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September 15, 2023

NWN WUTC Advice No. 23-09

VIA ELECTRONIC FILING

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

Re: Request for Inclusion of Residual Temporary Bill Credits Associated with Residential Rate Mitigation from the 2022/2023 Winter Heating Season

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.

Second Revision of Sheet 212.1	Schedule 212	Adjustment to Rates – Residential Rate Mitigation
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Purpose

The purpose of this filing is to propose to continue amortizing the residual amounts remaining in the Residential Rate Mitigation account.

Background

The Residential Rate Mitigation was a temporary bill credit in residential customer rates from November 1, 2022 through March 31, 2023 to mitigate the combined bill impact from the rate changes associated with the purchased gas adjustment (PGA) and NW Natural's implementation of its base rate increase in the second year of its two-year rate plan (UG-200994), effective on November 1, 2022. On April 1, 2023, the mitigation was reversed, and the Company started to amortize the revenue deferral with the intent it would be fully recovered by October 31, 2023. Customer usage, driven by weather, has caused residual amounts to remain in the amortization account for which the Company is requesting continued amortization.

The Company estimated a revenue deferral of \$2.6 million for the months of November 2022 through March 2023. However, the Company experienced significant usage during March that drove the deferral balance higher than expected. Furthermore, when the Company changed rates for recovery of the deferral on April 1, 2023, usage was lower than expected, resulting in lower amounts of amortization.

Proposed Changes

The net result of the deferral and amortization leaves an estimated balance as of October 31, 2023, of \$651,697 to be further amortized during the twelve-month period starting November 1, 2023. It should be noted that the proposed Schedule 230 adjustments represent only a portion 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, 23-06, 23-07, 23-08, 23-10, 23-11, 23-12, and 23-13).

The effect of this new tariff adjustment schedule is to decrease the Company's annual revenues by \$1,807,077, or 1.77%. The monthly bill of the average residential customers served under Rate Schedule 2 using 58 therms will see a decrease of \$7.22.

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 NW Natural's Washington residential Schedule 2 customers. NW Natural currently serves approximately 87,552 residential Schedule 2 customers in the Company's Washington service territory.

Conclusion

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

This rate change affects all of NW Natural's Washington residential rate schedule 2 sales customers. NW Natural currently serves approximately 87,552 Schedule 2 residential customers in the Company's Washington service territory.

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

eFiling
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Sincerely,

NW NATURAL
/s/ Kyle Walker, CPA

Kyle Walker, CPA
Rates/Regulatory Senior Manager
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Attachments:

NEW-NWN-WUTC-Advice-23-09-Rate-Mitigation-Trf-Sheet-212-1-09-15-23

NEW-NWN-WUTC-Advice-23-09-Rate-Mitigation-Exh-A-09-15-23

NEW-NWN-WUTC-Advice-23-09-Rate-Mitigation-Exh-A-xlsx-09-15-23