

**MARK R. THOMPSON**  
Tariff and Regulatory Compliance  
Tel: 503.721-2452  
Fax: 503.721.2516  
email: mrt@nwnatural.com



June 29, 2012

Public Utility Commission of Oregon  
550 Capitol Street, N.E. Suite 215  
P.O. Box 2148  
Salem, Oregon 97308-2148

Attention: Filing Center

RE: NW Natural Request for Waiver

Northwest Natural Gas Company, dba NW Natural (NW Natural or Company), submits the enclosed application requesting the Commission to grant the Company a waiver from OAR 860-021-0326(1).

If you have questions, please call Jennifer Gross at (503)226-4211, extension 3590.

Sincerely,

*/s/ Mark R. Thompson*

Mark R. Thompson

Enclosure

**BEFORE THE PUBLIC UTILITY COMMISSION  
OF OREGON**

NW Natural's Motion for  
Waiver from OAR 860-021-0326(1),  
Disconnection of Gas or Electric  
Service to Tenants

**MOTION FOR WAIVER**

**I. INTRODUCTION**

Pursuant to OAR 860-021-0005, Northwest Natural Gas Company, dba NW Natural ("NW Natural" or "Company"), requests that the Commission grant the Company a waiver from compliance to OAR 860-021-0326(1), which requires that utilities send duplicate five-day disconnection notices to tenants when the customer of record does not reside at the service address.

**II. DISCUSSION**

The Public Utility Commission of Oregon (PUC) sponsored workshops on November 28, 2012 and January 24, 2012 for the purpose of discussing issues specific to low income customers. Following these meetings, PUC Staff (Staff) asked utilities to investigate their compliance to OAR 860-021-0326(1), as interpreted by legal counsel at the Department of Justice.<sup>1</sup> This rule requires utilities to send duplicate five-day disconnection notices to the

---

<sup>1</sup> Juliet Johnson, PUC Staff, sent NW Natural an email dated April 3, 2012, wherein she requested the status of the Company's compliance to OAR 860-021-0326(1) and provided the Department of Justice's interpretation of the rule. The email said, "Legal counsel at DOJ concluded that the intent of the rule was to make sure the occupants at a service address are provided with notice of the impending disconnection. DOJ interprets the rule to say that the burden is on the utility to know the customer is occupying the service address and absent such information, the utility needs to send notice to both the account holder and the service address."

1 tenants residing at a service address when the customer of record lives elsewhere evidenced by  
2 having a separate billing address. The Company responded by saying it was applying this rule  
3 only to master-metered accounts.

4 As part of this communication to Staff, NW Natural provided the following plan whereby  
5 the Company will achieve compliance to the rule for all new accounts beginning December 31,  
6 2012:

- 7 • The Company is programing its Customer Information System (“CIS”) to include a  
8 field for tracking accounts where the customer-of-record’s billing address differs  
9 from the service address and the customer has indicated that the service address is  
10 tenant occupied.
- 11 • The Company is also making modifications to CIS to ensure that duplicate five-day  
12 disconnect notices will be sent to these flagged accounts when appropriate.
- 13 • And, the Company’s Customer Service Representatives (CSRs) are being trained to  
14 ask if a residence is tenant-occupied when the applicant requests a billing address  
15 that is different than the service address.

16 The cost for the CIS programming will be approximately \$6,600.

17 Full compliance to this rule as interpreted by the Department of Justice (DOJ) in the  
18 email from Juliet Johnson<sup>2</sup> is not reasonably attained by simply sending duplicate notifications  
19 to each residential account that has a billing address that differs from the service address. The  
20 Company has approximately 91,000 residential customers that have different billing and service  
21 addresses. A customer account may have a different billing address for many reasons including

---

<sup>2</sup> IBID.

1 wanting to ensure mail is received at a secure location. A conversation is required to determine  
2 if the home receiving gas service is tenant-occupied. It is cost prohibitive to contact all 91,000  
3 customers with separate billing addresses to learn if their home is a tenant-occupied. The  
4 Company does not believe it would get a very high response rate to such an inquiry, and phone  
5 calls would be necessary. Again, for 91,000 residential customers, the Company does not  
6 believe this is cost effective.

7 PUC Staff also asked the Company to consider a system-wide periodic review of homes  
8 served that have separate billing addresses. The intent of this review would be to learn if a  
9 home with a separate billing address that was not tenant-occupied upon initiation of the gas  
10 account, later became tenant-occupied. Again, this would require more CSR training time and  
11 phone time without rendering much, if any, benefit to customers.

12 NW Natural believes it is useful to point out that although the Company has applied  
13 OAR 860-021-0326 more narrowly than the DOJ's current interpretation would suggest, neither  
14 the Company nor PUC Consumer Services has received a customer complaint for NW Natural  
15 related to this rule since the rule was adopted in 1990. NW Natural believes that this rule was  
16 written to protect customers in a scenario that is extremely unlikely. Landlords are encouraged  
17 to open "landlord accounts" which means the account will stay open but will revert to being  
18 held by the landlord or property manager when the tenant's account is closed. This prevents a  
19 house from getting too cold and damaged because the account is closed without the landlord's  
20 knowledge. NW Natural believes that most landlords take advantage of this type of account  
21 because it is unlikely that a landlord or property manager that holds the property for

1 investment purposes would want to pay a tenant’s energy bill because without a bill to offer  
2 price signals, the tenant may not conserve his/her energy usage.

3 While the Company is planning to implement programming and practices to comply  
4 with the broader interpretation of OAR 860-021-0326(1) on a forward going basis, the Company  
5 does not plan to perform a one-time or periodic status review of the 91,000 residential  
6 accounts with different billing addresses that are currently receiving service. The Company  
7 does not believe that the customer service procured to do this would be commensurate with  
8 the cost.

9 **III. REQUEST FOR WAIVER**

10 Pursuant to OAR 860-021-0005 and for the reasons explained above, NW Natural  
11 requests a waiver from compliance to OAR 860-021-0326(1).

12

13 DATED: June 29, 2012

Respectfully submitted

14

*/s/ Mark R. Thompson*

15

16

---

Mark R. Thompson  
Manager, Rates and Regulatory Affairs  
NW Natural  
220 NW Second Ave  
Portland, Oregon 97209  
(503)721-2476  
mrt@nwnatural.com

17

18

19

20

21

22

23

24