



250 SW Taylor Street  
Portland, OR 97204

503-226-4211  
nwnatural.com

August 1, 2024

NWN OPUC Advice No. 24-07 / UG \_\_\_\_  
(UM 1420)

**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 CERTAIN NON-GAS COST DEFERRED  
ACCOUNTS RELATING TO: UM 1420 - Industrial Demand Side Management**

Northwest Natural Gas Company, dba NW Natural (NW Natural or Company), files herewith revisions and additions to its Tariff, P.U.C. Or. 25,<sup>1</sup> stated to become effective with service on and after November 1, 2024, as follows:

Twelfth Revision of Sheet 188-1	Schedule 188	Industrial Demand Side Management (DSM) Program Cost Recovery
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**Purpose**

The purpose of this filing is to request amortization of amounts deferred under docket UM 1420 Industrial Demand Side Management Programs implemented in accordance with ORS 757.262 for inclusion in rates effective November 1, 2024. The Company last adjusted rates for this purpose effective November 1, 2023.

**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. All of the deferrals included in this filing occurred with appropriate application by Commission authorization, as rate orders or under approved tariffs.

**Proposed Changes**

The net effect of removing the temporary adjustment applied to rates effective November 1, 2023 and the application of the new temporary adjustment is an increase to the Company's annual revenues by \$1,540,972, or 0.16%.

The monthly bill of the average industrial customer served under Rate Schedule 3 using 1,255 therms per month is an increase of \$16.42. The monthly increase for the average industrial Rate Schedule 31 firm sales customer using 5,430 therms per month is \$71.07, and the monthly increase

<sup>1</sup> Tariff P.U.C. Or. 25 originated November 1, 2012 with Docket UG 221; OPUC Order No. 12-408 as supplemented by Order No. 12-437, and was filed pursuant to ORS 767.205 and OAR 860-022-0005.

for the average industrial Rate Schedule 32 firm sales customer using 20,942 therms per month is \$274.13.

The proposed adjustment for the amortization of the Industrial DSM account is \$0.05964 per therm.

In compliance with OAR 860-022-0025 the Company states that the number of customers affected by the proposed change is 656 industrial customers and 559 commercial customers; 339 Rate Schedule 3 customers, 174 Rate Schedule 31 customers, and 702 Rate Schedule 32 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](http://www.nwnatural.com).

Please address correspondence on this matter to Lora Bourdo at [lora.bourdo@nwnatural.com](mailto: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](mailto:eFiling@nwnatural.com)

Sincerely,

NW NATURAL

*/s/ Kyle Walker, CPA*

Kyle Walker, CPA  
Rates/Regulatory Senior Manager

Attachments: Exhibit A – Supporting Materials

# NORTHWEST NATURAL GAS COMPANY

P.U.C. Or. 25

Twelfth Revision of Sheet 188-1  
Cancels Eleventh Revision of Sheet 188-1

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## SCHEDULE 188 INDUSTRIAL DEMAND SIDE MANAGEMENT (DSM) PROGRAM COST RECOVERY

### **PURPOSE:**

This Schedule recovers the costs of the Company's Industrial Energy Efficiency Program offered under **Schedule 360** "Industrial Demand side Management (DSM) Programs."

### **APPLICABILITY:**

This Schedule applies to Industrial Sales Service Customers taking service under **Rate Schedule 3**, **Rate Schedule 31**, or **Rate Schedule 32**, and to Commercial Sales Service Customers taking service under **Rate Schedule 32**.

### **Application To Rates:**

Effective: November 1, 2024 (C)

The Temporary Adjustments in the applicable Rate Schedules include the adjustment shown below. NO ADDITIONAL ADJUSTMENT TO RATES IS REQUIRED.

