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February 20, 2023

NWN WUTC Advice No. 23-02

VIA ELECTRONIC FILING

 Amanda Maxwell, Executive Director & Secretary
 Washington Utilities and Transportation Commission
 621 Woodland Square Loop SE
 Lacey, WA 98503

 Received
 Records Management
 02/20/2023
 State of WASH.
 UTIL. AND TRANSP.
 COMMISSION

Re: REQUEST FOR AMORTIZATION ASSOCIATED WITH RESIDENTIAL RATE MITIGATION

Northwest Natural Gas Company, dba NW Natural (NW Natural or Company), files herewith the following revisions to its Tariff WN U-6, stated to become effective with service on and after April 1, 2023.

First Revision of Sheet 212.1	Schedule 212	Adjustment to Rates – Residential Rate Mitigation
Thirty-Second Revision of Sheet 102.1	Schedule 2	Residential Sales Service

Purpose

The purpose of this filing is to update the residential rate mitigation mechanism that initially became effective on November 1, 2022.

Background

On November 1, 2022, the Company embedded a temporary bill credit in residential customer rates from November 1, 2022 through March 31, 2023 to mitigate the combined bill impact from the rate changes associated with the purchased gas adjustment (PGA) and base rate increases from UG-200994.

The Company generated a regulatory asset with the credit included in rates effective November 1, 2022 through March 31, 2023. The purpose of this advice filing is to amortize this deferral effective April 1, 2023 through October 31, 2023. As a result of this mitigation mechanism, the Company helped reduce winter bills for residential customers and now seeks to recover these amounts over the Spring, Summer and Fall months. Interest will accrue in the deferral and amortization accounts at the Company's actual cost of short-term debt.

Cost Recovery

The Company proposes to amortize the rate mitigation deferral generated from the winter rate credit during November 1, 2022 through March 31, 2023. Interest was accrued in the deferral and amortization accounts at the Company's actual cost of short-term debt.

Proposed Changes

The effect of this new tariff adjustment schedule is to increase the Company's annual revenues by \$4,818,496, or about 5.79%.

The monthly bill of the average residential customers served under Rate Schedule 2 using an average of 29.2 therms during the amortization period will see an increase of \$5.82. This proposed filing is the second step of the rate mitigation proposal from docket UG-220734, which the Commission allowed to go into effect on November 1, 2022. The customer notice for the rate impacts of all the Company's November 1, 2022 rate changes, including both steps of the rate mitigation, was provided in accordance with WAC 480-90-194(5) by including it in a customer newsletter and again in accordance with WAC 480-90-194(3)(a) by a letter mailed to all customers on October 17, 2022. The customer letter was provided in docket UG-220697 on October 28, 2022.

Conclusion

Confidential information is included in the provided workpaper under WAC 480-07-160. The workpaper contains January 2023 numbers that have not been publicly released yet.

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.

This rate change affects all of NW Natural's Washington residential Schedule 2 sales customers. NW Natural currently serves approximately 86,555 Schedule 2 residential customers in the Company's Washington service territory.

As required by WAC 480-80-103(4)(a), I certify that I have authority to issue tariff revisions on behalf of NW Natural.

Copies of this letter and the attached filing are available in the Company's main office in Portland, Oregon, and on its website at www.nwnatural.com.

Please address correspondence on this matter Lora Bourdo at lora.bourdo@nwnatural.com with copies to the following:

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Sincerely,

NW NATURAL
/s/ Kyle Walker, CPA

Kyle Walker, CPA
Rates/Regulatory Manager
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Attachments:

NEW-NWN-WUTC-Advice-23-02-Rate-Mitigation-Trf-Sheet-212-1-02-20-2023

NEW-NWN-WUTC-Advice-23-02-Rate-Mitigation-Trf-Sheet-102-1-02-20-2023

NEW-NWN-WUTC-Advice-23-02-Rate-Mitigation-WP-02-20-2023 (C)

NEW-NWN-WUTC-Advice-23-02-Rate-Mitigation-WP-02-20-2023 (R)

NEW-NWN-WUTC-Advice-23-02-Rate-Mitigation-Exhibit-A-02-20-2023