

September 15, 2023

NWN WUTC Advice No. 23-06 / UG-_____

VIA ELECTRONIC FILING

Kathy Hunter, Acting Executive Director & Secretary
Washington Utilities and Transportation Commission
621 Woodland Square Loop SE
Lacey, WA 98503

Re: Schedule 215: Adjustment to Rates for Energy Efficiency Service and Programs

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, 2023, as follows:

Twenty-Sixth Revision of Sheet 215-1	Schedule 215	Adjustment to Rates Energy Efficiency Service and Programs
Third Revision of Sheet 215-2	Schedule 215	Adjustment to Rates Energy Efficiency Service and Programs (continued)

Purpose

The purpose of this filing is to revise Schedule 215 to reflect adjustments to rates for the effects of applying temporary rate adjustments to forecast and amortize balances for the collection of 2022-23 and 2021-22 program year costs, respectively, under Schedule G “Energy Efficiency Services and Programs – Residential and Commercial.”

Consistent with the settlement in NW Natural’s rate case, approved by the Washington Utilities and Transportation Commission (Commission) Order 06 in docket UG-181053, adjustments in Schedule 215 reflect a component for the forecasted expenses for the November 1, 2023 – October 31, 2024 time period plus the prior period deferral balance that captured variations between previous year forecast amounts and actuals; this component is included in the “Schedule G Current Year Costs” column in Schedule 215. In addition, the Company is amortizing a historical deferral balance consistent with Order 06 and subsequent Order 05 in docket UG-200994; this amortization is included in the “Schedule G Historical Balance” column in Schedule 215. This will be the last year of amortization for the historical balance.

The proposed adjustments are requested to become effective November 1, 2023, coincident with the requested effective date of the Company’s Purchased Gas Adjustment (PGA) filing, separately submitted as NW Natural’s WUTC Advice No. 23-13.

Background

NW Natural began offering energy efficiency programs to Washington customers on October 1, 2009, in compliance with Commission Order 04 in the Company's 2008 general rate case, docket UG-080546. NW Natural's energy efficiency programs were developed and continue to evolve under the direction and oversight of the Energy Efficiency Advisory Group (EEAG) which is comprised of representatives from NW Natural, Energy Trust of Oregon (Energy Trust), Commission Staff, Public Counsel, Alliance of Western Energy Consumers (AWEC), The Energy Project, and NW Energy Coalition.

The Company's energy efficiency programs were initially offered on a one-year pilot basis through the Energy Trust. In 2011, agreement was reached through the EEAG to continue using the Energy Trust as the program administrator for the Company's energy efficiency programs. Since 2009, the Company has been steadily providing energy efficiency resources to its Washington customers.

During 2022, the Company acquired 395,714 therm savings for a total program year cost of \$3,315,452. Total 2022 savings were approximately 118 percent of Energy Trust's 2022 goal of 318,722 therms. The annual report for the 2022 program year was filed with the Commission in compliance with the Company's Energy Efficiency Plan. The 2022 Annual Energy Efficiency Report, which was filed with the Commission in docket UG-210831 on June 15, 2023, is also included in the materials provided in support of this filing.

Proposed Changes

The proposed Schedule 215 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 215 adjustments represent just one of the deferred accounts that are proposed to be applied to customer rates effective November 1, 2023, (see NW Natural's WUTC Advice Nos. 23-03, 23-05, 23-07, 23-08, 23-09, 23-10, 23-11, 23-12, and 23-13). As such, the bill effects stated herein are provided for illustrative purposes only and reflect the effect of removing the current Schedule 215 adjustments and applying the proposed Schedule 215 adjustments to current billing rates, which is a net increase of \$3,896,479, or 3.82% to Company revenues.

If there were no other adjustments to rates effective November 1, 2023, the average residential Schedule 2 customer using 58 therms would see a increase of \$2.73 per month, and the average Schedule 3 commercial customer using 249 therms would see a bill increase of \$10.44 per month. The bill impact for customers on the other residential and commercial rate schedules is shown on page two of the supporting materials to this filing.

In support of this filing, the Company provides worksheets showing the derivation of the proposed Schedule 215 adjustments to rates, a worksheet showing balances for deferral accounts 151894, 151898, and 151896, and the 2022 Annual Report to the Commission on NW Natural's energy efficiency program.

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(3). A copy of this notice is included with the Company's PGA filing, WUTC Advice No. 23-13.

The proposed rate change will affect all of NW Natural's Washington residential and commercial class sales service customers. NW Natural currently serves approximately 89,231 residential

customers and 7,189 commercial 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, 2023.

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 Lora Bourdo at Lora.Bourdo@nwnatural.com with copies to the following:

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Sincerely,

NW NATURAL

/s/ Kyle Walker, CPA

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Attachments:

NEW-NWN-WUTC-Advice-23-06-WA-EE-Programs-Trf-Sheet-215-1-09-15-23
NEW-NWN-WUTC-Advice-23-06-WA-EE-Programs-Trf-Sheet-215-2-09-15-23
NEW-NWN-WUTC-Advice-23-06-WA-EE-Programs-Exh-A-09-15-23
NEW-NWN-WUTC-Advice-23-06-WA-EE-Programs-Exh-A-09-15-23-xlsx¹

¹ Per UG 200994 Order 05 under the rate mitigation provisions the Company will spread the historical Energy Efficiency Deferral tariff equally over the 2021-22 and 2022-23 PGA years. Therefore, tab '186317 was also filed in the 2021-22 PGA for the historical Energy Efficiency tariff calculation.