


PUBLIC UTILITY COMMISSION OF OREGON
STAFF REPORT
PUBLIC MEETING DATE: October 28, 2014

REGULAR _____ CONSENT X EFFECTIVE DATE November 1, 2014

DATE: September 17, 2014

TO: Public Utility Commission

FROM: Judy Johnson 

THROUGH: Jason Eisdorfer and Marc Hellman 

SUBJECT: NORTHWEST NATURAL: (Docket No. UG 277/Advice No. 14-9) Revises Schedule 179, Automated Meter Reading (AMR) Rate Adjustment.

STAFF RECOMMENDATION:

I recommend that the Commission approve Northwest Natural's (NW Natural or Company) filing to amortize deferred amounts related to AMR with the rate to be effective November 1, 2014.

DISCUSSION:

The purpose of this filing is to request amortization of the balance in the deferred account established in Docket No. UM 1413. The Company last adjusted rates for this purpose effective November 1, 2013.

There have not been any new amounts deferred in this AMR account. The balance in the account represents the residual amount remaining from prior years amortizations. Because of the unique cost allocation methodology associated with the recovery of AMR costs, these costs could not easily be combined with other residual amounts that are applied to customer rates on a cent-per-therm basis under Schedule 178. The negative amount remaining in the deferred account is expected to be \$(9,177) at October 31, 2014.

The monthly bill of the average residential customer served under Schedule 2 using 53 therms per month will decrease by about 7 cents. The monthly decrease for the average commercial Schedule 3 customer using 232 therms per month is about

21 cents, and the monthly decrease for the average commercial Schedule 31 customer using 3,514 therms is about \$2.14. The number of customers affected by this proposed change is 563,128 residential customers, 59,190 commercial customers, and 493 industrial customers. The net effect of removing the temporary adjustment applied to rates effective November 1, 2013, and the application of the new temporary adjustment is to reduce the Company's annual revenues by \$629,166, or about 0.09 percent.

This filing is in compliance with ORS 757.259. However, since this filing is a reduction in rates, there is no earnings test that needs to be performed.

Staff Analysis

After a review of this filing and workpapers, Staff believes that the proposed rates are correctly calculated and applied. The Company has reviewed this memo and has no issues.

PROPOSED COMMISSION MOTION:

The Commission approve Northwest Natural's filing to amortize deferred amounts related to Automated Meter Reading and the associated tariff sheets be allowed to take effect on November 1, 2014.