

PUBLIC UTILITY COMMISSION OF OREGON
STAFF REPORT
PUBLIC MEETING DATE: October 12, 2017

REGULAR _____ CONSENT X EFFECTIVE DATE November 1, 2017

DATE: September 29, 2017

TO: Public Utility Commission

FROM:  Deborah Glosser and  Lisa Gorsuch

THROUGH:  Jason Eisdorfer and  John Crider

SUBJECT: NORTHWEST NATURAL: (Docket No. UG 333/Advice No. 17-11) Revises Schedule 195, Weather Adjusted Rate Mechanism (WARM) Program.

STAFF RECOMMENDATION:

Staff recommends that Northwest Natural Gas Company's (NWN or Company) Docket No. UG 333/Advice No. 17-11 be approved and the associated tariff revisions be allowed to go into effect on November 1, 2017.

DISCUSSION:

Issue

Whether the Commission should approve NWN's proposal to revise its Tariff P.U.C. Or. No. 25 and allow amortization of WARM adjustments exceeding the caps and floors amounts through deferred accounts relating to Docket No. UM 1750, WARM Program.

Applicable Rule or Law

ORS 757.259 (2003) authorizes deferred utility expenses or revenues to be allowed (amortized) in rates to the extent authorized by the Commission in a proceeding to change rates. All of the deferrals included in this filing occurred with appropriate application by Commission authorization, as rate orders or under approved tariffs.

Analysis

On July 28, 2017, NWN filed Docket No. UG 333/Advice No. 17-11 proposing to revise

its Tariff P.U.C. Or. No. 25 to approve amortization of WARM adjustments exceeding caps and floors amounts through deferred accounts relating to Docket No. UM 1750, WARM Program.

The effect of the application of the new temporary adjustments is to decrease the Company's annual revenues by \$4,959,640, or about -0.77 percent. In accordance with the Commission's order adopting the Parties' stipulation in Docket No. UM 1750, the amounts will be recovered on an equal-cents-per-therm basis to rate schedules 2 and 3 customers over 12 months.

The monthly bill of the average residential customer served under Rate Schedule 2 using 50 therms will decrease by \$0.39, and the monthly decrease for the average commercial Rate Schedule 3 customer using 231 therms per month is about \$3.14. The proposed adjustments for the amortization of the WARM account are (\$0.00788) per therm for residential Rate Schedule 2 customers and (\$0.01360) per therm for commercial Rate Schedule 3 customers. The number of customers affected by the proposed change are 588,720 residential customers and 57,549 commercial customers.

Staff has reviewed the supporting materials provided by NWN and finds them to be in compliance with statutory requirements.

Conclusion

After reviewing NWN's filing, Staff recommends approval for amortization of WARM adjustments exceeding the caps and floors amounts through deferred accounts relating to Docket No. UM 1750, WARM Program.

PROPOSED COMMISSION MOTION:

Approve NWN's Docket No. UG 333 and allow the resulting tariff sheet revisions in Advice No. 17-11 to go into effect on November 1, 2017.