

ORDER NO. 14 377

ENTERED OCT 29 2014

**BEFORE THE PUBLIC UTILITY COMMISSION
OF OREGON**

UG 271

In the Matter of

NORTHWEST NATURAL GAS
COMPANY, dba NW NATURAL,

Updates to Schedule 180, Special Rate
Adjustment for Working Gas Inventory.

ORDER

DISPOSITION: STAFF'S RECOMMENDATION ADOPTED

This order memorializes our decision, made and effective at the special public meeting on October 28, 2014, to adopt Staff's recommendation in this matter. The Staff Report with the recommendation is attached as Appendix A.

Dated this 29th day of Oct., 2014, at Salem, Oregon.

COMMISSIONER ACKERMAN WAS
UNAVAILABLE FOR SIGNATURE

Susan K. Ackerman
Chair



Handwritten signature of John Savage.

John Savage
Commissioner

Handwritten signature of Stephen M. Bloom.

Stephen M. Bloom
Commissioner

A party may request rehearing or reconsideration of this order under ORS 756.561. A request for rehearing or reconsideration must be filed with the Commission within 60 days of the date of service of this order. The request must comply with the requirements in OAR 860-001-0720. A copy of the request must also be served on each party to the proceedings as provided in OAR 860-001-0180(2). A party may appeal this order by filing a petition for review with the Court of Appeals in compliance with ORS 183.480 through 183.484.

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ITEM NO. CA6

**PUBLIC UTILITY COMMISSION OF OREGON
STAFF REPORT
PUBLIC MEETING DATE: October 28, 2014**

REGULAR _____ CONSENT X EFFECTIVE DATE November 1, 2014

DATE: October 16, 2014

TO: Public Utility Commission

FROM: Erik Colville *EC*

THROUGH: Jason Eisdorfer and Aster Adams *JE* *AA*

SUBJECT: NORTHWEST NATURAL: (Docket No. UG 271/Advice No. 14-15)
Revises Schedule 180, Special Rate Adjustment for Working Gas Inventory.

STAFF RECOMMENDATION:

Staff recommends that Northwest Natural's (NWN) request to revise Schedule 180 be approved with an effective date of November 1, 2014.

DISCUSSION:

The purpose of this filing is to request amortization of amounts relating to carrying costs on working gas inventory deferred since November 1, 2013. These requests are in accordance with the Stipulation adopted by the Commission in Order No. 13-349 (Docket No. UM 1651) signed on September 30, 2013.

The Stipulation in Order No. 13-349 states that beginning in the 2013-14 gas year¹ carrying costs on NWN's working gas inventory equal to \$4.5 million will be included in permanent base rates, until adjusted in a future rate proceeding. NWN has been recording the authorized deferrals in the appropriate account and is applying the appropriate rate of return on the deferrals to calculate the interest accruals. In this advice filing, the NWN is seeking to remove the temporary adjustment of \$4,695,154 which was effective November 1, 2013, and apply the new temporary adjustment of \$48,297 to be effective November 1, 2014.

¹ A gas year begins November 1st and ends October 31st of the following calendar year.

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The net effect of removing the temporary adjustments to rates effective November 1, 2013, and the application of the new temporary adjustments is to reduce NWN's annual revenue by \$4,743,451, or 0.71 percent.²

The amortizations in this filing are subject to the three percent test pursuant to ORS 757.259(6). The three percent test restricts total amortizations to be embedded in rates to three percent of the natural gas utility's gross revenues for the preceding calendar year. For an accounting of the combined effect on customer rates of NWN's proposed changes, including the overall results of the three percent test, please see Staff's Report on the Regular Agenda related to Docket No. UG 278/Advice No. 14-16, Attachment C.

Based on the information in the Company's filing, Staff recommends that the proposed rates go into effect.

PROPOSED COMMISSION MOTION:

NWN's tariff sheets in Docket No. UG 271/Advice No. 14-15 be allowed to go into effect on November 1, 2014.

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² The Staff Attachment B Schedule 180 entries are \$4,770,147 temporary adjustment removal, \$48,060 new temporary adjustment, and a resulting \$4,818,207 (0.72%) annual revenue reduction. The difference between Staff Attachment B and the filing results from Staff Attachment B using forecasted therms and existing rates while the filing uses actuals.