\$0.05964 per therm (I)

### **GENERAL TERMS:**

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

Issued August 1, 2024,  
NWN OPUC Advice No. 24-07

Effective with service on  
and after November 1, 2024

EXHIBIT A

BEFORE THE PUBLIC UTILITY COMMISSION  
OF OREGON

NW NATURAL SUPPORTING MATERIALS

Non-Gas Cost Deferral Amortizations  
Industrial Demand Side Management  
UM 1420

NWN OPUC Advice No. 24-07/ UG \_\_\_\_

August 1, 2024

# NW NATURAL

## EXHIBIT A

### Supporting Materials

Non-Gas Cost Deferral Amortizations

Industrial Demand Side Management

NWN OPUC ADVICE NO. 24-07 / UG \_\_\_\_

<b>Description</b>	<b>Page</b>
Calculation of Increments Allocated on the Equal Percentage of Margin	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
151818 Deferral of Industrial DSM Costs	6
151820 Amortization of Industrial DSM Costs	7

NW Natural  
 Rates & Regulatory Affairs  
 2024-25 PGA - Oregon: August Filing  
 Calculation of Increments Allocated on the EQUAL CENT PER THERM BASIS

ALL VOLUMES IN THERMS

				Industrial DSM		
				7,926,841	Temporary Increment	
				2.883% add revenue sensitive factor		
				to C32 Sales and all Industrial Sales		
4	Column F	Amount to Amortize:		8,162,181		
5	Schedule	Block	A	Multiplier	Volumes	Increment
6				AC	AD	AE
7	2R		423,059,269	0.0	0	\$0.00000
8	3C Firm Sales		178,618,735	0.0	0	\$0.00000
9	3I Firm Sales		5,103,738	1.0	5,103,738	\$0.05964
10	27 Dry Out		742,733	0.0	0	\$0.00000
11	31C Firm Sales	Block 1	12,281,908	0.0	0	\$0.00000
12		Block 2	10,043,265	0.0	0	\$0.00000
13	31C Firm Trans	Block 1	1,267,742	0.0	0	\$0.00000
14		Block 2	1,392,960	0.0	0	\$0.00000
15	31I Firm Sales	Block 1	3,698,785	1.0	3,698,785	\$0.05964
16		Block 2	7,639,515	1.0	7,639,515	\$0.05964
17	31I Firm Trans	Block 1	144,356	0.0	0	\$0.00000
18		Block 2	351,741	0.0	0	\$0.00000
19	32C Firm Sales	Block 1	34,618,514	1.0	34,618,514	\$0.05964
20		Block 2	9,360,621	1.0	9,360,621	\$0.05964
21		Block 3	1,566,490	1.0	1,566,490	\$0.05964
22		Block 4	544,281	1.0	544,281	\$0.05964
23		Block 5	0	1.0	0	\$0.05964
24		Block 6	0	1.0	0	\$0.05964
25	32I Firm Sales	Block 1	8,547,588	1.0	8,547,588	\$0.05964
26		Block 2	7,603,172	1.0	7,603,172	\$0.05964
27		Block 3	2,763,251	1.0	2,763,251	\$0.05964
28		Block 4	3,005,494	1.0	3,005,494	\$0.05964
29		Block 5	195,767	1.0	195,767	\$0.05964
30		Block 6	0	1.0	0	\$0.05964
31	32C Firm Trans	Block 1	2,721,537	0.0	0	\$0.00000
32		Block 2	2,020,003	0.0	0	\$0.00000
33		Block 3	707,839	0.0	0	\$0.00000
34		Block 4	869,038	0.0	0	\$0.00000
35		Block 5	0	0.0	0	\$0.00000
36		Block 6	0	0.0	0	\$0.00000
37	32I Firm Trans	Block 1	11,657,702	0.0	0	\$0.00000
38		Block 2	17,056,306	0.0	0	\$0.00000
39		Block 3	10,569,490	0.0	0	\$0.00000
40		Block 4	22,324,991	0.0	0	\$0.00000
41		Block 5	22,115,808	0.0	0	\$0.00000
42		Block 6	7,865,614	0.0	0	\$0.00000
43	32C Interr Sales	Block 1	4,649,733	1.0	4,649,733	\$0.05964
44		Block 2	6,816,872	1.0	6,816,872	\$0.05964
45		Block 3	3,782,502	1.0	3,782,502	\$0.05964
46		Block 4	5,561,835	1.0	5,561,835	\$0.05964
47		Block 5	3,284,822	1.0	3,284,822	\$0.05964
48		Block 6	0	1.0	0	\$0.05964
49	32I Interr Sales	Block 1	4,653,469	1.0	4,653,469	\$0.05964
50		Block 2	6,055,122	1.0	6,055,122	\$0.05964
51		Block 3	3,505,859	1.0	3,505,859	\$0.05964
52		Block 4	9,726,364	1.0	9,726,364	\$0.05964
53		Block 5	4,171,536	1.0	4,171,536	\$0.05964
54		Block 6	0	1.0	0	\$0.05964
55	32C Interr Trans	Block 1	822,778	0.0	0	\$0.00000
56		Block 2	1,679,150	0.0	0	\$0.00000
57		Block 3	978,518	0.0	0	\$0.00000
58		Block 4	3,232,735	0.0	0	\$0.00000
59		Block 5	472,307	0.0	0	\$0.00000
60		Block 6	0	0.0	0	\$0.00000
61	32I Interr Trans	Block 1	6,144,023	0.0	0	\$0.00000
62		Block 2	10,403,074	0.0	0	\$0.00000
63		Block 3	6,958,044	0.0	0	\$0.00000
64		Block 4	15,417,391	0.0	0	\$0.00000
65		Block 5	35,960,832	0.0	0	\$0.00000
66		Block 6	99,266,501	0.0	0	\$0.00000
67	33		0	0.0	0	\$0.00000
68	Special Contracts		54,127,531	0.0	0	\$0.00000
69						
70	TOTALS		1,098,129,249		136,855,330	\$ 0.05964

