed

THROUGH: Bryan Conway, Marc Hellman, and Matt Muldoon **SIGNED**

SUBJECT: NORTHWEST NATURAL GAS COMPANY:
(Docket No. ADV 1485/Advice No. 23-01)
Updates the Annual Service Election date for Schedules 31 and 32.

STAFF RECOMMENDATION:

Staff recommends the Commission approve Northwest Natural's (NW Natural, NWN, or Company) Advice No. 23-01, which updates the Annual Service Election from July 31 to June 30 for the annual November 1 through October 31 Purchased Gas Adjustment (PGA) Year for Schedules 31 and 32, effective for service on and after March 1, 2023.

DISCUSSION:

Issue

Whether the Commission should approve NW Natural's request to revise Schedules 31 and 32 to change the Annual Service Election from July 31 to June 30 for the annual November 1 through October 31 PGA Year.

Applicable Law

ORS 757.205 requires public utilities file to all rates, rules, and charges with the Commission.

OAR 860-022-0025 illustrates energy utility requirements for filing tariffs or changes to rate schedules.

Analysis

Staff has reviewed the filing and engaged in discussions with the Company. The Annual Service Election is the date by which a customer may request to change all or a portion of their Service Type Selection for the following November 1 through October 31 period (PGA Year). When there is no customer requested change under this Annual Service Election provision, then for the next PGA Year commencing November 1, the Customer's Service Type and related billing options, including the Commodity Component option for Sales Service Types, will default to the same Service Type and billing options that are in effect at the close of the current Annual Service Election period. NW Natural's annual revenue resulting from the proposed tariff changes will not be impacted.

NW Natural states that moving the Annual Service Election to June 30 will make the PGA more streamlined and improve the PGA review process for Commission Staff and Stakeholders. Changing the Annual Service Election to June 30 will allow NW Natural additional time to make its August 1 PGA Filing with an updated load forecast and informed by the recent service elections and remove the need to update the load forecast with advice filings before the September 15 PGA filing.

Staff inquired whether NW Natural had discussed the change in date with customers under Schedules 31 and 32. The Company stated that since there are many customers under the schedules, they had not discussed this with them. The Company has however discussed the Annual Service Election date with the Alliance of Western Energy Consumers and they have expressed support for this change. In addition, the Company mentioned that since very few customers change rate schedules and select the Annual Service Election, the change should not be concerning. Table 1 below shows the annual service election activity per year.

Table 1 – Annual Service Election (2020 to 2022)

Year	Total customer count	Annual Service Election customers	% of Total customers on Annual Service Election
2022	1836	25	1.36%
2021	1776	25	1.41%
2020	1784	10	0.56%

NW Natural confirmed that customers would be locked in a specific service type contract under the Annual Service Election for twelve months covering the annual PGA

Year for November 1 through October 31. Generally, customers who elect to make a rate schedule or service type election are a mix of sales and transportation customers with the largest percentage being sales customers. Of these customers, commercial customers are much more likely to elect a rate schedule or service type than industrial customers, but there are several industrial customers each year who make an election. Large industrial customers (using more than 2,000,000 therms annually) rarely elect service-type changes.

The Company has reviewed the memo and agrees with its contents.

PROPOSED COMMISSION MOTION:

Approve NW Natural's request to revise Schedules 31 and 32 to change the Annual Service Election from July 31 to June 30 for the annual November 1 through October 31 PGA Year, effective with service rendered on or after March 1, 2023.

**RATE SCHEDULE 31
NON-RESIDENTIAL FIRM SALES AND FIRM TRANSPORTATION SERVICE
(continued)**

GENERAL OBLIGATIONS APPLICABLE TO EACH SERVICE TYPE: (continued)

Where an AAMR device is installed and used for billing purposes, Customer must promptly restore electric power to the AAMR device following an outage, no matter the cause. If failure to restore electric power service to the AAMR device within thirty (30) days of notice from the Company can reasonably be assumed to be within the Customer's control, it is cause for the Company to reassign Customer to another Rate Schedule or another Service Type Selection that does not require an AAMR device.

