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March 9, 2015

NWN WUTC Advice No. 15-02

VIA ELECTRONIC FILING

Steven V. King, Executive Director and Secretary
WASHINGTON UTILITIES &
TRANSPORTATION COMMISSION
1300 S Evergreen Park Drive, SW
Post Office Box 47250
Olympia, Washington 98504-7250

Re: General Rule 3: Deposits

Northwest Natural Gas Company, dba NW Natural (“NW Natural” or “Company”), files herewith the following revisions and additions to its Tariff WN-U-6, stated to become effective on and after April 15, 2015:

Sixth Revision of Sheet iii,
Tariff Index;

First Revision of Sheet 3.1,
General Rules and Regulations (continued),
“Rule 3 Deposits;”

Second Revision of Sheet 3.2,
General Rules and Regulations (continued),
“Rule 3 Deposits;” and

Original Sheet 3.3,
General Rules and Regulations (continued),
“Rule 3 Deposits.”

The purpose of this filing is to (1) revise General Rule 3 at the above-referenced sheets to describe the Company’s practice for deposit requirements when there is no record of prior gas usage at the service address, or where there is less than 12 months of normal usage at the service address (“Default Deposits”); and (2) revise General Rule 3 to describe the Company’s practices for deposit payment arrangements.

Default Deposits

The Company developed default deposit amounts for residential and small commercial customers that are based on expected gas usage for certain equipment types. These default deposit amounts are used for situations where there is no usage history or where there is less than 12 months of normal usage history. The use of standard default deposit

amounts in these situations simplifies the application process and eliminates the need for a Customer Service Representative (“CSR”) to keep the customer on the telephone while they calculate estimated usage in order to determine the appropriate deposit amount.

There are three default deposit amounts in use for residential customers, and one default deposit amount in use for small commercial customers. Please note that the commercial default deposit does not apply to a commercial applicant where gas usage is expected to exceed 78 therms per month, or where gas is used as a primary fuel to operate the business (e.g. restaurants, food processing, manufacturing, etc.). The default deposit amounts are derived from the following equipment and average usage assumptions:

Equipment	Monthly Usage (therms)	Default Deposit Amount
Residential:		
Space and water heating	55	\$ 125.00
Space heating only	43	\$ 100.00
No space heating	13	\$ 40.00
Commercial:		
Space and water heating	78	\$ 200.00

A worksheet showing the calculation of the monthly and annual bill, and the resulting deposit amount, for each usage level is provided in support of this filing.

The default deposit process has worked well for the Company and for customers. However, it was recently identified that this practice is not captured in the Company’s approved Tariff. To ensure transparency about the Company’s practices, the Company believes that it is appropriate to set forth the default deposit amounts in its Tariff.

In addition, in order to ensure that the default deposit amounts continue to reflect the appropriate relationship to average annual bills, the Company proposes to evaluate whether or not any changes to the default deposit amounts are required with each annual Purchased Gas Adjustment (“PGA”) filing or with any other filing that results in a change in customer billing rates. A change to the default deposit amounts would be filed for Commission review and approval if the Company’s evaluation shows that a change in rates will result in an increase or decrease to the average residential customer’s monthly bill of \$10.00 or more, or \$25.00 or more for the average Schedule 3 small commercial customer.

Deposit Payment Arrangements

With this filing, the Company also proposes to clarify its Tariff with respect to deposit installment payments. Specifically, the Company clarifies that a deposit payment arrangement may be available to a non-residential customer at the Company’s discretion. The proposed changes are intended to ensure transparency regarding the Company’s practices around deposit payment arrangements for both residential and non-residential customers.

The Company requests that the tariff sheets filed herewith be permitted to become effective with service on and after April 15, 2015.

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 filing made herewith are available in the Company's main office in Oregon and on its website at www.nwnatural.com.

Please address correspondence on this matter to me with copies to the following:

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Sincerely,

NW NATURAL
/s/ Onita King

Onita R. King
Rates and Regulation

attachments