

**PUBLIC UTILITY COMMISSION OF OREGON
INTEROFFICE CORRESPONDENCE**

DATE: October 29, 2020
TO: John Crider
FROM: Brian Fjeldheim, John Fox, Marianne Gardner, Scott Gibbens, and Michelle Scala
SUBJECT: Verification of Northwest Natural Gas Company's (NWN) Tariff Rates Effective November 1, 2020. Compliance Filing Advice No. 20-17.

In Order No. 20-364 entered October 16, 2020, and subsequent Order No. 20-369 entered October 26, 2020, in Docket No. UG 388, the Public Utility Commission of Oregon (Commission) adopted a number of revenue requirement and rate spread/rate design stipulations. Further, the Commission adopted the Company's request for a rate revision related to this year's Purchase Gas Adjustment (PGA) in Order Nos. 20-342 through 20-349 and 20-360. In response to the orders, NWN submitted its Compliance Filing Advice No. 20-17 on October 23, 2020.

Staff has reviewed the advice filing and finds it is in compliance with the Commission's orders. The checks and analytic tasks required to affirm the accuracy of rates included the following:

- Confirm that the prices contained in the current and filed tariffs conform to the billing determinants of Appendix A of the Order No. 20-364.
- Confirm from the Billing Determinants spreadsheet that the proposed tariff prices produce revenue increases that match what are proposed for base rate Schedules according to the Stipulation Exhibit contained in Appendix C of the Order 20-364.
- Confirm the Billing Determinants spreadsheet that the proposed percentage revenue increases and decreases for temporary and annually adjusted schedules including Rate Schedule (RS) 164 PGA, RS 177 Corporate Activity Tax, RS 180 and RS 196 Excess Deferred Income Tax, RS 190 Partial Decoupling, and RS 195 WARM match those approved by the Commission in Order No. 20-364 and 20-360.
- Confirm the calculation of equal percent of margin rate spread for base schedules; including confirmation that the increase to RS 3, Commercial, to increase volumetric rates by an additional \$3.6 million was performed accurately per the terms of the stipulation attached to Order No. 20-364.

Staff verified that the specific impacts authorized by the orders will be achieved by the changed tariff pages as filed.

Staff requested several additional workpapers to identify the prudence of all changes, and found only one minor issue.¹ Staff finds that the filed tariff sheets will produce rates which are fair, just, reasonable, and conform to the Commission's orders. As such, Staff recommends that the Commission approve the tariff sheets and allow them to go into effect on November 1, 2020.

¹ Schedule P, Sheet P-2, had an incorrect revision number due to a recently filed tariff sheet update for the 2020 Purchased Gas Adjustment (PGA), which had not yet gone into effect.