

September 6, 2024

NWN OPUC Advice No. 24-07A / UG 506  
(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: REPLACEMENT FILING  
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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This filing replaces, in its entirety, the tariff sheet and Exhibit A originally filed under NWN OPUC Advice No. 24-07 (UG 506), 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**

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**

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<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.

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 \$1,553,735, 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 \$16.54. The monthly increase for the average industrial Rate Schedule 31 firm sales customer using 5,430 therms per month is \$71.56, and the monthly increase for the average industrial Rate Schedule 32 firm sales customer using 20,942 therms per month is \$276.02.

The proposed adjustment for the amortization of the Industrial DSM account is \$0.05973 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.

\$0.05973 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 September 6, 2024,  
NWN OPUC Advice No. 24-07A

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. 24-07A / UG 506

September 6, 2024

# NW NATURAL

## EXHIBIT A

### Supporting Materials

Non-Gas Cost Deferral Amortizations

Industrial Demand Side Management

NWN OPUC ADVICE NO. 24-07A / UG 506

<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: September Filing  
 Calculation of Increments Allocated on the EQUAL CENT PER THERM BASIS  
 ALL VOLUMES IN THERMS

				Industrial DSM		
				7,926,841	Temporary Increment	
				3.035% add revenue sensitive factor		
				to C32 Sales and all Industrial Sales		
Column F	Amount to Amortize:			8,174,944		
Schedule	Block	A		Multiplier	Volumes	Increment
				AC	AD	AE
2R		423,059,269		0.0	0	\$0.00000
3C Firm Sales		178,618,735		0.0	0	\$0.00000
3I Firm Sales		5,103,738		1.0	5,103,738	\$0.05973
27 Dry Out		742,733		0.0	0	\$0.00000
31C Firm Sales	Block 1	12,281,908		0.0	0	\$0.00000
	Block 2	10,043,265		0.0	0	\$0.00000
31C Firm Trans	Block 1	1,267,742		0.0	0	\$0.00000
	Block 2	1,392,960		0.0	0	\$0.00000
31I Firm Sales	Block 1	3,698,785		1.0	3,698,785	\$0.05973
	Block 2	7,639,515		1.0	7,639,515	\$0.05973
31I Firm Trans	Block 1	144,356		0.0	0	\$0.00000
	Block 2	351,741		0.0	0	\$0.00000
32C Firm Sales	Block 1	34,618,514		1.0	34,618,514	\$0.05973
	Block 2	9,360,621		1.0	9,360,621	\$0.05973
	Block 3	1,566,490		1.0	1,566,490	\$0.05973
	Block 4	544,281		1.0	544,281	\$0.05973
	Block 5	0		1.0	0	\$0.05973
	Block 6	0		1.0	0	\$0.05973
32I Firm Sales	Block 1	8,547,588		1.0	8,547,588	\$0.05973
	Block 2	7,603,172		1.0	7,603,172	\$0.05973
	Block 3	2,763,251		1.0	2,763,251	\$0.05973
	Block 4	3,005,494		1.0	3,005,494	\$0.05973
	Block 5	195,767		1.0	195,767	\$0.05973
	Block 6	0		1.0	0	\$0.05973
32C Firm Trans	Block 1	2,721,537		0.0	0	\$0.00000
	Block 2	2,020,003		0.0	0	\$0.00000
	Block 3	707,839		0.0	0	\$0.00000
	Block 4	869,038		0.0	0	\$0.00000
	Block 5	0		0.0	0	\$0.00000
	Block 6	0		0.0	0	\$0.00000
32I Firm Trans	Block 1	11,657,702		0.0	0	\$0.00000
	Block 2	17,056,306		0.0	0	\$0.00000
	Block 3	10,569,490		0.0	0	\$0.00000
	Block 4	22,324,991		0.0	0	\$0.00000
	Block 5	22,115,808		0.0	0	\$0.00000
	Block 6	7,865,614		0.0	0	\$0.00000
32C Interr Sales	Block 1	4,649,733		1.0	4,649,733	\$0.05973
	Block 2	6,816,872		1.0	6,816,872	\$0.05973
	Block 3	3,782,502		1.0	3,782,502	\$0.05973
	Block 4	5,561,835		1.0	5,561,835	\$0.05973
	Block 5	3,284,822		1.0	3,284,822	\$0.05973
	Block 6	0		1.0	0	\$0.05973
32I Interr Sales	Block 1	4,653,469		1.0	4,653,469	\$0.05973
	Block 2	6,055,122		1.0	6,055,122	\$0.05973
	Block 3	3,505,859		1.0	3,505,859	\$0.05973
	Block 4	9,726,364		1.0	9,726,364	\$0.05973
	Block 5	4,171,536		1.0	4,171,536	\$0.05973
	Block 6	0		1.0	0	\$0.05973
32C Interr Trans	Block 1	822,778		0.0	0	\$0.00000
	Block 2	1,679,150		0.0	0	\$0.00000
	Block 3	978,518		0.0	0	\$0.00000
	Block 4	3,232,735		0.0	0	\$0.00000
	Block 5	472,307		0.0	0	\$0.00000
	Block 6	0		0.0	0	\$0.00000
32I Interr Trans	Block 1	6,144,023		0.0	0	\$0.00000
	Block 2	10,403,074		0.0	0	\$0.00000
	Block 3	6,958,044		0.0	0	\$0.00000
	Block 4	15,417,391		0.0	0	\$0.00000
	Block 5	35,960,832		0.0	0	\$0.00000
	Block 6	99,266,501		0.0	0	\$0.00000
33		0		0.0	0	\$0.00000
Special Contracts		54,127,531		0.0	0	\$0.00000
TOTALS		1,098,129,249			136,855,330	\$ 0.05973
<b>Sources for line 2 above:</b>						
Inputs page				Line 49		
Tariff Schedules						
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]	\$ 2,248,412	0.243% Line 8 ÷ Line 4
9			
10	Total		<b>3.035%</b> 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 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	8,174,944
9	
10	
11 <b>TOTAL OF ALL COMPONENTS OF RATE CHANGES</b>	<b><u><u>\$1,553,735</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 - September 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*