71	<b>Sources for line 2 above:</b>					
72	Inputs page			Line 49		
73	Tariff Schedules					
74	Rate Adjustment Schedule			Sched 188		



**NW Natural**  
**Rates and Regulatory Affairs**  
**2024-2025 PGA Filing - OREGON**  
**Basis for Revenue Related Costs**

	Twelve Months <u>Ended 06/30/24</u>		
1			
2			
3	Total Billed Gas Sales Revenues	\$ 920,096,835	
4	Total Oregon Revenues	\$ 925,565,009	
5			
6	Regulatory Commission Fees [1]	n/a	0.450% Statutory rate
7	City License and Franchise Fees	\$ 21,672,271	2.342% Line 7 ÷ Line 4
8	Net Uncollectible Expense [2]	<u>\$ 845,048</u>	<u>0.091% Line 8 ÷ Line 4</u>
9			
10	Total		<u><u>2.883%</u></u> Sum lines 8-9
11			
12			

**Note:**

- 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 0.450%, 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**  
**2024-2025 PGA Filing - Oregon: August Filing**  
**PGA Effects on Revenue**  
**Schedule 188: Industrial DSM**

	<b>Including Revenue Sensitive Amount</b>
1	
2 <b><u>Temporary Increments</u></b>	
3	
4 <u>Removal of Current Temporary Increments</u>	
5 Amortization of Industrial DSM	(6,621,209)
6	
7 <u>Addition of Proposed Temporary Increments</u>	
8 Amortization of Industrial DSM	8,162,181
9	
10	
11 <b>TOTAL OF ALL COMPONENTS OF RATE CHANGES</b>	<b><u><u>\$1,540,972</u></u></b>
12	
13	
14	
15 2023 Oregon Earnings Test Normalized Total Revenues	\$975,829,919
16	
17 Effect of this filing, as a percentage change (line 11 ÷ line 15)	0.16%

**NW Natural  
 Rates & Regulatory Affairs  
 2024-2025 PGA Filing - June Filing  
 Summary of Deferred Accounts Included in the PGA**

	<b>Account</b>	<b>Balance 6/30/2024</b>	<b>Jul-Oct Estimated Activity</b>	<b>Jul-Oct Interest</b>	<b>Estimated Balance 10/31/2024</b>	<b>Interest Rate During Amortization</b>	<b>Estimated Interest During Amortization</b>	<b>Total Estimated Amount for (Refund) or Collection</b>	<b>Amounts Excluded from PGA Filing</b>	<b>Amounts Included in PGA Filing</b>
	<b>A</b>	<b>B</b>	<b>C</b>	<b>D</b>	<b>E</b>	<b>F1</b>	<b>F2</b>	<b>G</b>	<b>H</b>	<b>I</b>
					<small>E = sum B thru D</small>	<b>5.40%</b>		<small>G = E + F2</small>		<small>Excl. Rev Sens</small>
36	<b>Miscellaneous Amortizations</b>									
53	151818 INDUSTRIAL DSM DEFERRAL	7,494,454	0	0	7,494,454					
54	151820 INDUSTRIAL DSM AMORTIZATION	1,753,177	(1,565,431)	17,570	205,315					
55	Total	9,247,631	(1,565,431)	17,570	7,699,769	5.40%	227,072	7,926,841		<b>7,926,841</b>

