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October 31, 2018

NWN OPUC Advice No. 18-13A
Supplement

VIA ELECTRONIC FILING

Public Utility Commission of Oregon
Attn: Filing Center
201 High Street SE, Suite 100
Post Office Box 1088
Salem, Oregon 97308-1088

**Re: Supplemental Filing
UG 344; Order 18-419: Compliance Filing with Combined Effects of Annual PGA:**

Northwest Natural Gas Company, dba NW Natural (“NW Natural” or “Company”), files herewith a revision to its Tariff P.U.C. Or. 25¹, as listed below, stated to become effective with service on and after **November 1, 2018**:

Substitute Second Revision of Sheet 195-3,
Schedule 195,
“Weather Adjusted Rate Mechanism (WARM Program) (continued).”

The purpose of this filing is to revise the WARM Formula section at HDDn to remove the date references and add language to refer to the most recent general rate case proceeding. The company withdraws the tariff sheet filed on October 30, 2018.

In accordance with ORS 757.205, copies of this letter and the filing made herewith 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 with copies to the following:

eFiling
NW Natural Rates & Regulatory Affairs
220 NW Second Avenue
Portland, Oregon 97209
Telecopier: (503) 721-2516
Telephone: (503) 226-4211, ext. 3589
eFiling@nwnatural.com

Sincerely,

NW NATURAL

/s/ Onita King

Onita King
Rates & Regulatory
Attachments

¹Tariff P.U.C. Or. 25 was filed pursuant to ORS 757.205 and OAR 860-022-0005 and originated November 1, 2012 with Docket UG 221; OPUC Order No. 12-408 as supplemented by Order No. 12-437.

NORTHWEST NATURAL GAS COMPANY

P.U.C. Or. 25

Substitute Second Revision of Sheet 195-3
Cancels First Revision of Sheet 195-3

SCHEDULE 195 WEATHER ADJUSTED RATE MECHANISM (WARM Program) (continued)

9. Upon request, the Company will provide Customer with historical billing information that reflects bills with and without the WARM adjustment for any month during the WARM Period.
10. Should a change to the margin rate occur during the WARM Period, the equivalent therms used in the calculation of the WARM adjustment will be based on the entire billing period, and then prorated based upon the number of days applicable to each margin rate. The pro-rated therms are then multiplied by the applicable margin rate to determine the WARM adjustment for each rate period. Example: If a margin rate change occurred on January 1, a bill with a bill period between December 25 and January 24 would be prorated based upon 6 days at the prior margin rate and 24 days at the new margin rate. The calculations performed under the provisions of Special Conditions 2 and 3 will apply to each prorated period separately, except that the total WARM adjustment for each bill will not exceed the maximum (increase or decrease) WARM adjustment specified in Special Conditions 2 and 3.

WARM FORMULA:

1. The Formula is:
$$\text{WARM Adjustment} = \sum_1^T (HDD_{n,t} - HDD_{a,t}) * B * Mrgn$$

Where:

T = the days covered by the meter read dates for an individual customer's bill

HDDn = the 25 year average of heating degree-days for each day determined using a 25-year average temperature published by the National Oceanic and Atmospheric Administration (NOAA) as adopted for use with the Company's most recent general rate proceeding. (C)

HDDa = the actual heating degree-days for each day based on the individual customer's actual beginning and ending meter read dates (C)

B = the statistical coefficient relating heating degree-days to therm use determined in the most recent general rate case, or other Commission authorized proceeding. (C)

Mrgn = the relevant Rate Schedule margin defined as the current Billing Rate less the current Commodity Rate, Pipeline Capacity Charge, and any Temporary Adjustments.

2. For purposes of calculating the WARM Adjustment, the following shall apply:
 - a. A Heating Degree Day (HDD) is defined as the extent by which the daily mean temperature falls below a specified set point on a specified day. The HDD calculation uses a set point temperature of 59 degrees Fahrenheit for the **Rate Schedule 2** calculation, and 58 degrees Fahrenheit for the **Rate Schedule 3** calculation;
 - b. The statistical coefficients to be used in the calculation of the WARM Adjustment Factor effective with the WARM Period commencing November 1, 2018 are: (C)

Rate Schedule 2:	0.16327	Rate Schedule 3:	0.68499
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(C)

(continue to Sheet 195-4)

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