2

3

4

5

6

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)
7	Beginning Balance											
164	Mar-22	1,500,000.00		4,353.13	6.965%			1,504,353.13	7,106,850.03	1,504,353.13		
165	Apr-22	0.00		8,731.52	6.965%			8,731.52	7,115,581.55	1,513,084.65		
166	May-22	0.00		8,782.20	6.965%			8,782.20	7,124,363.75	1,521,866.85		
167	Jun-22	2,000,000.00		14,637.34	6.965%			2,014,637.34	9,139,001.09	3,536,504.19		
168	Jul-22	0.00		20,526.46	6.965%			20,526.46	9,159,527.55	3,557,030.65		
169	Aug-22	0.00		20,645.60	6.965%			20,645.60	9,180,173.15	3,577,676.25		
170	Sep-22	0.00		20,765.43	6.965%			20,765.43	9,200,938.58	3,598,441.68		
171	Oct-22	0.00		20,885.96	6.965%			20,885.96	9,221,824.54	3,619,327.64		
172	Nov-22	1	2,531,586.00	(5,602,496.90)	6.836%			(3,043,082.00)	6,178,742.54	6,178,742.54		
173	Dec-22		0.00	35,198.24	6.836%			35,198.24	6,213,940.78	6,213,940.78		
174	Jan-23		0.00	35,398.75	6.836%			35,398.75	6,249,339.53	6,249,339.53		
175	Feb-23		0.00	35,600.40	6.836%			35,600.40	6,284,939.93	6,284,939.93		
176	Mar-23		0.00	0.00	6.836%		0.00	-	6,284,939.93	6,284,939.93		
177	Apr-23		0.00	0.00	6.836%		0.00	-	6,284,939.93	6,284,939.93		
178	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	
179	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	
180	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	
181	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	
182	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	
183	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	
184	Nov-23	1	3,231,588.00	(6,284,939.93)	6.836%	32,581.77		(3,020,770.16)	7,367,819.64	-	7,367,819.64	
185	Dec-23		0.00	41,972.01	6.836%	41,972.01		41,972.01	7,409,791.65	-	7,409,791.65	
186	Jan-24		0.00	42,211.11	6.836%	42,211.11		42,211.11	7,452,002.76	-	7,452,002.76	
187	Feb-24		0.00	42,451.58	6.836%	42,451.58		42,451.58	7,494,454.34	-	7,494,454.34	
188	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
189	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
190	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
191	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
192	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
193	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
194	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
195	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

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198

199 **History truncated for ease of viewing**

200 **NOTES**

201 **1** - Transferred February balance of prior program year to 151820 Amort Industrial DSM for amortization (see note above).

202

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 (1)		(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 Forecasted		(353,546.56)		6,739.12	5.13%	(346,807.44)	1,406,369.19
188	Aug-24 Forecasted		(357,249.39)		5,248.61	5.13%	(352,000.78)	1,054,368.41
189	Sep-24 Forecasted		(379,392.95)		3,696.47	5.13%	(375,696.48)	678,671.93
190	Oct-24 Forecasted		(475,242.41)		1,885.49	5.13%	(473,356.92)	205,315.01

192 **History truncated for ease of viewing**

194 **NOTES**

195 **1** - Transferred in authorized balance from account 151818 Deferral of Industrial DSM.