

250 SW Taylor Street Portland, OR 97204 503-226-4211 nwnatural.com

August 1, 2024

NWN OPUC Advice No. 24-13

### 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 RESIDUAL TEMPORARY BILL CREDITS ASSOCIATED WITH RESIDENTIAL RATE MITIGATION FOR THE 2023/2024 WINTER HEATING SEASON

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:

Third Revision of 166-1	Schedule 166	Residential Rate Mitigation
-------------------------	--------------	-----------------------------

### <u>Purpose</u>

The purpose of this filing is to request inclusion in rates the residual amounts from the temporary bill credits associated with residential rate mitigation from the 2023/2024 rate change that did not get fully amortized.

### **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. In 2022, the Commission approved a rate mitigation deferral that would lower customer bills in the winter months, via credits, and recover those back, via surcharges, during the non-winter months. The Company under forecasted customer usage in February and March of 2023, causing an under recovery of the rate mitigation deferral. Furthermore, customer usage was less than predicted in the 2023/2024 period. The Company proposes amortization of residual amounts that are forecasted to not be fully amortized by October 31, 2024, with a rate effective date of November 1, 2024.

### **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 decrease the Company's annual revenues by \$5,332,433, or about 0.55%.

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

Public Utility Commission of Oregon NWN OPUC Advice No. 24-13 August 1, 2024; Page 2

The monthly bill of the average residential customers served under Rate Schedule 2 using 55 therms will see a decrease of \$0.69.

In compliance with OAR 860-022-0025 the Company states that the number of customers affected by the proposed change in this filing is 640,507 residential 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 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

Sincerely,

NW NATURAL

/s/ Kyle Walker, CPA

Kyle Walker, CPA Rates/Regulatory Senior Manager

Attachment: Exhibit A – Supporting Materials

### NORTHWEST NATURAL GAS COMPANY

P.U.C. Or. 25

Third Revision of Sheet 166-1 Cancels Second Revision of Sheet 166-1

Effective: November 1, 2024

### SCHEDULE 166 RESIDENTIAL RATE MITIGATION

### PURPOSE:

To temporarily mitigate residential customer rates due to high natural gas prices and the Company's approved general rate case, UG 435.

### APPLICABLE:

To the following Rate Schedules of this Tariff:

Residential: Rate Schedule 2

### ADJUSTMENT TO RATE SCHEDULES:

The Temporary Adjustments for Residential Customers taking service on the above-listed Rate Schedules includes the following adjustment that sunsets on the date listed and is therefore not applicable for service after the Rate Sunset Date:

### \$0.00174 per therm

(R)

(C)

### GENERAL TERMS:

Service under this Rate Schedule is governed by the terms of this Rate Schedule, the General Rules and Regulations contained in this Tariff, any other schedules that by their terms or by the terms of the 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. 24-13 Effective with service on and after November 1, 2024

# EXHIBIT A

# BEFORE THE PUBLIC UTILITY COMMISSION OF OREGON

## NW NATURAL SUPPORTING MATERIALS

Inclusion of Temporary Bill Credits Associated with Residential Rate Mitigation for 2023/2024 Winter Heating Season

NWN OPUC Advice No. 24-13

August 1, 2024

## **NW NATURAL**

## EXHIBIT A

## **Supporting Materials**

## Inclusion of Temporary Bill Credits Associated with Residential Rate Mitigation for 2023/2024 Winter Heating Season

## NWN OPUC ADVICE NO. 24-13

Description	Page
Calculation of Increments Allocated on Equal Cent per Therm Basis	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
151912 OR Rate Mitigation Amortization	6

