

September 6, 2024

NWN OPUC Advice No. 24-06A / UG 505
(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: REPLACEMENT FILING
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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This filing replaces, in its entirety, the tariff sheet and Exhibit A originally filed under NWN OPUC Advice No. 24-06 (UG 505), dated August 1, 2024. The purpose of this replacement filing is to update the revenue sensitivity rate from 2.883% to 3.035% as the Company inadvertently did not update the uncollectible portion of the rate at the time of the August 1 filing.

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

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.

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 \$3,075,838 or about 0.32%.

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 \$7.09. The average Rate Schedule 32 firm sales industrial customer using 20,942 therms will see a monthly increase of about \$19.20. 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		\$0.02070		31 CSF	Block 1	\$0.01061
03 CSF		\$0.01539			Block 2	\$0.00970
03 ISF		\$0.01130		31 CTF	Block 1	\$0.01086
27		\$0.01783			Block 2	\$0.00994
				31 ISF	Block 1	\$0.00745
					Block 2	\$0.00673
				31 ITF	Block 1	\$0.00816
					Block 2	\$0.00739
32 CSF	Block 1	\$0.00652		32 CSI	Block 1	\$0.00398
	Block 2	\$0.00553			Block 2	\$0.00338
	Block 3	\$0.00389			Block 3	\$0.00237
	Block 4	\$0.00224			Block 4	\$0.00137
	Block 5	\$0.00106			Block 5	\$0.00077
	Block 6	\$0.00049			Block 6	\$0.00033
32 ISF	Block 1	\$0.00421		32 ISI	Block 1	\$0.00379
	Block 2	\$0.00358			Block 2	\$0.00322
	Block 3	\$0.00252			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	\$0.00472		32 CTI	Block 1	\$0.00324
	Block 2	\$0.00403			Block 2	\$0.00277
	Block 3	\$0.00290			Block 3	\$0.00199
	Block 4	\$0.00176			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	\$0.00348
	Block 2	\$0.00327			Block 2	\$0.00298
	Block 3	\$0.00235			Block 3	\$0.00214
	Block 4	\$0.00142			Block 4	\$0.00130
	Block 5	\$0.00087			Block 5	\$0.00080
	Block 6	\$0.00050			Block 6	\$0.00046
				33		\$0.00000

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(I) (I)

Issued September 6, 2024
NWN OPUC Advice No. 24-06A

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. 24-06A / UG 505

September 6, 2024

NW NATURAL

EXHIBIT A

Supporting Materials

Non-Gas Cost Deferral Amortizations

SRRM

NWN OPUC ADVICE NO. 24-06A / UG 505

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

NW Natural
 Rates & Regulatory Affairs
 2024-25 PGA - Oregon: September Filing

Calculation of Increments Allocated on the EQUAL PERCENTAGE OF MARGIN BASIS
 ALL VOLUMES IN THERMS

