

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. 25,¹ stated to become effective with service on and after November 1, 2024, as follows:

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

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%.

¹ 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.

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

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:

Effective: November 1, 2024

(C)

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)

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

			Rate Mitigation		
1			715,839	Permanent Increment	
2	Oregon PGA	Proposed Amount:			
3	Volumes page,	Revenue Sensitive Multiplier:	2.883% add revenue sensitive factor		
4	Column F	Amount to Amortize:	737,092	to residential	
5			Multiplier	Volumes	Increment
6	Schedule	Block	BG	BH	BI
7	2R	423,059,269	1.0	423,059,269	\$0.00174
8	3C Firm Sales	178,618,735	0.0	0	\$0.00000
9	3I Firm Sales	5,103,738	0.0	0	\$0.00000
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	0.0	0	\$0.00000
16		Block 2 7,639,515	0.0	0	\$0.00000
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	0.0	0	\$0.00000
20		Block 2 9,360,621	0.0	0	\$0.00000
21		Block 3 1,566,490	0.0	0	\$0.00000
22		Block 4 544,281	0.0	0	\$0.00000
23		Block 5 0	0.0	0	\$0.00000
24		Block 6 0	0.0	0	\$0.00000
25	32I Firm Sales	Block 1 8,547,588	0.0	0	\$0.00000
26		Block 2 7,603,172	0.0	0	\$0.00000
27		Block 3 2,763,251	0.0	0	\$0.00000
28		Block 4 3,005,494	0.0	0	\$0.00000
29		Block 5 195,767	0.0	0	\$0.00000
30		Block 6 0	0.0	0	\$0.00000
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	0.0	0	\$0.00000
44		Block 2 6,816,872	0.0	0	\$0.00000
45		Block 3 3,782,502	0.0	0	\$0.00000
46		Block 4 5,561,835	0.0	0	\$0.00000
47		Block 5 3,284,822	0.0	0	\$0.00000
48		Block 6 0	0.0	0	\$0.00000
49	32I Interr Sales	Block 1 4,653,469	0.0	0	\$0.00000
50		Block 2 6,055,122	0.0	0	\$0.00000
51		Block 3 3,505,859	0.0	0	\$0.00000
52		Block 4 9,726,364	0.0	0	\$0.00000
53		Block 5 4,171,536	0.0	0	\$0.00000
54		Block 6 0	0.0	0	\$0.00000
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		423,059,269	\$ 0.00174

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	\$ 920,096,835	
4	\$ 925,565,009	
5		
6	n/a	0.450% Statutory rate
7	\$ 21,672,271	2.342% Line 7 ÷ Line 4
8	<u>\$ 845,048</u>	<u>0.091% Line 8 ÷ Line 4</u>
9		
10		<u>2.883%</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 166: Residential Rate Mitigation

	Including Revenue Sensitive Amount
1	
2	
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Temporary Increments

Removal of Current Temporary Increments

Amortization of Residential Rate Mitigation

(6,069,525)

Addition of Proposed Temporary Increments

Amortization of Residential Rate Mitigation

737,092

TOTAL OF ALL COMPONENTS OF RATE CHANGES

(\$5,332,433)

2023 Oregon Earnings Test Normalized Total Revenues

\$975,829,919

Effect of this filing, as a percentage change (line 12 ÷ line 16)

-0.55%

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
A		B	C	D	E	F1	F2	G
61	151912 RATE MITIGATION AMORTIZATION	1,401,499	(727,051)	20,587	695,036	5.40%		
62	151819 RATE MITIGATION DEFERRAL	0	0	0	0			
63	Total	1,401,499	(727,051)	20,587	695,036	5.48%	20,803	715,839

E = sum B thru D

G = E + F2

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	Amortization	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	Old rates	(1,652,378.05)		5.450%	30,025.00	(1,622,353.05)	5,814,846.02
11	Nov-23	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	<i>Forecasted</i>	<i>(133,486.78)</i>		5.480%	6,095.39	<i>(127,391.39)</i>	1,274,107.97
20	Aug-24	<i>Forecasted</i>	<i>(116,731.02)</i>		5.480%	5,551.89	<i>(111,179.13)</i>	1,162,928.84
21	Sep-24	<i>Forecasted</i>	<i>(134,767.33)</i>		5.480%	5,002.99	<i>(129,764.34)</i>	1,033,164.50
22	Oct-24	<i>Forecasted</i>	<i>(342,065.71)</i>		5.480%	3,937.07	<i>(338,128.64)</i>	695,035.86

Notes:

1 - Transfer represents the balance of the rate mitigation balance to be amortized.

26