#### 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

70 TOTALS

1,098,129,249

			Oregon PGA	Proposed Amount:	Rate Mitigation 715,839 Permanent Increment				
			Volumes page,	Revenue Sensitive Multiplier:		d revenue sensitive factor			
			volumes page,	nerenae benshire maniphen	2.00570 44				
			Column F	Amount to Amortize:	737,092	to residential			
	Schedule	Block	А		Multiplier BG	Volumes BH	Increment Bl		
	2R	DIUCK	423,059,269	1	1.0	423,059,269	\$0.00174		
-	3C Firm Sales		178,618,735	-	0.0	0	\$0.00000		
	3I Firm Sales		5,103,738		0.0	0	\$0.00000		
	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		
-	24151 6 1	Block 2	1,392,960	4	0.0	0	\$0.00000		
	31I Firm Sales	Block 1	3,698,785		0.0	0	\$0.00000		
-	31I Firm Trans	Block 2 Block 1	7,639,515 144,356		0.0	0	\$0.00000		
	5111111110115	Block 1 Block 2	351,741		0.0	0	\$0.00000		
	32C Firm Sales	Block 1	34,618,514		0.0	0	\$0.00000		
		Block 2	9,360,621		0.0	0	\$0.00000		
		Block 3	1,566,490		0.0	0	\$0.00000		
		Block 4	544,281		0.0	0	\$0.00000		
		Block 5	0		0.0	0	\$0.00000		
		Block 6	0	_	0.0	0	\$0.00000		
	32I Firm Sales	Block 1	8,547,588		0.0	0	\$0.00000		
		Block 2	7,603,172		0.0	0	\$0.00000		
		Block 3	2,763,251		0.0	0	\$0.00000		
		Block 4	3,005,494		0.0	0	\$0.00000		
		Block 5	195,767		0.0	0	\$0.00000		
-	32C Firm Trans	Block 6 Block 1	2,721,537	-	0.0	0	\$0.00000		
	5201111111111	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		
-	220 Jatan Calas	Block 6	7,865,614	-	0.0	0	\$0.00000		
	32C Interr Sales	Block 1 Block 2	4,649,733		0.0	0	\$0.00000		
		Block 2 Block 3	6,816,872 3,782,502		0.0	0	\$0.00000 \$0.00000		
		Block 3 Block 4	5,561,835		0.0	0	\$0.00000		
		Block 5	3,284,822		0.0	0	\$0.00000		
		Block 6	0		0.0	0	\$0.00000		
	32I Interr Sales	Block 1	4,653,469		0.0	0	\$0.00000		
		Block 2	6,055,122		0.0	0	\$0.00000		
		Block 3	3,505,859		0.0	0	\$0.00000		
		Block 4	9,726,364		0.0	0	\$0.00000		
		Block 5	4,171,536		0.0	0	\$0.00000		
-		Block 6	0	-	0.0	0	\$0.00000		
	32C Interr Trans	Block 1	822,778		0.0	0	\$0.00000		
		Block 2 Block 3	1,679,150 978,518		0.0	0	\$0.00000 \$0.00000		
		Block 3 Block 4	3,232,735		0.0	0	\$0.00000		
		Block 5	472,307		0.0	0	\$0.00000		
		Block 5 Block 6	472,307		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		

