

October 14, 2022

UG-200994 et al. / NWN WUTC Advice No. 22-09

VIA ELECTRONIC FILING

 Ms. Amanda Maxwell, Executive Director and Secretary
 Washington Utilities and Transportation Commission
 621 Woodland Square Loop S.E.
 Lacey, Washington 98503

Re: UG-200994 / UG-200995 / UG-200996 / UG-210085, Order 05—NW Natural Compliance Filing with Combined Effects of Annual PGA: NW Natural WUTC Advice Nos. 22-04 through 22-08, Related to Dockets UG-220541, UG-220693, UG-220694, UG-2220697, UG-220734 DO NOT REDOCKET

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 COMMISSION

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 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 with service on and after **November 1, 2022**.

TABLE OF TARIFF SHEET REVISIONS		
PROPOSED	CANCELS	TITLE
Eighteenth Revision of Sheet vii	Seventeenth Revision of Sheet vii	Tariff Index (continued)
Thirty-First Revision of Sheet 101.1	Thirtieth Revision of Sheet 101.1	Rate Schedule 1 “General Sales Service”
Thirty-First Revision of Sheet 102.1	Thirtieth Revision of Sheet 102.1	Rate Schedule 2 “Residential Sales Service”
Nineteenth Revision of Sheet 103.3	Eighteenth Revision of Sheet 103.3	Rate Schedule 3 “Basic Firm Sales Service – Non-Residential (continued)”
Thirty-First Revision of Sheet 127.1	Thirtieth Revision of Sheet 127.1	Schedule 27 “Residential Heating Dry-Out Service”
Seventeenth Revision of Sheet 141.9	Sixteenth Revision of Sheet 141.9	Schedule 41 “Non-Residential Sales and Transportation Service (continued)”
Twelfth Revision of Sheet 141.10	Eleventh Revision of Sheet 141.10	Schedule 41 “Non-Residential Sales and Transportation Service (continued)”
Eighteenth Revision of Sheet 142.10	Seventeenth Revision of Sheet 142.10	Schedule 42 “Large Volume Non-Residential Sales and Transportation Service (continued)”

TABLE OF TARIFF SHEET REVISIONS		
PROPOSED	CANCELS	TITLE
Thirteenth Revision of Sheet 142.10.1	Twelfth Revision of Sheet 142.10.1	Schedule 42 "Large Volume Non-Residential Sales and Transportation Service (continued)"
Eighteenth Revision of Sheet 142.11	Seventeenth Revision of Sheet 142.11	Schedule 42 "Large Volume Non-Residential Sales and Transportation Service (continued)"
Third Revision of Sheet 142.12	Second Revision of Sheet 142.12	Schedule 42 "Large Volume Non-Residential Sales and Transportation Service (continued)"
Seventeenth Revision of Sheet 143.6	Sixteenth Revision of Sheet 143.6	Schedule 43 "High Volume Non-Residential Firm and Interruptible Transportation Service (continued)"
Tenth Revision of Sheet 200.1	Ninth Revision of Sheet 200.1	Schedule 200 "Summary of Adjustments"
Sixth Revision of Sheet 200.2	Fifth Revision of Sheet 200.2	Schedule 200 "Summary of Adjustments (continued)"
Seventh Revision of Sheet 207.1	Sixth Revision of Sheet 207.1	Schedule 207 "General Rate Adjustment"
Seventh Revision of Sheet 207.2	Sixth Revision of Sheet 207.2	Schedule 207 "General Rate Adjustment (continued)"
Second Revision of Sheet 207.3	First Revision of Sheet 207.3	Schedule 207 "General Rate Adjustment (continued)"
Sixth Revision of Sheet 210.1	Fifth Revision of Sheet 210.1	Schedule 210 "Adjustment to Rates for Property Sales"
Original Sheet 210.2	N/A	Schedule 210 "Adjustment to Rates for Property Sales (continued)"
Twenty-Fifth Revision of Sheet 215.1	Twenty-Fourth Revision of Sheet 215.1	Schedule 215 "Adjustment to Rates Energy Efficiency Service and Programs"
Second Revision of Sheet 215.2	First Revision of Sheet 215.2	Schedule 215 "Adjustment to Rates Energy Efficiency Service and Programs (continued)"
First Revision of Sheet 306.1	Original Sheet 306.1	Schedule 306 "Multi-Year Rate Plan Adjustment"
Fourth Revision of Sheet E.6	Third Revision of Sheet E.6	Schedule E "Distribution Facilities Extensions for Applicant-Requested Services and Mains (continued)"

