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January 16, 2025

NWN OPUC Advice No. 25-01

VIA ELECTRONIC FILING

Public Utility Commission of Oregon
Attn: Filing Center
201 High Street SE, Suite 100
P.O. Box 1088
Salem, OR 97308-1088

Re: Schedules 361 and 169 – Energy Efficiency Program for Transportation Customers

Northwest Natural Gas Company, dba NW Natural (NW Natural or Company), files herewith the following revisions to its Tariff P.U.C. Or. 25, stated to become effective on February 19, 2025.

First Revision of Sheet 169-1	Schedule 169	Transportation Customer Energy Efficiency Program Cost Recovery
First Revision of Sheet 361-1	Schedule 361	Transportation Customer Energy Efficiency Program

Purpose

The purpose of this filing is to request approval from the Public Utility Commission of Oregon (“Commission”) to implement changes to Schedule 361, Transportation Customer Energy Efficiency Program and related Schedule 169, cost recovery for the program. NW Natural has worked collaboratively with the Alliance of Western Energy Advocates (“AWEC”) and the Energy Trust of Oregon (“Energy Trust”) to propose the program described below.

Background

On December 18, 2023, NW Natural filed in docket ADV 1582 its proposed tariffs for energy efficiency programs for transportation customers in furtherance of Oregon’s Climate Protection Program (“CPP”). In that filing, the Company proposed Schedule 361 Transportation Customer Energy Efficiency Program as informed by stakeholder meetings held in July and August of 2023 and Schedule 169, which addressed the cost recovery proposal for the program.

Shortly after the Company’s filing, the Oregon Court of Appeals issued a ruling invalidating the CPP as enacted by the Oregon Department of Environmental Quality. Without the compliance obligation under the CPP, NW Natural revisited the scope, size and cost allocation for the program. As a result, NW Natural worked with the AWEC, Commission Staff and the Energy Trust to adjust certain components of the Company’s proposal to appropriately scale the program and address cost recovery in the absence of carbon compliance regulation. That program was approved at the Commission’s Public Meeting on June 11, 2024, for calendar year 2024 at a cost of \$700,000. The

program offered all transportation customers the opportunity to participate in Energy Trust's Standard Track incentive program.¹

Proposed Program

During 2024 the Oregon Department of Environmental Quality conducted rulemaking for new CPP rules. The Environmental Quality Commission adopted these rules on November 21, 2024. Accordingly, in furtherance of the CPP, for 2025, NW Natural is proposing to offer all transportation customers, excluding customers that are emissions-intensive and trade-exposed ("EITE"s)², the option to participate in Energy Trust's Standard Track incentive offerings. The offerings will be available on a first-come, first-served basis. The 2025 costs of this program will be \$1.13 million. If additional funds are needed, \$500,000 will be available if requested by the Energy Trust of Oregon to complete projects in 2025. Should funding be required beyond \$1.63 million to complete projects that began in 2025, stakeholders including the Company, AWEC, Energy Trust and Commission Staff will convene to discuss the need for and value of additional funding.

In the near future, NW Natural will work with stakeholders to evaluate a custom incentive program that will look at energy efficiency opportunities alongside other capital decarbonization projects. The Company will provide more information on this work in a future filing.

Cost Recovery

NW Natural proposes revisions to tariff Schedule 169 to recover the costs of the transportation customer energy efficiency program reflecting the different cost recovery for the different programs offered in 2024 and proposed to be offered in 2025, given the status of the CPP in effect during those years. There are now two vintages of costs that will be allocated accordingly, as described below. The Company will continue to track the costs associated with this program in a deferred account using sub-accounts to differentiate the vintages.

Costs for the 2024 program will be recovered from Schedules 31, 32, and 33 transportation customers and allocated based on an equal percentage of margin basis. The costs for the 2025 program will be recovered from all customers (excluding EITEs) and allocated on an equal-cents-per-therm basis.

NW Natural proposes to update Schedule 169 each year to place into rates for collection the deferred costs of this transportation energy efficiency program at the same time as the Company's annual Purchased Gas Adjustment ("PGA") filings. Accordingly, the Company is not including any costs to be recovered at this time but will do so with the 2025-26 PGA filings. Thus, there is no rate impact of this filing.

Conclusion

NW Natural respectfully requests the Commission approve the enclosed tariff proposals effective February 19, 2025.

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.

¹ The Standard Track is one of Energy Trust's offerings in which eligible energy efficiency measures are assigned deemed savings and customers may submit project applications to receive incentives without a site-specific technical analysis. Eligible energy efficiency measures are listed on Energy Trust's website and include items such as steam traps and pipe insulation.

