

August 1, 2024

NWN OPUC Advice No. 24-06 / UG ____
(UM 1078)**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 AMOUNTS COLLECTIBLE THROUGH SITE
REMEDATION RECOVERY MECHANISM (SRRM): UM 1078 AND UM 1635**

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, 2024, as follows:

Tenth Revision of Sheet 183-3	Schedule 183	Site Remediation Recovery Mechanism (SRRM) (continued)
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Purpose

This filing is made in accordance with the Public Utility Commission of Oregon's (Commission) orders in UM 1635. The purpose of this filing is to request amortization of amounts deferred under docket UM 1078 for inclusion in rates effective November 1, 2024. The Company revises rates for this purpose annually; the last filing was 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 Commission in a proceeding to change rates and with Order No. 15-049 in docket UM 1635. 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 the removal of the current temporary adjustments applied to rates effective November 1, 2023 and the application of the new temporary adjustments is to increase the Company's annual revenues by \$3,055,893 or about 0.31%.

¹ 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.

The monthly bill of the average residential customer served under Rate Schedule 2 using 55 therms per month will increase by \$0.27, or 0.3%. The monthly increase for the average commercial Rate Schedule 3 customer using 251 therms is about \$0.94, and the monthly increase for the average firm sales commercial Rate Schedule 31 customer using 2,827 therms is about \$7.06. The average Rate Schedule 32 firm sales industrial customer using 20,942 therms will see a monthly increase of about \$18.99. The average bill effects for all other rate schedule and service types can be found in the separately provided workpapers.

In compliance with OAR 860-022-0025 the Company states that the number of customers affected by the proposed change is 640,507 residential customers, and 62,203 commercial customers, and 836 industrial 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:

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
Rate/Regulatory Senior Manager

Attachments: Exhibit A – Supporting Materials

NORTHWEST NATURAL GAS COMPANY

P.U.C. Or. 25

Tenth Revision of Sheet 183-3
Cancels Ninth Revision of Sheet 183-3

SCHEDULE 183 SITE REMEDIATION RECOVERY MECHANISM (SRRM) (continued)

APPLICATION TO RATE SCHEDULES:

Effective: November 1, 2024

(C)

The Total Adjustment amount shown below is included in the Temporary Adjustments reflected in the above-listed Rate Schedules. NO ADDITIONAL ADJUSTMENT TO RATES IS REQUIRED.

Rate Schedule/Class	Block	SRRM Adjustment		Rate Schedule/Class	Block	SRRM Adjustment
2		\$0.02066		31 CSF	Block 1	\$0.01060
03 CSF		\$0.01537			Block 2	\$0.00968
03 ISF		\$0.01128		31 CTF	Block 1	\$0.01084
27		\$0.01781			Block 2	\$0.00993
				31 ISF	Block 1	\$0.00744
					Block 2	\$0.00672
				31 ITF	Block 1	\$0.00815
					Block 2	\$0.00738
32 CSF	Block 1	\$0.00651		32 CSI	Block 1	\$0.00397
	Block 2	\$0.00552			Block 2	\$0.00337
	Block 3	\$0.00388			Block 3	\$0.00237
	Block 4	\$0.00224			Block 4	\$0.00137
	Block 5	\$0.00105			Block 5	\$0.00077
	Block 6	\$0.00049			Block 6	\$0.00033
32 ISF	Block 1	\$0.00420		32 ISI	Block 1	\$0.00379
	Block 2	\$0.00357			Block 2	\$0.00322
	Block 3	\$0.00251			Block 3	\$0.00227
	Block 4	\$0.00146			Block 4	\$0.00132
	Block 5	\$0.00073			Block 5	\$0.00075
	Block 6	\$0.00036			Block 6	\$0.00033
32 CTF	Block 1	\$0.00471		32 CTI	Block 1	\$0.00324
	Block 2	\$0.00403			Block 2	\$0.00277
	Block 3	\$0.00289			Block 3	\$0.00199
	Block 4	\$0.00175			Block 4	\$0.00121
	Block 5	\$0.00107			Block 5	\$0.00074
	Block 6	\$0.00062			Block 6	\$0.00043
32 ITF	Block 1	\$0.00382		32 ITI	Block 1	\$0.00347
	Block 2	\$0.00326			Block 2	\$0.00297
	Block 3	\$0.00234			Block 3	\$0.00213
	Block 4	\$0.00142			Block 4	\$0.00130
	Block 5	\$0.00087			Block 5	\$0.00079
	Block 6	\$0.00050			Block 6	\$0.00046
				33		\$0.00000

(I) (I)