This filing is made in accordance with RCW 80.28.060, WAC 480-80-101 and -105, and WAC 480-07-880; and in compliance with Washington Utilities and Transportation Commission (Commission) Order 05 in consolidated dockets UG-200994, UG-200995, UG-200996, and UG-210085 issued on October 21, 2021 (Order 05).¹

Purpose

The purpose of this filing is to provide the applicable tariff sheets listed in the table above in compliance with Order 05 for Year Two rates and to reflect the combined effects of the Company’s general rate revision approved in Order 05 and the effect of rate changes filed with the Commission as part of the Company’s annual Purchased Gas Adjustment (PGA) and related filings effective on November 1, 2022, listed by docket above. The combined effect of these rate changes on customer bills is shown in the table below:

Type of Service	Schedule Number	Average monthly Bill Change (\$)	Average monthly Bill Change (%)
General Residential Sales Service	1	\$4.80	15.0%
General Commercial Sales Service	1	\$27.11	16.6%
Residential Sales Service	2	\$9.30	13.8%
Commercial Sales Service	3	\$53.63	20.4%
Industrial Sales Service	3	\$244.09	25.0%
Residential Heating Dry-Out Service	27	\$11.45	23.8%
Commercial Firm Sales	41	\$843.86	29.2%
Commercial Interruptible Sales	41	\$0.00	0.0%
Commercial Firm Transportation	41	\$42.54	2.0%
Industrial Firm Sales	41	\$1,172.23	33.1%
Industrial Interruptible Sales	41	\$0.00	0.0%
Industrial Firm Transportation	41	\$0.00	0.0%
Large Volume Commercial Firm Sales	42	\$2,921.42	36.6%
Large Volume Commercial Interruptible Sales	42	\$8,028.17	35.6%
Large Volume Industrial Firm Sales	42	\$3,102.13	39.5%
Large Volume Industrial Interruptible Sales	42	\$2,781.27	31.7%
Large Volume Commercial Firm Transportation	42	\$175.85	2.2%
Large Volume Industrial Firm Transportation	42	\$106.68	1.2%

The percentages for Rate Schedule 41 and Rate Schedule 42 do not include the effect of demand costs.

¹ *Washington Utilities and Transportation Commission v. Northwest Natural Gas, d/b/a NW Natural, Docket UG-200994, Order 05, (Oct. 21, 2021).*

Background

On December 18, 2020, NW Natural filed a general rate case docketed as UG-200994. In Order 05, the Commission approved the Multi-Party Settlement Agreement filed in UG-200994, resolving all issues in the case. The effective date of the Year One rates approved in Order 05 was November 1, 2021, and the effective date of the Year Two rates approved in Order 05 is November 1, 2022.² The Company previously made its compliance filing for Year One rates on October 25, 2021, with corrections made in a filing on October 29, 2021. The Commission approved these tariff filings on October 29, 2021.

On September 14, 2022, NW Natural filed its annual PGA and related filings in the dockets listed in the subject line of this compliance letter, with the exception that docket UG-220734 was filed on September 29, 2022. The Commission will consider all of these filings at its open meeting on October 27, 2022, with an effective date of November 1, 2022.

Proposed Changes

UG-200994 Tariff Revisions

The enclosed rate schedules reflect the changes adopted by Order 05 and are listed in the table of tariff sheet revisions above.

