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September 12, 2016

NWN WUTC Advice No.16-04 / 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 230: Temporary Adjustments to Rates for Low-Income 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:

Eighth Revision of Sheet 230.1,
Schedule 230,
“Temporary Adjustments to Rates for Low-Income Programs;” and

Sixth Revision of Sheet 230.2,
Schedule 230,
“Temporary Adjustments to Rates for Low-Income Programs.”

The purpose of this filing is to revise Schedule 230 to reflect adjustments to rates for the effects of applying temporary rate adjustments to amortize balances in the deferred accounts for the collection of 2015 program year costs under Schedule J “Gas Residential Energy Assistance Tariff (GREAT) and Schedule I “Washington Low-Income Energy Efficiency (WA-LIEE) Programs.”

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. Temporary Rate Adjustments

The proposed Schedule 230 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 230 adjustments represent only a portion of

the deferred accounts that are proposed to be applied to customer rates effective November 1, 2016 (See NW Natural's WUTC Advice Nos. 16-03 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 230 adjustments and applying the proposed Schedule 230 adjustments to current billing rates.

If there were no other adjustments to rates effective November 1, 2016, the effect of Schedule 230 would be an increase to average monthly bills in the primary rate schedules, residential and commercial Schedule 3, of about 0.10%. The average Schedule 2 residential customer using 53 therms would see a bill increase of \$0.07 per month, and the average Schedule 3 commercial customer using 243 therms would see a bill increase of \$0.27 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 230 adjustments to rates, and a worksheet showing deferral account balances as follows:

1. A 12-month amortization of collection balances in account 186234. The balance in 186234 relates to the Schedule J "Gas Residential Energy Assistance" Tariff (GREAT), which is the Company's low-income bill payment assistance program. Account 186235 is the remaining unamortized amount from this schedule from the prior year.

2. A 12-month amortization of collection balances in account 186314. The balance in 186314 relates to the Schedule I "Washington Low Income Energy Efficiency Tariff (WALIEE), which is the Company's low-income energy efficiency program. Account 186315 is the remaining unamortized amount from this schedule from the prior year.

In accordance with WAC 480-90-198, the Company declares that because the proposed Schedule 230 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.

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

eFiling
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Sincerely,

NW NATURAL

/s/ Onita R. King

Onita R. King
Rates & Regulatory Affairs

attachments