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Issued August 1, 2024
NWN OPUC Advice No. 24-06

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
Site Remediation Recovery Mechanism (SRRM)

UM 1078

NWN OPUC Advice No. 24-06 / UG ____

August 1, 2024

NW NATURAL

EXHIBIT A

Supporting Materials

Non-Gas Cost Deferral Amortizations

SRRM

NWN OPUC ADVICE NO. 24-06 / UG ____

Description	Page
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
151380 Amortization of SRRM	6
151375 SRRM Post Prudence and Amount Calculated for Rate Making	7

Advice 24-06
 See note [4]

1	Oregon PGA		Normal	Minimum	11/1/2023	11/1/2023	Proposed	Proposed	Proposed		
2	Normalized		Therms				11/1/2024	11/1/2024	11/1/2024		
3	Volumes page,	Therms in	Monthly	Monthly	Billing	Current	Schedule 183	Schedule 183	Schedule 183		
4	Column D	Block	Average use	Charge	Rates	Average Bill	Rates	Average Bill	% Bill Change		
5	Schedule	Block	A	B	C	D	E	F=D+(C * E)	N = D+(C * M)	O = (N - F)/F	
6											
7	2R		423,059,269	N/A	55	\$8.00	\$1,295.19	\$79.24	\$1,300.21	\$79.51	0.3%
8	3C Firm Sales		178,618,735	N/A	251	\$15.00	\$1,087.53	\$287.97	\$1,091.27	\$288.91	0.3%
9	3I Firm Sales		5,103,738	N/A	1,255	\$15.00	\$1,058.30	\$1,343.17	\$1,061.06	\$1,346.63	0.3%
10	27 Dry Out		742,733	N/A	37	\$8.00	\$1,086.05	\$48.18	\$1,091.06	\$48.37	0.4%
11	31C Firm Sales	Block 1	12,281,908	2,000	2,827	\$325.00	\$0,759.20	\$2,447.92	\$0,761.76	\$2,454.98	0.3%
12		Block 2	10,043,265	all additional			\$0,730.98		\$0,733.32		
13	31C Firm Trans	Block 1	1,267,742	2,000	3,758	\$575.00	\$0,295.03	\$1,639.68	\$0,297.80	\$1,649.71	0.6%
14		Block 2	1,392,960	all additional			\$0,269.98		\$0,272.53		
15	31I Firm Sales	Block 1	3,698,785	2,000	5,430	\$325.00	\$0,744.21	\$4,283.47	\$0,746.11	\$4,293.17	0.2%
16		Block 2	7,639,515	all additional			\$0,720.13		\$0,721.85		
17	31I Firm Trans	Block 1	144,356	2,000	6,890	\$575.00	\$0,253.51	\$2,204.08	\$0,253.33	\$2,215.84	0.5%
18		Block 2	351,741	all additional			\$0,229.46		\$0,231.12		
19	32C Firm Sales	Block 1	34,618,514	10,000	7,386	\$675.00	\$0,671.31	\$5,633.30	\$0,672.78	\$5,644.15	0.2%
20		Block 2	9,360,621	20,000			\$0,644.49		\$0,645.75		
21		Block 3	1,566,490	20,000			\$0,599.97		\$0,600.88		
22		Block 4	544,281	100,000			\$0,555.28		\$0,555.84		
23		Block 5	0	600,000			\$0,523.18		\$0,523.48		
24		Block 6	0	all additional			\$0,507.96		\$0,508.14		
25	32I Firm Sales	Block 1	8,547,588	10,000	20,942	\$675.00	\$0,627.27	\$13,593.87	\$0,628.25	\$13,612.86	0.1%
26		Block 2	7,603,172	20,000			\$0,607.40		\$0,608.24		
27		Block 3	2,763,251	20,000			\$0,574.16		\$0,574.77		
28		Block 4	3,005,494	100,000			\$0,541.04		\$0,541.42		
29		Block 5	195,767	600,000			\$0,517.91		\$0,518.13		
30		Block 6	0	all additional			\$0,506.28		\$0,506.42		
31	32C Firm Trans	Block 1	2,721,537	10,000	19,501	\$925.00	\$0,133.25	\$3,337.38	\$0,134.45	\$3,359.26	0.7%
32		Block 2	2,020,003	20,000			\$0,113.66		\$0,114.70		
33		Block 3	707,839	20,000			\$0,081.14		\$0,081.91		
34		Block 4	869,038	100,000			\$0,048.57		\$0,049.08		
35		Block 5	0	600,000			\$0,028.99		\$0,029.34		
36		Block 6	0	all additional			\$0,016.01		\$0,016.26		
37	32I Firm Trans	Block 1	11,657,702	10,000	75,569	\$925.00	\$0,130.29	\$7,266.47	\$0,131.27	\$7,316.15	0.7%
38		Block 2	17,056,306	20,000			\$0,111.25		\$0,112.09		
39		Block 3	10,569,490	20,000			\$0,079.53		\$0,080.16		
40		Block 4	22,324,991	100,000			\$0,047.83		\$0,048.24		
41		Block 5	22,115,808	600,000			\$0,028.74		\$0,029.03		
42		Block 6	7,865,614	all additional			\$0,016.13		\$0,016.33		
43	32C Interr Sales	Block 1	4,649,733	10,000	51,487	\$675.00	\$0,644.62	\$32,098.38	\$0,645.63	\$32,138.65	0.1%
44		Block 2	6,816,872	20,000			\$0,622.50		\$0,623.36		
45		Block 3	3,782,502	20,000			\$0,585.57		\$0,586.19		
46		Block 4	5,561,835	100,000			\$0,548.61		\$0,548.99		
47		Block 5	3,284,822	600,000			\$0,526.44		\$0,526.68		
48		Block 6	0	all additional			\$0,510.23		\$0,510.36		
49	32I Interr Sales	Block 1	4,653,469	10,000	42,594	\$675.00	\$0,627.93	\$26,377.14	\$0,628.83	\$26,408.59	0.1%
50		Block 2	6,055,122	20,000			\$0,608.46		\$0,609.23		
51		Block 3	3,505,859	20,000			\$0,575.96		\$0,576.52		
52		Block 4	9,726,364	100,000			\$0,543.47		\$0,543.82		
53		Block 5	4,171,536	600,000			\$0,523.96		\$0,524.19		
54		Block 6	0	all additional			\$0,509.68		\$0,509.81		
55	32C Interr Trans	Block 1	822,778	10,000	199,597	\$925.00	\$0,124.71	\$11,732.30	\$0,125.55	\$11,814.30	0.7%
56		Block 2	1,679,150	20,000			\$0,106.45		\$0,107.17		
57		Block 3	978,518	20,000			\$0,076.01		\$0,076.55		
58		Block 4	3,232,735	100,000			\$0,045.57		\$0,045.93		
59		Block 5	472,307	600,000			\$0,027.30		\$0,027.55		
60		Block 6	0	all additional			\$0,015.17		\$0,015.34		
61	32I Interr Trans	Block 1	6,144,023	10,000	198,801	\$925.00	\$0,125.43	\$11,821.46	\$0,126.32	\$11,908.84	0.7%
62		Block 2	10,403,074	20,000			\$0,107.13		\$0,107.90		
63		Block 3	6,958,044	20,000			\$0,076.62		\$0,077.19		
64		Block 4	15,417,391	100,000			\$0,046.10		\$0,046.49		
65		Block 5	35,960,832	600,000			\$0,027.81		\$0,028.07		
66		Block 6	99,266,501	all additional			\$0,015.63		\$0,015.82		
67	33		0	N/A	0.0	\$38,000.00	\$0,008.62	\$38,000.00	\$0,008.62	\$38,000.00	
68	Special Contracts		54,127,531	N/A	0	\$0	\$0,005.44	\$0.00	\$0,005.44	\$0.00	
69											
70	Totals		1,098,129,249								

