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September 15, 2014

NWN WUTC Advice No.14-4

Steven V. King, Executive Director & Secretary  
Washington Utilities and Transportation Commission  
1300 S Evergreen Park Drive SW  
Post Office Box 47250  
Olympia, Washington 98504-7250

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

Northwest Natural Gas Company, dba NW Natural (NWN or the "Company") files herewith the following revisions to its Tariff WN U-6, stated to become effective with service on and after November 1, 2014, as follows:

Fifteenth Revision of Sheet 215.1,  
Schedule 215,  
"Adjustment to Rates for Energy Efficiency Service and Programs."

The purpose of this filing is to revise Schedule 215 to reflect adjustments to rates for the effects of applying temporary rate adjustments to amortize balances in the deferred account for the collection of 2013 program year costs under Schedule G "Energy Efficiency Services and Programs – Residential and Commercial."

The proposed adjustments are requested to be effective November 1, 2014, coincident with the requested effective date of the Company's Purchased Gas Adjustment (PGA) filing, separately submitted as NWN WUTC Advice No. 14-5.

## **I. Background**

NW Natural began offering energy efficiency programs to Washington customers on October 1, 2009, in compliance with Washington Utilities and Transportation Commission (WUTC) Order No. 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), WUTC Staff, Public Counsel, Northwest Industrial Gas Users (NWIGU), 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.

The Company's energy efficiency program continues to do well. During 2013, the Company acquired 221,172 therm savings for a total program year cost of \$1,170,602. The Company exceeded its therm savings target at a cost that was less than forecasted. The quarterly and annual reports for the 2013 program year were filed with the Commission in compliance with the Company's Energy Efficiency Plan. The 2013 Annual Report is also included in the materials provided in support of this filing.

## **II. Temporary Rate Adjustments**

The proposed Schedule 215 adjustments are calculated on an equal-percentage-of-margin basis, and are shown for each rate schedule on page 1 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, 2014 (See NWN WUTC Advice No. 14-5). 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.

If there were no other adjustments to rates effective November 1, the effect of Schedule 215 would be a reduction to average monthly bills in the primary rate schedules, residential and commercial Schedule 3, of about 0.1%. The average residential customer using 57 therms would see a bill decrease of \$0.08 per month, and the average Schedule 3 commercial customer using 252 therms would see a bill decrease of \$0.25 per month. The bill impact for customers on the other residential and commercial rate schedules is shown on page 2 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 deferral account 186312 balances, and the 2013 Annual Report to the Commission on NW Natural's energy efficiency program.

In accordance with WAC 480-90-198, the Company declares that because the proposed Schedule 215 rate adjustments are effective coincident with the Company's annual purchased gas cost filing, notice to customers is made in accordance with WAC 480-90-194(5). A copy of this notice is included with the Company's annual PGA filing, NWN WUTC Advice No. 14-5.

The proposed rate change will affect all of NW Natural's Washington residential and commercial class sales service customers. NW Natural currently serves approximately 67,740 residential customers and 6,212 business and industrial customers in the Company's Washington service territory.

The Company respectfully requests that the tariff sheets filed herewith be approved to become effective with service on and after November 1, 2014.

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](http://www.nwnatural.com).

Please address correspondence on this matter to me at [ork@nwnatural.com](mailto:ork@nwnatural.com), with copies to the following:

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Sincerely,

NW NATURAL

/s/ Onita R. King

Onita R. King  
Rates & Regulatory Affairs

attachments