Where the Customer premise is a Participant Multi-Family Building, Customer must ensure that the houeline, valves, and gas appliances installed under Schedule 405 remain in place and available for use at all times. NW Natural shall be granted free and unobstructed access to the valves installed on such houeline and shall be granted authority to place Company-owned locking devices on each valve as deemed necessary by the Company.

ANNUAL SERVICE ELECTION – June 30 Election for November 1 Service:

(C)

The Annual Service Election is the date by which a Customer may request to change all or a portion of their Service Type Selection for the following November 1 through October 31 period (PGA Year). All requests must be received by the Company on or before June 30 and will be effective the following November 1. Except as identified in this Rate Schedule under "OUT-OF-CYCLE TRANSFERS," a Customer may not make a change to their Service Type Selection at any other time.

(C)

This Annual Service Election Provision shall apply to Customer-requested changes to any or all of the following components of a Service Type Selection: (1) Service Type, (2) Commodity Component (Sales Service Types only); (3) Pipeline Capacity Charge billing option (Firm Sales Service Type only), or (4) Firm Sales Service daily delivery volumes (Combination Service Type only).

When there is no Customer requested change under this Annual Service Election provision, then for the next PGA Year commencing November 1 the Customer's Service Type and related billing options, including the Commodity Component option for Sales Service Types, will default to the same Service Type and billing options that are in effect at the close of the current Annual Service Election period.

Transfers between Sales Service and Transportation Service are further subject to the provisions in this Rate Schedule under "APPLICATION OF TEMPORARY ADJUSTMENTS TO RATES (Account 191 Adjustments)."

The Service Types available under this Rate Schedule and the required selections for each Service Type are set forth below. See "DESCRIPTION OF SERVICE TYPES AND REQUIREMENTS FOR SERVICE" in this Rate Schedule for additional information:

Sales Service Types:

Customer must select one of two Commodity Component options: (1) Annual Sales WACOG, or (2) Winter Sales WACOG. Customer will have until August 15 to select the Winter Sales WACOG option (for a term of November 1 through March 31). If no selection is made, the Commodity Component option will default to Annual Sales WACOG. The Customer that selects Winter Sales WACOG will be billed at Monthly Incremental Cost of Gas (Schedule 150) effective April 1 through October 31. If no other change in Service Type was previously requested, either as an Out-of-Cycle Transfer or with this Annual Service Election, the Winter Sales WACOG Commodity Component will automatically restart for billing effective the following November 1 through March 31 period.

Firm Sales Service

Customer must select one of two Pipeline Capacity Charge options:

- i. Volumetric
- ii. MDDV

(continue to Sheet 31-3)

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Effective with service on
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RATE SCHEDULE 31
NON-RESIDENTIAL FIRM SALES AND FIRM TRANSPORTATION SERVICE
(continued)

ANNUAL SERVICE ELECTION – June 30 Election for November 1 Service: (continued)

(C)

Transportation Service Type: *
Firm Transportation Service

* Customer will automatically be placed on a month-end billing cycle

Combination Service Types*:

For Sales Service, Customer must select one of two Commodity Component options: (1) Annual Sales WACOG, or (2) Winter Sales WACOG. Customer will have until August 15 to select the Winter Sales WACOG option (for a term of November 1 through March 31). If no selection is made, the Commodity Component option will default to Annual Sales WACOG (November 1 through October 31). The Customer that selects Winter Sales WACOG will be billed at Monthly Incremental Cost of Gas (Schedule 150) effective April 1 through October 31. If no other change in Service Type was previously requested, either as an Out-of-Cycle Transfer or with this Annual Service Election, the Winter Sales WACOG Commodity Component will automatically restart for billing effective the following November 1 through March 31 period.

