



PUBLIC UTILITY COMMISSION OF OREGON  
STAFF REPORT  
PUBLIC MEETING DATE: October 19, 2015

REGULAR \_\_\_\_\_ CONSENT X EFFECTIVE DATE November 1, 2015

DATE: September 22, 2015

TO: Public Utility Commission

FROM: Judy Johnson  

THROUGH: Jason Eisdorfer and Marc Hellman

SUBJECT: NORTHWEST NATURAL; (Docket No. UG 292/Advice No. 15-06)  
Requests amortization of Intervenor Funding.

**STAFF RECOMMENDATION:**

I recommend that the Commission approve Northwest Natural's (Company or NW Natural) filing to amortize deferred amounts related to Intervenor Funding to make rates effective November 1, 2015.

**Issue:**

Whether NW Natural's request to amortize deferred costs for grants paid to intervenors should be allowed.

**Pertinent Authority:**

The Commission has authorized NW Natural to enter into intervenor funding grant agreements.<sup>1</sup> Under ORS 757.072(4) and ORS 757.259(3), the Commission shall allow utilities that enter into such agreements to defer the costs of the grants for later inclusion in rates. Utilities may amortize these deferred costs into rates under ORS 757.259(5). In accordance with ORS 757.259(3) and ORS 757.072, the amortization of amounts deferred under 757.259(3) is not subject to an earnings review, but is subject to a prudence review.

Because the deferral and recovery of these amounts is authorized by statute, Staff's prudence review is focused on verification of the accounting methodology used to determine the final amortization balance.

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<sup>1</sup> See Order No. 12-452

**DISCUSSION:**

NW Natural is currently amortizing deferred Intervenor Funding Grants deferred between July 1, 2013, and June 30, 2014. The Commission re-authorized NW Natural to defer costs for Intervenor Funding Grants in Order No. 14-249 for a one-year period starting July 1, 2014. NW Natural now seeks to amortize the Intervenor Funding Grant costs deferred between July 1, 2014, and June 30, 2015, starting November 1, 2015.

The net effect of the removal of the current temporary adjustments applied to rates effective November 1, 2014, and the application of the new temporary adjustments is to increase the Company's annual revenues by \$63,036 or about 0.01 percent. The number of customers affected by the proposed change is 571,204 residential customers and 805 industrial customers.

**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 Intervenor Funding and the associated tariff sheets be allowed to take effect on November 1, 2015.