

ORDER NO. 15 331

ENTERED OCT 19 2015

**BEFORE THE PUBLIC UTILITY COMMISSION
OF OREGON**

UG 294

In the Matter of

NORTHWEST NATURAL GAS
COMPANY, dba NW NATURAL,

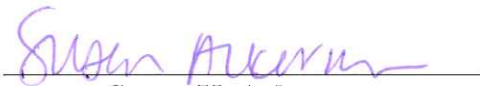
Revises Schedules 178, 179 and 180,
Amortization of Residual Account Balances.

ORDER

DISPOSITION: STAFF'S RECOMMENDATION ADOPTED

This order memorializes our decision, made and effective at the special public meeting on October 19, 2015 to adopt Staff's recommendation in this matter. The Staff Report with the recommendation is attached as Appendix A.

Dated this 19 day of October, 2015, at Salem, Oregon.



Susan K. Ackerman

Chair





John Savage
Commissioner



Stephen M. Bloom
Commissioner

A party may request rehearing or reconsideration of this order under ORS 756.561. A request for rehearing or reconsideration must be filed with the Commission within 60 days of the date of service of this order. The request must comply with the requirements in OAR 860-001-0720. A copy of the request must also be served on each party to the proceedings as provided in OAR 860-001-0180(2). A party may appeal this order by filing a petition for review with the Circuit Court for Marion County in compliance with ORS 183.484.

ITEM NO. CA4

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 294/Advice No. 15-08)
Revises Schedules 178, 179, and 180, Amortization of Residual Account Balances.

STAFF RECOMMENDATION:

I recommend that the Commission approve Northwest Natural's (NW Natural or Company) filing requesting amortization of residual amounts in several Dockets for inclusion in rates effective November 1, 2015.

Issue:

Whether to allow NW Natural to amortize residual amounts from several deferred accounts that have been consolidated into one deferred account balance.

Pertinent authority:

Under ORS 757.259, the Commission may authorize utilities to defer actual costs for later amortization in rates. Deferred amounts are allowed in rates in a proceeding to change rates under ORS 757.210, after a prudence and earnings review.

In Order No. 10-279, the Commission determined that a utility may create a deferred account for the purpose of rolling any residual amount left at the end of the amortization period of any deferred account that is subject to annual or biannual requests for amortization as long as the residual amount is equal to or less than .05 percent of the utility's retail operating revenues in the previous calendar year.

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Because the amounts subject to amortization in this filing have previously been approved for amortization, Staff focuses its prudence review on whether the amounts to be amortized and rates are accurate.

DISCUSSION:

The purpose of this filing is to request amortization of residual deferral balance amounts included in a residual balance account under Order No. 10-279.

NW Natural last adjusted rates for this purpose effective November 1, 2014.

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:

All of the deferrals included in this filing occurred with appropriate Commission approval and have previously been approved for amortization. The amounts to be amortized under this filing are residual amounts left over after amortization of most of the deferral balances.

After a review of this filing and workpapers, Staff believes that the proposed rates are correctly calculated and applied. A review of NW Natural's earnings was performed prior to the Commission's approval of the original amortization of these amounts.

The Company has reviewed this memo and has no issues.

PROPOSED COMMISSION MOTION:

The Commission approve Northwest Natural's filing requesting amortization of residual amounts in several Dockets for inclusion in rates and the associated tariff sheets be allowed to take effect on November 1, 2015.