423,059,269 \$ 0.00174

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

NWN OPUC Advice 24-13 Exhibit A - Supporting Materials Page 2 of 6

	ts on Average Bill b										Advice 24-13 See note [11]
1	OLOWIES IN THEM	15	Oregon PGA		Normal				Proposed	Proposed	Proposed
2			Normalized		Therms	Minimum	11/1/2023	11/1/2023	11/1/2024	11/1/2024	11/1/2024
3			Volumes page,	Therms in	Monthly	Monthly	Billing	Current	Schedule 166 Rate Mitigation	Schedule 166 Rate Mitigation	Schedule 166 Rate Mitigatio
4			Column D	Block	Average use	Charge	Rates	Average Bill	Rates	Average Bill	% Bill Change
5		-						F=D+(C * E)		AI = D+(C * AH)	AJ = (AI- F)/F
6	Schedule	Block	A	B	<u>с</u>	D	E	F	AH	AI	AJ
7 8	2R 3C Firm Sales		423,059,269 178,618,735	N/A N/A	55 251	\$8.00 \$15.00	\$1.29519 \$1.08753	\$79.24 \$287.97	\$1.28266 \$1.08753	\$78.55 \$287.97	-0.9%
9	3I Firm Sales		5,103,738	N/A	1,255	\$15.00	\$1.05830	\$1,343.17	\$1.05830	\$1,343.17	0.09
10	27 Dry Out		742,733	N/A	37	\$8.00	\$1.08605	\$48.18	\$1.08605	\$48.18	0.09
11	31C Firm Sales	Block 1	12,281,908	2,000	2,827	\$325.00	\$0.75920	\$2,447.92	\$0.75920	\$2,447.92	0.09
12 13	31C Firm Trans	Block 2 Block 1	10,043,265 1,267,742	all additional 2,000	3,758	\$575.00	\$0.73098	\$1,639.68	\$0.73098	\$1,639.68	0.09
15	SIC FILLI ITALIS	Block 1 Block 2	1,392,960	all additional	5,756	Ş575.00	\$0.29503 \$0.26998	\$1,055.08	\$0.29503 \$0.26998	\$1,039.08	0.07
15	31I Firm Sales	Block 1	3,698,785	2,000	5,430	\$325.00	\$0.74421	\$4,283.47	\$0.74421	\$4,283.47	0.09
16		Block 2	7,639,515	all additional			\$0.72013		\$0.72013		
17	31I Firm Trans	Block 1	144,356	2,000	6,890	\$575.00	\$0.25351	\$2,204.08	\$0.25351	\$2,204.08	0.09
18	220 5:00 6-1-0	Block 2	351,741	all additional	7 200	6675.00	\$0.22946	ér (22.20	\$0.22946	¢5 (22 20	0.00
19 20	32C Firm Sales	Block 1 Block 2	34,618,514 9,360,621	10,000 20,000	7,386	\$675.00	\$0.67131 \$0.64449	\$5,633.30	\$0.67131 \$0.64449	\$5,633.30	0.09
21		Block 3	1,566,490	20,000			\$0.59997		\$0.59997		
22		Block 4	544,281	100,000			\$0.55528		\$0.55528		
23		Block 5	0	600,000			\$0.52318		\$0.52318		
24		Block 6	0	all additional			\$0.50796		\$0.50796		
25	32I Firm Sales	Block 1	8,547,588	10,000	20,942	\$675.00	\$0.62727	\$13,593.87	\$0.62727	\$13,593.87	0.09
26 27		Block 2 Block 3	7,603,172 2,763,251	20,000 20,000			\$0.60740 \$0.57416		\$0.60740 \$0.57416		
28		Block 3 Block 4	3,005,494	100,000			\$0.54104		\$0.54104		
29		Block 5	195,767	600,000			\$0.51791		\$0.51791		
30		Block 6	0	all additional			\$0.50628		\$0.50628		
31	32C Firm Trans	Block 1	2,721,537	10,000	19,501	\$925.00	\$0.13325	\$3,337.38	\$0.13325	\$3,337.38	0.0%
32		Block 2	2,020,003	20,000			\$0.11366		\$0.11366		
33		Block 3	707,839	20,000			\$0.08114		\$0.08114		
34 35		Block 4 Block 5	869,038 0	100,000 600,000			\$0.04857 \$0.02899		\$0.04857 \$0.02899		
36		Block 6	0	all additional			\$0.01601		\$0.01601		
37	32I Firm Trans	Block 1	11,657,702	10,000	75,569	\$925.00	\$0.13029	\$7,266.47	\$0.13029	\$7,266.47	0.09
38		Block 2	17,056,306	20,000			\$0.11125		\$0.11125		
39		Block 3	10,569,490	20,000			\$0.07953		\$0.07953		
40 41		Block 4 Block 5	22,324,991 22,115,808	100,000 600,000			\$0.04783 \$0.02874		\$0.04783 \$0.02874		
41		Block 5 Block 6	7,865,614	all additional			\$0.02874		\$0.02874		
43	32C Interr Sales	Block 1	4,649,733	10,000	51,487	\$675.00	\$0.64462	\$32,098.38	\$0.64462	\$32,098.38	0.09
44		Block 2	6,816,872	20,000			\$0.62250		\$0.62250		
45		Block 3	3,782,502	20,000			\$0.58557		\$0.58557		
46 47		Block 4 Block 5	5,561,835	100,000 600,000			\$0.54861		\$0.54861		
47		Block 5 Block 6	3,284,822 0	all additional			\$0.52644 \$0.51023		\$0.52644 \$0.51023		
49	32I Interr Sales	Block 1	4,653,469	10,000	42,594	\$675.00	\$0.62793	\$26,377.14	\$0.62793	\$26,377.14	0.09
50		Block 2	6,055,122	20,000			\$0.60846	-	\$0.60846		
51		Block 3	3,505,859	20,000			\$0.57596		\$0.57596		
52		Block 4	9,726,364	100,000			\$0.54347		\$0.54347		
53 54		Block 5 Block 6	4,171,536 0	600,000 all additional			\$0.52396 \$0.50968		\$0.52396 \$0.50968		
54 55	32C Interr Trans	Block B	822,778	10,000	199,597	\$925.00	\$0.12471	\$11,732.30	\$0.12471	\$11,732.30	0.09
56		Block 2	1,679,150	20,000	,,		\$0.10645	,	\$0.10645	. ,	2.07
57		Block 3	978,518	20,000			\$0.07601		\$0.07601		
58		Block 4	3,232,735	100,000			\$0.04557		\$0.04557		
59 60		Block 5 Block 6	472,307	600,000 all additional			\$0.02730		\$0.02730		
60 61	32I Interr Trans	Block 5 Block 1	0 6,144,023	10,000	198,801	\$925.00	\$0.01517 \$0.12543	\$11,821.46	\$0.01517 \$0.12543	\$11,821.46	0.0%
62	Servicen multi	Block 2	10,403,074	20,000	100,001	<i>\$323.00</i>	\$0.10713	¥12,021.40	\$0.12543	¥22,021.40	0.07
63		Block 3	6,958,044	20,000			\$0.07662		\$0.07662		
64		Block 4	15,417,391	100,000			\$0.04610		\$0.04610		
65		Block 5	35,960,832	600,000			\$0.02781		\$0.02781		
66	33	Block 6	99,266,501	all additional		\$38,000.00	\$0.01563	\$38,000.00	\$0.01563	\$38,000.00	
67 68	Special Contracts		0 54,127,531	N/A N/A	0.0	\$38,000.00	\$0.00862 \$0.00544	\$38,000.00 \$0.00	\$0.00862 \$0.00544	\$38,000.00	
00	Special Contracts		J4,127,JJJ1	11/74	0	∪د	Ş0.00344	<b>φ</b> 0.00	Ş0.00544	Ş0.00	