Firm Sales Service with Firm Transportation Service

- Customer must specify an exact daily delivery volume to be billed at Firm Sales Service
- Customer may specify an hourly delivery volume in their Service Election form. The total hourly delivery volume for any given 24-hour period must not exceed the total specified Firm MDDV.
 - * Customer will automatically be placed on a month-end billing cycle

The terms and conditions for submission and approval of a Service Type Selection are identified under “SERVICE TYPE SELECTIONS – PROCESS AND PROCEDURE” of this Rate Schedule. A Customer need not submit a Service Election Form if the Customer desires to retain its current Service Type Selection for the next PGA Year.

RATE SCHEDULE TRANSFERS:

A transfer between Rate Schedules will be allowed upon one Billing Month advance notice to the Company. Any request to also change the Service Type Selection must comply with the provision for “OUT-OF-CYCLE TRANSFERS FOR CERTAIN SERVICE TYPES” set forth in this Rate Schedule. Customer eligibility for a Rate Schedule transfer is as follows:

New Customer. A Customer with an account for gas service to the Premise to be served by this Rate Schedule that was opened within the most recent 12 calendar months may transfer to any other Rate Schedule upon appropriate advance notice. Once a transfer is made, a second transfer cannot be made from that Rate Schedule until Customer has completed a minimum of 12 consecutive Billing Months.

Existing Customer. A Customer that has fulfilled 12 months of continuous service under this Rate Schedule may voluntarily transfer to another Rate Schedule at any time upon appropriate advance notice. Once a transfer is made, a second transfer cannot be made from that Rate Schedule until Customer has completed a minimum of 12 consecutive Billing Months

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RATE SCHEDULE 32
LARGE VOLUME NON-RESIDENTIAL SALES AND TRANSPORTATION SERVICE
(continued)

GENERAL OBLIGATIONS APPLICABLE TO EACH SERVICE TYPE: (continued)

Where an AAMR device is installed and used for billing purposes, Customer must promptly restore electric power service to the AAMR device following an outage, no matter the cause. If failure to restore electric power to the AAMR device within thirty (30) days of notice from the Company can reasonably be assumed to be within the customer’s control, it is cause for the Company to reassign Customer to another rate schedule or another Service Type Selection that does not require an AAMR device.

Where the Customer premise is a Participant Multi-Family Building, Customer must ensure that the houseline, valves, and gas appliances installed under Schedule 405 remain in place and available for use at all times. NW Natural shall be granted free and unobstructed access to the valves installed on such houseline and shall be granted authority to place Company-owned locking devices on each valve as deemed necessary by the Company.

ANNUAL SERVICE ELECTION – June 30 Election for November 1 Service:

The Annual Service Election is the date by which a Customer may request to change all or a portion of their Service Type Selection for the following November 1 through October 31 period (PGA Year). All requests must be received by the Company on or before June 30, and will be effective the following November 1. Except as identified in this Rate Schedule under “OUT-OF-CYCLE TRANSFERS,” a Customer may not make a change to their Service Type Selection at any other time.

(C)

(C)

This Annual Service Election Provision shall apply to Customer-requested changes to any or all of the following components of a Service Type Selection: (1) Service Type, (2) Commodity Component (Sales Service Types only); (3) Pipeline Capacity Charge billing option (Firm Sales Service Type only), or (4) Firm Sales Service daily delivery volumes (Combination Service Type only).

When there is no Customer requested change under this Annual Service Election provision, then for the next PGA Year commencing November 1 the Customer’s Service Type and related billing options, including the Commodity Component option for Sales Service Types, will default to the same Service Type and billing options that are in effect at the close of the current Annual Service Election period.

Transfers between Sales Service and Transportation Service are further subject to the provisions in this Rate Schedule under “APPLICATION OF TEMPORARY ADJUSTMENTS TO RATES (ACCOUNT 191 ADJUSTMENTS).”