Company: Northwest Natural Gas Company  
 State: Oregon  
 Description: Deferral of Industrial DSM Costs  
 Account Number: 151818  
 Docket: Docket UM 1420  
 Last deferral reauthorization was approved in Order 22-395

1 Debit (Credit) *Deferrals are authorized on a program year (Mar - Feb). The total balance is broken down into separate deferral years for convenience of review*

Month/Year	Note	Deferral	Transfers	TOTAL Interest	Interest Rate	Mar 23- Feb 24 Interest	Mar 24- Feb 25 Interest	Total Activity	TOTAL Balance	Mar 22-Feb 23 Balance	Mar 23- Feb 24 Balance	Mar 24- Feb 25 Balance
(a)	(b)	(c)	(d)	(e)	(e1)	(e12)	(e12)	(f)	(g)	(g12)	(g12)	(g12)
Beginning Balance												
Mar-22		1,500,000.00		4,353.13	6.965%			1,504,353.13	7,106,850.03	1,504,353.13		
Apr-22		0.00		8,731.52	6.965%			8,731.52	7,115,581.55	1,513,084.65		
May-22		0.00		8,782.20	6.965%			8,782.20	7,124,363.75	1,521,866.85		
Jun-22		2,000,000.00		14,637.34	6.965%			2,014,637.34	9,139,001.09	3,536,504.19		
Jul-22		0.00		20,526.46	6.965%			20,526.46	9,159,527.55	3,557,030.65		
Aug-22		0.00		20,645.60	6.965%			20,645.60	9,180,173.15	3,577,676.25		
Sep-22		0.00		20,765.43	6.965%			20,765.43	9,200,938.58	3,598,441.68		
Oct-22		0.00		20,885.96	6.965%			20,885.96	9,221,824.54	3,619,327.64		
Nov-22	<b>1</b>	2,531,586.00	(5,602,496.90)	27,828.90	6.836%			(3,043,082.00)	6,178,742.54	6,178,742.54		
Dec-22		0.00		35,198.24	6.836%			35,198.24	6,213,940.78	6,213,940.78		
Jan-23		0.00		35,398.75	6.836%			35,398.75	6,249,339.53	6,249,339.53		
Feb-23		0.00		35,600.40	6.836%			35,600.40	6,284,939.93	6,284,939.93		
Mar-23		0.00		0.00	6.836%	0.00		-	6,284,939.93	6,284,939.93		
Apr-23		0.00		0.00	6.836%	0.00		-	6,284,939.93	6,284,939.93		
May-23		2,000,000.00		5,696.67	6.836%	5,696.67		2,005,696.67	8,290,636.60	6,284,939.93	2,005,696.67	
Jun-23		0.00		11,425.79	6.836%	11,425.79		11,425.79	8,302,062.39	6,284,939.93	2,017,122.46	
Jul-23		2,000,000.00		17,187.54	6.836%	17,187.54		2,017,187.54	10,319,249.93	6,284,939.93	4,034,310.00	
Aug-23		0.00		22,982.12	6.836%	22,982.12		22,982.12	10,342,232.05	6,284,939.93	4,057,292.12	
Sep-23		0.00		23,113.04	6.836%	23,113.04		23,113.04	10,365,345.09	6,284,939.93	4,080,405.16	
Oct-23		0.00		23,244.71	6.836%	23,244.71		23,244.71	10,388,589.80	6,284,939.93	4,103,649.87	
Nov-23	<b>1</b>	3,231,588.00	(6,284,939.93)	32,581.77	6.836%	32,581.77		(3,020,770.16)	7,367,819.64	-	7,367,819.64	
Dec-23		0.00		41,972.01	6.836%	41,972.01		41,972.01	7,409,791.65	-	7,409,791.65	
Jan-24		0.00		42,211.11	6.836%	42,211.11		42,211.11	7,452,002.76	-	7,452,002.76	
Feb-24		0.00		42,451.58	6.836%	42,451.58		42,451.58	7,494,454.34	-	7,494,454.34	
Mar-24		3,110,529.00		8,859.82	6.836%		8,859.82	3,119,388.82	10,613,843.16		7,494,454.34	3,119,388.82
Apr-24		0.00		17,770.12	6.836%		17,770.12	17,770.12	10,631,613.28		7,494,454.34	3,137,158.94
May-24		0.00		17,871.35	6.836%		17,871.35	17,871.35	10,649,484.63		7,494,454.34	3,155,030.29
Jun-24		0.00		17,973.16	6.836%		17,973.16	17,973.16	10,667,457.79		7,494,454.34	3,173,003.45
Jul-24		3,110,529.00		26,935.37	6.836%		26,935.37	3,137,464.37	13,804,922.16		7,494,454.34	6,310,467.82
Aug-24		0.00		35,948.63	6.836%		35,948.63	35,948.63	13,840,870.79		7,494,454.34	6,346,416.45
Sep-24		0.00		36,153.42	6.836%		36,153.42	36,153.42	13,877,024.21		7,494,454.34	6,382,569.87
Oct-24		0.00		36,359.37	6.836%		36,359.37	36,359.37	13,913,383.58		7,494,454.34	6,418,929.24