Schedule	Block	Oregon PGA Volumes page, Column F	Billing Rate from Rates page, Column A	WACOG & Demand from Rates page, Column B+C+D*	Temps from Temporary Increment page, Column A	MARGIN Rate	Volumetric Margin	Customer Charge	Customers	Total Margin	Proposed Amount: Revenue Sensitive Multiplier: Amount to Amortize:	SRRM Deferral				
												Multiplier J	Allocation to RS K	Increment L		
												12,387,240	Temporary Increment			
												3.035%	add revenue sensitive factor			
												12,774,950	to all classes and schedules			
												1.0	\$8,755,906	\$0.02070		
												1.0	\$2,749,224	\$0.01539		
												1.0	\$57,647	\$0.01130		
												1.0	\$13,246	\$0.01783		
												1.0	\$227,749	\$0.01061		
												1.0	\$0.00970			
												1.0	\$27,618	\$0.01086		
												1.0	\$0.00994			
												1.0	\$78,945	\$0.00745		
												1.0	\$0.00673			
												1.0	\$3,778	\$0.00816		
												1.0	\$0.00739			
												1.0	\$284,806	\$0.00652		
												1.0	\$0.00553			
												1.0	\$0.00389			
												1.0	\$0.00224			
												1.0	\$0.00106			
												1.0	\$0.00049			
												1.0	\$74,649	\$0.00421		
												1.0	\$0.00358			
												1.0	\$0.00252			
												1.0	\$0.00146			
												1.0	\$0.00073			
												1.0	\$0.00036			
												1.0	\$24,565	\$0.00472		
												1.0	\$0.00403			
												1.0	\$0.00290			
												1.0	\$0.00176			
												1.0	\$0.00107			
												1.0	\$0.00062			
												1.0	\$180,031	\$0.00382		
												1.0	\$0.00327			
												1.0	\$0.00235			
												1.0	\$0.00142			
												1.0	\$0.00087			
												1.0	\$0.00050			
												1.0	\$60,658	\$0.00398		
												1.0	\$0.00338			
												1.0	\$0.00237			
												1.0	\$0.00137			
												1.0	\$0.00077			
												1.0	\$0.00033			
												1.0	\$61,056	\$0.00379		
												1.0	\$0.00322			
												1.0	\$0.00227			
												1.0	\$0.00132			
												1.0	\$0.00075			
												1.0	\$0.00033			
												1.0	\$13,536	\$0.00324		
												1.0	\$0.00277			
												1.0	\$0.00199			
												1.0	\$0.00121			
												1.0	\$0.00074			
												1.0	\$0.00043			
												1.0	\$161,535	\$0.00348		
												1.0	\$0.00298			
												1.0	\$0.00214			
												1.0	\$0.00130			
												1.0	\$0.00080			
												1.0	\$0.00046			
												0.0	0	\$0.00000		
												0.0	0	\$0.00000		
Special Contracts												0.0	\$0	\$0.00000		
TOTALS												1,098,129,249	\$ 429,204,932	\$ 513,502,081	\$ 513,311,011	\$ 12,774,949
Sources for line 2 above:												\$ 38,693,003	\$ 50,681,560			
Inputs page												Line 51				
Tariff Schedules																
Rate Adjustment Schedule												Schd 183				
Note: Allocation to rate schedules or blocks with zero volumes is calculated on an overall margin percentage change basis.																
* Since Billing Rates for all schedules above 31 do not include demand, column c for those schedules is WACOG only																
† Rate schedule 32 firm service includes as total margin the storage and distribution capacity charges and are derived using MDDV therm usages																

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]	\$ 2,248,412	0.243% Line 8 ÷ Line 4
9			
10	Total		3.035% 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 two-year average.

NW Natural
Rates & Regulatory Affairs
2024-2025 PGA Filing - Oregon: September 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	12,774,950
10	
11 Total	\$ 3,075,838
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)	0.32%

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

Account A	Balance 6/30/2024 B	Jul-Oct Estimated Activity C	Jul-Oct Interest D	Estimated Balance 10/31/2024 E	Interest Rate During Amortization F1	Estimated Interest During Amortization F2	Total Estimated Amount for (Refund) or Collection G	Amounts Excluded from PGA Filing H	Amounts Included in PGA Filing I
				E = sum B thru D	5.40%		G = E + F2		Excl. Rev Sens
Miscellaneous Amortizations									
36									
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	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	Month/Year	Note	Amortization	Transfers	Interest Rate	Interest	Activity	Balance
4	(a)	(b)	(c)	(d)	(e1)	(e2)	(f)	(g)
5								
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 <i>Forecasted</i>		<i>(265,625.84)</i>		5.13%	8,600.12	<i>(257,025.72)</i>	1,887,510.82
124	Aug-24 <i>Forecasted</i>		<i>(242,305.33)</i>		5.13%	7,551.18	<i>(234,754.15)</i>	1,652,756.67
125	Sep-24 <i>Forecasted</i>		<i>(267,411.63)</i>		5.13%	6,493.94	<i>(260,917.69)</i>	1,391,838.98
126	Oct-24 <i>Forecasted</i>		<i>(566,787.44)</i>		5.13%	4,738.60	<i>(562,048.84)</i>	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.