Base Rate Adjustment

The filing reflects the revenue requirement increase cap of \$3.0 million adopted by Order 05, based on the portfolio of projects listed in Order 05, ongoing incremental operation and maintenance (O&M) costs associated with the Horizon 1 Project, netted against offsetting savings, deferral amortization of one-time implementation costs associated with the Horizon 1 Project, and inclusion of one-half of the Conservation Potential Assessment (CPA) costs. In accordance with Order 05, Year Two rates will go into effect on November 1, 2022, but the Year Two base rate revenue is subject to refund until the review of the Company's Year Two comprehensive filing is complete and accepted by the Commission through an amended Order 05.

Schedule 210 Adjustment to Rates for Property Sales

NW Natural encloses an updated Schedule 210 to provide a rate credit to customers from the net gain of the sale of half the Truck Lot property sale and the Astoria Resource Center property, in compliance with Order 05.³

Schedule 215 Adjustment to Rates for Energy Efficiency Service and Programs

In this compliance filing, the Company is updating the enclosed Schedule 215 to suspend half the Historical Balance amortization in the tariff by reducing the rates, effectively suspending half of the original amount.⁴ The enclosed Schedule 215 reflects the same current year, or forecasted, costs (see column "Schedule G Current Year Costs" in tariff table in Schedule 215) that were filed in UG-

² In compliance with the Multi-Party Settlement Agreement approved in Order 05, NW Natural will file and serve on parties its Year Two Pro Forma comprehensive filing when the final costs of Year Two projects are known and measurable, and no later than February 28, 2023.

³ Order 05 at ¶ 32-33.

⁴ *Ibid.*

220693 on September 14, 2022, which is scheduled to be considered at the Commission's open meeting on October 27, 2022. The UG-220693 filing also included the removal of the one-year amortization for the CPA, consistent with Order 05. The UG-220693 filing included the Twenty-Fourth Revision of Sheet 215.1 and the First Revision of Sheet 215.2. In this compliance filing, the Company is providing the Twenty-Fifth Revision of Sheet 215.1 and the Second Revision of Sheet 215.2 to reflect the results of combining the rates contemplated in UG-220693 and Order 05.

Schedule E Distribution Facilities Extensions for Applicant-Requested Services and Mains

The tax effects rate adder in Schedule E should be updated whenever the Company's authorized cost of capital changes. In this compliance filing, NW Natural includes a housekeeping update to Sheet E.6 to reflect the current tax effects rate adder, which is based on the cost of capital determined in UG-200994.

Combined effects of Order 05 and PGA and related filings

Exhibit A of this compliance filing reflects the combined effects of the general rate changes adopted in docket UG-200994 and the effects of the respective PGA-related dockets listed above.

Conclusion

NW Natural respectfully requests that the tariff sheet revisions listed in the table above, which have been revised in compliance with Order 05, be approved with an effective date of November 1, 2022.

As required by WAC 480-07-880(3), a copy of this compliance filing is being served on each party to this proceeding. The filing, including work papers, is being served via email. One of the work papers contains confidential information per WAC 480-07-160 and Protective Order 02 of Docket UG-200994 and will be provided to Parties that have signed the Protective Order.

As requested by WAC 480-80-103(4)(a), I certify that I have authority to issue tariff revisions on behalf of NW Natural.

A copy of the filing is available for public inspection in the Company's main office in Portland, Oregon and on its website at www.nwnatural.com.

Correspondence relating to this filing should be directed to me with a copy to:

eFiling
Rates and Regulatory Affairs
NW Natural
250 SW Taylor Street
Portland, Oregon 97204
Email: eFiling@nwnatural.com

Please contact me if you have any questions or require any further information.

/s/ Kyle Walker

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Attachments

200994-et-al-NWN-Cply-Trfs-10-14-2022
200994-et-al-NWN-Cply-Exh-A-10-14-2022
200994-et-al-NWN-Cply-WP1-10-14-2022
200994-et-al-NWN-Cply-WP2-10-14-2022
200994-et-al-NWN-Cply-COS-10-14-2022