[1] For convenience of presentation, demand charges for Rate Schedules 31 and 32 have been removed.
 [2] Tariff Advice Notice 24-04: Non-Gas Cost Deferral Amortizations - Intervenor Funding
 [3] Tariff Advice Notice 24-05: Non-Gas Cost Deferral Amortizations - Oregon PUC Fee
 [4] Tariff Advice Notice 24-06: Non-Gas Cost Deferral Amortizations - SRRM
 [5] Tariff Advice Notice 24-07: Non-Gas Cost Deferral Amortizations - Industrial DSM
 [6] Tariff Advice Notice 24-08: Non-Gas Cost Deferral Amortizations - Decoupling
 [7] Tariff Advice Notice 24-09: Non-Gas Cost Deferral Amortizations - WARM
 [8] Tariff Advice Notice 24-10: Non-Gas Cost Deferral Amortization - Corporate Activity Tax (CAT) Amortization
 [9] Tariff Advice Notice 24-11: Non-Gas Cost Amortization - Net Curtainment and Entitlement Revenues
 [10] Tariff Advice Notice 24-12: Non-Gas Cost Amortization - Regulatory Rate Adjustment
 [11] Tariff Advice Notice 24-13: Non-Gas Cost Amortization - Residential Rate Mitigation
 [12] Tariff Advice Notice 24-14: Non-Gas Cost Amortization - RNG Transport Allocation
 [13] Tariff Advice Notice 24-15: COVID
 [14] Tariff Advice Notice 24-16: Non-Gas Cost Amortization - TSA Security Directive
 [15] Tariff Advice Notice 24-19: PGA
 [16] Tariff Advice Notice 24-17: RNG Adj Mechanism
 [17] Tariff Advice Notice 23-21: Mist Recall

