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September 12, 2016

NWN WUTC Advice No.16-03 / UG-\_\_\_\_\_

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 (“NW Natural” 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, 2016, as follows:

Seventeenth 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 2015 program year costs under Schedule G “Energy Efficiency Services and Programs – Residential and Commercial.”

The proposed adjustments are requested to be effective November 1, 2016, coincident with the requested effective date of the Company’s Purchased Gas Adjustment (PGA) filing, separately submitted as NW Natural’s WUTC Advice No. 16-05.

**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 it Washington customers.

During 2015, the Company acquired 201,446 therm savings for a total program year cost of \$1,373,523. Total 2015 savings were approximately 78 percent of Energy Trust's 2015 goal of 257,063 therms. The quarterly and annual reports for the 2015 program year were filed with the Commission in compliance with the Company's Energy Efficiency Plan. The 2015 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, 2016, (See NW Natural's WUTC Advice Nos. 16-04 and 16-05). 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.

If there were no other adjustments to rates effective November 1, 2016, the effect of Schedule 215 would be minimal to the average monthly bills in the primary rate schedules. The average residential Schedule 2 customer using 53 therms would see an increase of \$0.34 per month, and the average Schedule 3 commercial customer using 243 therms would see a bill increase of \$1.33 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 accounts 186310, 186312, and 186316 balances and the 2015 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, NW Natural's WUTC Advice No. 16-05.

The proposed rate change will affect all of NW Natural's Washington residential and commercial class sales service customers. NW Natural currently serves approximately 71,592 residential customers and 6,499 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, 2016.

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