The Service Types available under this Rate Schedule, and the required selections for each Service Type, are set forth below. See “DESCRIPTION OF SERVICE TYPES AND REQUIREMENTS FOR SERVICE” in this Rate Schedule for additional information:

Sales Service Type*:

Customer must select one of two Commodity Component options: (1) Annual Sales WACOG, or (2) Winter Sales WACOG. Customer will have until August 15 to select the Winter Sales WACOG option (for a term of November 1 through March 31). If no selection is made, the Commodity Component option will default to Annual Sales WACOG. The Customer that selects Winter Sales WACOG will be billed at Monthly Incremental Cost of Gas (Schedule 150) effective April 1 through October 31. If no other change in Service Type was previously requested, either as an Out-of-Cycle Transfer or with this Annual Service Election, the Winter Sales WACOG Commodity Component will automatically restart for billing effective the following November 1 through March 31 period.

Firm Sales Service:

Customer must select one of two Pipeline Capacity Charge options:

- Volumetric
- MDDV

(continue to Sheet 32-3)

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RATE SCHEDULE 32
LARGE VOLUME NON-RESIDENTIAL SALES AND TRANSPORTATION SERVICE
(continued)

ANNUAL SERVICE ELECTION – June 30 Election for November 1 Service: (continued)
Sales Service Type* (continued):

(C)

Interruptible Sales Service *

Transportation Service Types*:

- a. Firm Transportation Service
- b. Interruptible Transportation Service

*Customer will automatically be placed on a month-end billing cycle.

Combination Service Types*:

For Sales Service, Customer must select one of two Commodity Component options: (1) Annual Sales WACOG, or (2) Winter Sales WACOG. Customer will have until August 15 to select the Winter Sales WACOG option (for a term of November 1 through March 31). If no selection is made, the Commodity Component option will default to Annual Sales WACOG (November 1 through October 31). The Customer that selects Winter Sales WACOG will be billed at Monthly Incremental Cost of Gas (Schedule 150) effective April 1 through October 31. If no other change in Service Type was previously requested, either as an Out-of-Cycle Transfer or with this Annual Service Election, the Winter Sales WACOG Commodity Component will automatically restart for billing the following November 1 through March 31 period.

- a. Firm Sales Service with Interruptible Sales Service **
Customer must specify an exact daily delivery volume to be billed at Firm Sales Service
- b. Firm Sales Service with Firm Transportation Service
Customer must specify an exact daily delivery volume to be billed at Firm Sales Service
- c. Firm Sales Service with Interruptible Transportation Service
Customer must specify an exact daily delivery volume to be billed at Firm Sales Service
- d. Interruptible Sales with Interruptible Transportation Service
Customer must specify an exact daily delivery volume to be billed at Interruptible Sales Service
- e. Firm Transportation Service with Interruptible Transportation Service
Customer must specify an exact daily delivery volume to be billed at Firm Transportation Service

* Customer will automatically be placed on a month-end billing cycle

*** Customer must choose one Commodity Component option for all Sales Service volumes

Customer may specify an hourly delivery volume in their Service Election form. The total hourly delivery volume for any given 24-hour period must not exceed the total specified Firm MDDV.

The terms and conditions for submission and approval of a Service Type Selection are identified under "SERVICE TYPE SELECTIONS – PROCESS AND PROCEDURE" of this rate schedule. A Customer need not submit a Service Election Form if the Customer desires to retain its current Service Type Selection for the next PGA Year.

RATE SCHEDULE TRANSFERS:

A transfer between Rate Schedules will be allowed upon one Billing Month advance notice to the Company. Any request to also change the Service Type Selection must comply with the provision for "OUT-OF-CYCLE TRANSFERS FOR CERTAIN SERVICE TYPES" set forth in this Rate Schedule. Customer eligibility for a Rate Schedule transfer is as follows:

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