Totals

70

<sup>1,098,129,249</sup> 

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

1		Twelve Months Ended 06/30/24	
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]	\$ 845,048	0.091% Line 8 ÷ Line 4
9			
10	Total		2.883% Sum lines 8-9
11			

11 12

12

13 <u>Note:</u>

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 166: Residential Rate Mitigation

1		Including Revenue Sensitive
2	Temporary Increments	<u>Amount</u>
3	<u>·····································</u>	
4	Removal of Current Temporary Increments	
5	Amortization of Residential Rate Mitigation	(6,069,525)
6		
7		
8	Addition of Proposed Temporary Increments	
9	Amortization of Residential Rate Mitigation	737,092
10		
11		
12	TOTAL OF ALL COMPONENTS OF RATE CHANGES	(\$5,332,433)
13		
14		
15		
16	2023 Oregon Earnings Test Normalized Total Revenues	\$975,829,919
17		
18	Effect of this filing, as a percentage change (line $12 \div$ line $16$ )	-0.55%

Total

### 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	Estimated Amount for (Refund) or Collection
	Α	В	С	D	E	F1	F2	G
					E = sum B thru D	<b>5.40</b> %		G = E + F2
61 <b>1</b>	51912 RATE MITIGATION AMORTIZATION	1,401,499	(727,051)	20,587	695,036			
62 1	51819 RATE MITIGATION DEFERRAL	0	0	0	0			
63	Total	1,401,499	(727,051)	20,587	695,036	5.48%	20,803	715,839

Company:	Northwest Natural Gas Company
State:	Oregon
Description:	OR RATE MITIGATION AMORT
Account Number:	151912
Docket:	Advice No. 23-14 and UG 481
	Amortization of deferral approved in Order No. 23-405

Debit (Credit)

	Month/Year	Note	Amortiztion	Transfers	Interest Rate	Interest	Activity	Balance
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)
1	Beginning Balance							
2	Mar-23	1	(1,066,605.63)	18,582,656.01	4.770%	(2,119.88)	17,513,930.50	17,513,930.50
3	Apr-23		(3,605,157.46)		5.000%	65,463.97	(3,539,693.49)	13,974,237.02
4	May-23		(2,210,317.87)		5.180%	55,551.52	(2,154,766.35)	11,819,470.67
5	Jun-23		(1,115,261.91)		5.200%	48,801.31	(1,066,460.60)	10,753,010.07
6	Jul-23		(851,026.31)		5.270%	45,354.92	(805,671.39)	9,947,338.68
7	Aug-23		(693,071.09)		5.430%	43,443.63	(649,627.46)	9,297,711.21
8	Sep-23		(753,465.33)		5.430%	40,367.43	(713,097.90)	8,584,613.31
9	Oct-23		(1,183,581.77)		5.430%	36,167.52	(1,147,414.25)	7,437,199.06
10	Nov-23 C	Old rates	(1,652,378.05)		5.450%	30,025.00	(1,622,353.05)	5,814,846.02
11	Nov-23 N	New rates	(200,148.76)		5.450%	(454.50)	(200,603.26)	5,614,242.76
12	Dec-23		(776,886.54)		5.510%	23,995.13	(752,891.41)	4,861,351.35
13	Jan-24		(963,778.74)		5.480%	19,999.54	(943,779.20)	3,917,572.15
14	Feb-24		(797,885.86)		5.530%	16,215.02	(781,670.84)	3,135,901.31
15	Mar-24		(720,718.53)		5.530%	12,790.62	(707,927.91)	2,427,973.40
16	Apr-24		(473,658.47)		5.530%	10,097.52	(463,560.95)	1,964,412.45
17	May-24		(356,070.75)		5.480%	8,157.79	(347,912.96)	1,616,499.49
18	Jun-24		(221,875.53)		5.480%	6,875.40	(215,000.13)	1,401,499.36
19	Jul-24 /	Forecasted	(133,486.78)		5.480%	6,095.39	(127,391.39)	1,274,107.97
20	Aug-24	Forecasted	(116,731.02)		5.480%	5,551.89	(111,179.13)	1,162,928.84
21	-	Forecasted	(134,767.33)		5.480%	5,002.99	(129,764.34)	1,033,164.50
22	•	Forecasted	(342,065.71)		5.480%	3,937.07	(338,128.64)	695,035.86
22								•

23

24 <u>Notes:</u>
25 **1** - Transfer represents the balance of the rate mitigation balance to be amortized.

26