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March 29, 2019

NWN OPUC Advice No. 19-02A
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 No. 19-105: Compliance Filing—Tax Adjustment and Pension
Balancing Account**

Northwest Natural Gas Company, dba NW Natural (NW Natural or Company), files herewith a revision to its Tariff P.U.C. Or. 25,¹ as listed below, stated to become effective with service on and after **April 1, 2019**:

Substitute Original Sheet 196-1	Schedule 196	Adjustment For Certain Excess Deferred Income Taxes Related To The 2017 Federal Tax Cuts And Jobs Act
Substitute Original Sheet 197-1	Schedule 197	Amortization Of Pension Balancing Account

The purpose of this filing is to revise and correct the description of the anticipated ending effective dates for the rate adjustments detailed in Schedule 196 and Schedule 197 that were filed as part of the Company's filing in compliance with Order No. 19-105 on March 27, 2019. The Company has discussed these changes with Public Utility Commission of Oregon Staff, who raised the need for these revisions during their review of the Company's March 27, 2019 compliance filing.

The company withdraws the related tariff sheets filed on March 27, 2019. All remaining tariff sheets in the March 27, 2019 compliance filing remain unchanged.

Description:

1. Sheet 196-1 has been revised to indicate that the anticipated last adjustment effective date for the rate adjustment for the five-year amortization of excess deferred income taxes associated with Non-Plant Gas Reserves is expected to be April 1, 2023, ending March 31, 2024, or such other date the Commission may approve.
2. Sheet 197-1 has been revised to indicate that the anticipated last adjustment effective date for the rate adjustment for the 10-year amortization of the pension balancing account is expected to be April 1, 2028 ending March 31, 2029.

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.

Public Utility Commission of Oregon
NWN OPUC Advice No. 19-02A
March 29, 2019, Page 2

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
Fax: (503) 721-2516
Phone: (503) 226-4211, ext. 3589
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Sincerely,

NW NATURAL

/s/ Natasha Siores

Natasha Siores
Manager, Regulatory Compliance

**SCHEDULE 196
ADJUSTMENT FOR CERTAIN EXCESS DEFERRED INCOME TAXES
RELATED TO THE 2017 FEDERAL TAX CUTS AND JOBS ACT**

(N)

PURPOSE:

To amortize deferred amounts to Customers on the Rate Schedules listed below pursuant to the Third Stipulation adopted by Commission Order 19-105 in Docket UG 344 entered on March 25, 2019.

DESCRIPTION:

The rate adjustments reflected in this Schedule will amortize deferred amounts to Customers reflecting the net benefit of the excess deferred income taxes (EDIT) associated with: 1) Non-Plant Gas Reserves; and 2) Plant, that result from the 2017 federal Tax Cuts and Jobs Act (TCJA).

1) Non-Plant Gas Reserves

The adjustment to Customer rates for the amortization of the portion of EDIT associated with Non-Plant Gas Reserves will occur over five years. The total amount to be amortized is a credit of \$14.64 million, or \$2.929 million per year.

This rate adjustment shall be effective for a 5-year period commencing April 1, 2019, with the last adjustments to become effective April 1, 2023 ending March 31, 2024, or such other date the Commission may approve.

Applicable:

To all Sales Service Customers taking service under the following Rate Schedules of this Tariff of which this Schedule 196 is a part:

Rate Schedule 2	Rate Schedule 31
Rate Schedule 3	Rate Schedule 32
Rate Schedule 27	

2) Plant

The adjustment to Customer rates for the amortization of the portion of EDIT associated with Plant will occur until such time as the balance is fully amortized or the amortization schedule is otherwise changed in the Company's next general rate case with Commission approval. The total amount to be amortized is a credit of \$174.6 million, which will be amortized at \$3.263 million per year.

This rate adjustment shall be effective commencing April 1, 2019.

Applicable:

To all Customers taking service under the following Rate Schedules of this Tariff of which this Schedule 196 is a part:

Rate Schedule 2	Rate Schedule 31
Rate Schedule 3	Rate Schedule 32
Rate Schedule 27	Rate Schedule 33

(N)

(continue to Sheet 196-2)

**SCHEDULE 197
AMORTIZATION OF PENSION BALANCING ACCOUNT**

(N)

PURPOSE:

To identify adjustments to Customer rates applicable to the Rate Schedules listed below pursuant to the Third Stipulation adopted by Commission Order 19-105 in Docket UG 344 entered on March 25, 2019.

DESCRIPTION:

The rate adjustments reflected in this Schedule establish the method by which NW Natural will amortize the balance in the Company's Pension Balancing Account (PBA) that was established in accordance with Commission Order 11-051, Docket UM 1475.

The adjustments to Customer rates reflect the amortization of the PBA over a 10-year term of this Schedule 197. The total amount to be collected from Customers on an annual basis is \$7.1 million.

TERM:

The annual rate adjustments applied under this Schedule 197 shall be effective for a 10-year period commencing April 1, 2019 with the last adjustments to become effective April 1, 2028 ending March 31, 2029.

APPLICABLE:

To all classes of Customers taking service under the following Rate Schedules of the Tariff of which this Schedule 197 is a part:

Rate Schedule 2	Rate Schedule 31
Rate Schedule 3	Rate Schedule 32
Rate Schedule 27	Rate Schedule 33

RATE ADJUSTMENTS:

The Base Rate Adjustment applies to all customer classes (Sales and Transportation Service) and is calculated on an equal percent of margin by Rate Schedule and Customer class and the rate allocation adopted in Docket UG 344. The effect of this adjustment is reflected in the Base Rate Adjustment shown in the respective Rate Schedules. NO ADDITIONAL ADJUSTMENT TO RATES IS REQUIRED.

(N)

(continue to Sheet 197-2)

Issued March 29, 2019
NWN OPUC Advice No. 19-02A

Effective with service on
and after April 1, 2019