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		

13 **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 183: SRRM

	Including Revenue Sensitive Amount
1 <u>SRRM Components:</u>	
2	
3 <u>Removal of Current Temporary Increments:</u>	
4	
5 Amortization of SRRM	(9,699,112)
6	
7 <u>Addition of Proposed Temporary Increments:</u>	
8	
9 Amortization of SRRM	12,755,005
10	
11 Total	\$ 3,055,893
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)	0.31%

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

	Account	Balance 6/30/2024	Jul-Oct Estimated Activity	Jul-Oct Interest	Estimated Balance 10/31/2024	Interest Rate During Amortization	Estimated Interest During Amortization	Total Estimated Amount for (Refund) or Collection	Amounts Excluded from PGA Filing	Amounts Included in PGA Filing
	A	B	C	D	E	F1	F2	G	H	I
					<small>E = sum B thru D</small>	5.40%		<small>G = E + F2</small>		<small>Excl. Rev Sens</small>
36	Miscellaneous Amortizations									
49	151380 SRRM AMORTIZATION	2,144,537	(1,342,130)	27,384	829,790					
50	151375 SRRM POST PRUDENCE (one-fifth of balance and interest)	5,667,969	5,394,250	140,386	11,202,605					
51	Total	7,812,506	4,052,120	167,769	12,032,396	5.40%	354,844	12,387,240		12,387,240

Company: Northwest Natural Gas Company
 State: Oregon
 Description: Amortization of SRRM
 Account Number: 151380
 Docket: Dockets UM 1635, UG 474
 Amortization of SRRM last approved in Order 23-397

1 Debit (Credit)

2	3	4	5	6	7	8	9	10
Month/Year	Note	Amortization	Transfers	Interest Rate	Interest	Activity	Balance	
(a)	(b)	(c)	(d)	(e1)	(e2)	(f)	(g)	
6	Beginning Balance							
110	Jul-23	(189,392.78)		1.82%	787.59	(188,605.19)	425,379.05	
111	Aug-23	(162,682.02)		1.82%	521.79	(162,160.23)	263,218.82	
112	Sep-23	(173,916.13)		1.82%	267.33	(173,648.80)	89,570.02	
113	Oct-23	(246,344.50)		1.82%	(50.96)	(246,395.46)	(156,825.44)	
114	Nov-23 Old rates	(288,451.77)		1.82%	(456.59)	(288,908.36)	(445,733.80)	
115	Nov-23 New rates (1)	(331,066.87)	9,631,607.55	5.13%	40,467.47	9,341,008.15	8,895,274.35	
116	Dec-23	(1,218,253.27)		5.13%	35,423.28	(1,182,829.99)	7,712,444.36	
117	Jan-24	(1,492,766.75)		5.13%	29,779.91	(1,462,986.84)	6,249,457.52	
118	Feb-24	(1,265,899.85)		5.13%	24,010.57	(1,241,889.28)	5,007,568.24	
119	Mar-24	(1,153,418.57)		5.13%	18,941.92	(1,134,476.65)	3,873,091.59	
120	Apr-24	(774,016.25)		5.13%	14,903.01	(759,113.24)	3,113,978.35	
121	May-24	(595,237.71)		5.13%	12,039.94	(583,197.77)	2,530,780.58	
122	Jun-24	(396,216.21)		5.13%	9,972.17	(386,244.04)	2,144,536.54	
123	Jul-24 Forecasted	(265,625.84)		5.13%	8,600.12	(257,025.72)	1,887,510.82	
124	Aug-24 Forecasted	(242,305.33)		5.13%	7,551.18	(234,754.15)	1,652,756.67	
125	Sep-24 Forecasted	(267,411.63)		5.13%	6,493.94	(260,917.69)	1,391,838.98	
126	Oct-24 Forecasted	(566,787.44)		5.13%	4,738.60	(562,048.84)	829,790.14	

127
128
129
130
131
132

133 History truncated for ease of viewing

134
135 **NOTES**

136 1 - Transferred in authorized balances from Environmental Post Prudent account 151375.

