

NW Natural Gas Company

Exh. KTW-3

Margin Rate Weighting Example

ALL VOLUMES IN THERMS

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		Rate Case Volumes [1]	Proposed Margin Rate [2]	Proposed Decoupling Margin
		A	B	C = A*B
	Schedule			
	Block			
	Residential 1	195,500	\$0.91221	\$178,337
	Residential 2	50,173,169	\$0.49358	\$24,764,473
	27 Dry Out	517,111	\$0.38899	\$201,151
	Commercial 1	45,533	\$0.91221	\$41,536
	Commercial 3	16,892,375	\$0.47885	\$8,088,914
	Commercial Firm Sales 41			
	Block 1	1,845,370	\$0.37312	\$688,544
	Block 2	1,822,270	\$0.32871	\$598,999
	Commercial Interruptible Sales 41			
	Block 1	0	\$0.37312	\$0
	Block 2	0	\$0.32871	\$0
	Commercial Firm Sales 42			
	Block 1	375,026	\$0.14399	\$54,000
	Block 2	296,469	\$0.12882	\$38,191
	Block 3	74,327	\$0.09869	\$7,335
	Block 4	1,197	\$0.07891	\$94
	Block 5	0	\$0.05261	\$0
	Block 6	0	\$0.01630	\$0
	Commercial Interruptible Sales 42			
	Block 1	240,015	\$0.14399	\$34,560
	Block 2	472,188	\$0.12882	\$60,827
	Block 3	247,080	\$0.09869	\$24,384
	Block 4	51,943	\$0.07891	\$4,099
	Block 5	0	\$0.05261	\$0
	Block 6	0	\$0.01630	\$0
		73,249,573		\$34,785,444

[1] NEW-NWN-KSM-4-WP-1-4-2019

[2] Base margin less permanent amortization rates in Adjustment Schedule 305.1

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Calculation of Group Decoupling Margin Rates*			
	Group Volumes	Group Margin Rate	Group Margin
Group 1 - Residential Schedule 1	195,500	\$0.91221	178,337
Group 2 - Residential Schedule 2 and Dry-out Schedule 27	50,690,280	\$0.49251	24,965,624
Group 3 - Commercial Schedule 1 and 3	16,937,908	\$0.48001	8,130,449
Group 4 - Commercial firm and Interruptible Sales Schedule 41 and 42	5,425,885	\$0.27849	1,511,034
	73,249,573		\$34,785,444

*Decoupling margin rates are proposed to be updated each year coincident with the PGA in a Decoupling advice filing