History truncated for ease of viewing

**NOTES**

**1** - Transferred February balance of prior program year to 151820 Amort Industrial DSM for amortization (see note above).

Company: Northwest Natural Gas Company  
 State: Oregon  
 Description: Amortization of Industrial DSM Costs  
 Account Number: 151820  
 Docket: Dockets UM 1420, UG 475  
 Amortization of deferral approved in Order 23-398

1	Debit	(Credit)						
2								
3					TOTAL	Interest		TOTAL
4	Month/Year	Note	Amortization	Transfers	Interest	Rate	Activity	Balance
5	(a)	(b)	(c)	(d)	(e1)	(e2)	(f)	(g)
6								
7	Beginning Balance							
174	Jul-23		(309,261.28)		1,670.80	1.82%	(307,590.48)	948,667.60
175	Aug-23		(293,661.40)		1,216.12	1.82%	(292,445.28)	656,222.32
176	Sep-23		(305,984.70)		763.23	1.82%	(305,221.47)	351,000.85
177	Oct-23		(373,380.23)		249.20	1.82%	(373,131.03)	(22,130.18)
178	Nov-23	Old rates	(160,973.91)		(155.64)	1.82%	(161,129.55)	(183,259.73)
179	Nov-23	New rates <b>(1)</b>	(352,694.91)	6,284,939.93	26,114.23	5.13%	5,958,359.25	5,775,099.52
180	Dec-23		(666,881.49)		23,263.09	5.13%	(643,618.40)	5,131,481.12
181	Jan-24		(673,119.05)		20,498.29	5.13%	(652,620.76)	4,478,860.36
182	Feb-24		(678,916.95)		17,695.94	5.13%	(661,221.01)	3,817,639.35
183	Mar-24		(646,357.56)		14,938.82	5.13%	(631,418.74)	3,186,220.61
184	Apr-24		(552,772.49)		12,439.54	5.13%	(540,332.95)	2,645,887.66
185	May-24		(498,483.68)		10,245.66	5.13%	(488,238.02)	2,157,649.64
186	Jun-24		(412,814.57)		8,341.56	5.13%	(404,473.01)	1,753,176.63
187	Jul-24	<i>Forecasted</i>	<i>(353,546.56)</i>		6,739.12	5.13%	<i>(346,807.44)</i>	<i>1,406,369.19</i>
188	Aug-24	<i>Forecasted</i>	<i>(357,249.39)</i>		5,248.61	5.13%	<i>(352,000.78)</i>	<i>1,054,368.41</i>
189	Sep-24	<i>Forecasted</i>	<i>(379,392.95)</i>		3,696.47	5.13%	<i>(375,696.48)</i>	<i>678,671.93</i>
190	Oct-24	<i>Forecasted</i>	<i>(475,242.41)</i>		1,885.49	5.13%	<i>(473,356.92)</i>	<i>205,315.01</i>

History truncated for ease of viewing

**NOTES**

**1** - Transferred in authorized balance from account 151818 Deferral of Industrial DSM.