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September 14, 2020

NWN WUTC Advice No. 20-7 / UG-170094

VIA ELECTRONIC FILING

Mark L. Johnson, Executive Director & Secretary Washington Utilities and Transportation Commission 621 Woodland Square Loop SE Lacey, WA 98503 Records Management

Receive

Re: Schedule 209: Credits to Customers Related to Holding Company Formation

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 November 1, 2020, as follows:

| Second Revision of Sheet 209.1 | Schedule 209 | Credits to Customers Related to Holding |
|--------------------------------|--------------|-----------------------------------------|
| | | Company Formation |

Purpose

The purpose of this filing is to revise Schedule 209 to reflect the credit to be applied to customer bills in accordance with Stipulated Condition 35 adopted by the Commission in docket UG-170094, WUTC Order 01, dated December 28, 2017.

The proposed adjustments are requested to become effective November 1, 2020, coincident with the requested effective date of the Company's Purchased Gas Adjustment (PGA) filing, separately submitted as NW Natural's WUTC Advice No. 20-9.

In addition, in order to streamline administrative process, NW Natural is including a residual balance for amortization in this schedule along with Holding Company Formation credit. The residual balance is related to the remaining unamortized Interim Period Tax Deferral that was included in the Company's compliance filing made on October 25, 2019, pursuant to Commission Order 06 in docket UG-181053.

Proposed Changes

The proposed Schedule 209 adjustments are calculated on an equal-percentage-of margin basis, and are shown for each rate schedule on page one of the supporting materials to this filing. It should be noted that the proposed Schedule 209 adjustments represent just one of the deferred accounts that are proposed to be applied to customer rates effective November 1, 2020, (See NW Natural's WUTC Advice Nos. 20-5, 20-6, 20-8 and 20-9). As such, the bill effects stated herein are provided for illustrative purposes only, and reflect the effect of removing the current Schedule 209 adjustments to current billing rates.

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If there were no other adjustments to rates effective November 1, 2020. The effect of the adjustments proposed to become effective November 1, 2020, is a decrease to the average monthly bills in the primary rate schedules as follows: Residential Schedule 2 bills will decrease by less than 0.01% and commercial Schedule 3 bills will decrease by less than 0.02%. The effect of the adjustments will decrease the Company's annual revenues by \$14,885, or about -0.02%.

In addition to the supporting materials submitted as part of this filing, the Company will separately submit work papers in electronic format, all of which are incorporated herein by reference.

In accordance with WAC 480-90-198 and WAC 480-90-194(5), the Company will provide notice to customers as stated in WAC 480-90-194(4). A copy of this notice is included with the Company's PGA combined effects filing, WUTC Advice No. 20-10.

NW Natural currently serves approximately 81,360 residential customers and 7,309 business and industrial customers in the Company's Washington service territory.

Conclusion

The Company respectfully requests that the tariff sheets filed herewith be approved to become effective with service on and after November 1, 2020.

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 to me with copies to the following:

eFiling Rates & Regulatory Affairs NW Natural 250 SW Taylor Street Portland, Oregon 97204 Telephone: (503) 610-7330 Fax: (503) 220-2579 eFiling@nwnatural.com

Sincerely,

NW NATURAL

/s/ Natasha Siores

Natasha Siores Manager, Regulatory Compliance NW Natural 250 SW Taylor Street Portland, OR 97204 503-610-7074 natasha.siores@nwnatural.com Washington Utilities and Transportation Commission NWN WUTC Advice No. 20-7 September 14, 2020, Page 3

Attachments:

170094-NWN-Advice-20-7-HoldCo-Trf-Sheet-209-1–09-14-2020 170094-NWN-Advice-20-7-HoldCo-Exh-A-Supporting-Materials–09-14-2020 170094-NWN-Advice-20-7-HoldCo-Exh-A-Supporting-Materials-xlsx–09-14-2020