² See OAR 340-273-0020(18)

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Please address correspondence on this matter to me with copies to the following:

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Respectfully submitted,

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NORTHWEST NATURAL GAS COMPANY

P.U.C. Or. 25

First Revision of Sheet 169-1
Cancels Original Sheet 169-1

**SCHEDULE 169
TRANSPORTATION CUSTOMER ENERGY EFFICIENCY PROGRAM COST
RECOVERY**

(T)

PURPOSE:

This Schedule recovers the costs of the program offered under Schedule 361 "Transportation Customer Energy Efficiency Program."

APPLICABLE:

For costs of the 2024 program, applicable to all Transportation service Customers on Rate Schedule 31, Rate Schedule 32, and Rate Schedule 33. Costs will be allocated on an equal percentage of margin basis.

(T)
(T)

For costs of the 2025 program, applicable to all Customers on the Rate Schedules below that are not Emissions-Intensive and Trade-Exposed under the Oregon Climate Protection Program. Costs will be allocated on an equal cent per therm basis.

(N)

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

(N)

APPLICATION TO RATE SCHEDULES:

Effective: February 19, 2024

(C)

The Temporary Adjustments in the applicable above-listed Rate Schedules include the adjustment shown below. NO ADDITIONAL ADJUSTMENT TO RATES IS REQUIRED.

For costs of the 2024 program:

(T)

Schedule	Block	Total Adjustment
31 CTF	Block 1	\$0.00000
	Block 2	\$0.00000
31 ITF	Block 1	\$0.00000
	Block 2	\$0.00000
32 CTF	Block 1	\$0.00000
	Block 2	\$0.00000
	Block 3	\$0.00000
	Block 4	\$0.00000
	Block 5	\$0.00000
	Block 6	\$0.00000
32 ITF	Block 1	\$0.00000
	Block 2	\$0.00000
	Block 3	\$0.00000
	Block 4	\$0.00000
	Block 5	\$0.00000
	Block 6	\$0.00000

Schedule	Block	Total Adjustment
32 CTI	Block 1	\$0.00000
	Block 2	\$0.00000
	Block 3	\$0.00000
	Block 4	\$0.00000
	Block 5	\$0.00000
	Block 6	\$0.00000
32 ITI	Block 1	\$0.00000
	Block 2	\$0.00000
	Block 3	\$0.00000
	Block 4	\$0.00000
	Block 5	\$0.00000
	Block 6	\$0.00000
33 (all)		\$0.00000

For costs of the 2025 program:

\$0.00000 per therm

(N)
(N)

GENERAL TERMS:

This Schedule is governed by the terms of this Schedule, the General Rules and Regulations contained in this Tariff, any other Schedules that by their terms or by the terms of this Schedule apply to service under this Schedule, and by all rules and regulations prescribed by regulatory authorities, as amended from time to time.

Issued January 16, 2025
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Effective with service on
and after February 19, 2025

**SCHEDULE 361
TRANSPORTATION CUSTOMER ENERGY EFFICIENCY PROGRAM**

AVAILABLE:

In all territory served by the Company under the Tariff of which this program is a part.

PURPOSE:

This program is intended to provide an economical and effective means of conserving natural gas through energy efficiency. These programs are available to Customers with transportation service under Schedules 31, 32, 33, and 60 that are not defined as Emissions-Intensive and Trade Exposed entities under the Oregon Climate Protection Program.

(N)
(N)

PROGRAM COSTS:

Program costs will be deferred annually and amortized for recovery coincident with the Company's Purchased Gas Adjustment through Schedule 169 of this Tariff.

SPECIAL CONDITIONS:

NW Natural is working in conjunction with the Energy Trust of Oregon to deliver energy efficiency programs to transportation customers. NW Natural may evaluate additional opportunities and partnerships to deliver alongside Energy Trust programs.

(N)
(N)

ENERGY TRUST OF OREGON OFFERINGS:

All eligible transportation customers will have the opportunity to participate in the following Energy Trust of Oregon program:

(T)
(T)

- Standard Track incentive program. This offering is available as of February 19, 2025.

(T)(C)

GENERAL TERMS:

Service under this Schedule is governed by the terms of this Schedule, the General Rules and Regulations contained in this, any other schedules that by their terms or by the terms or by the terms of this Schedule apply to service under this Schedule, and by all rules and regulations prescribed by regulatory authorities, as amended from time to time.

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