

ORDER NO. 17 408

ENTERED OCT 16 2017

**BEFORE THE PUBLIC UTILITY COMMISSION
OF OREGON**

UG 333

In the Matter of

NORTHWEST NATURAL GAS COMPANY
dba NW NATURAL,

Updates Schedule 195, Requests Amortization
of Deferred Accounts Relating to WARM
Adjustments Exceeding the Caps and Floors.


ORDER

DISPOSITION: STAFF'S RECOMMENDATION ADOPTED

This order memorializes our decision, made and effective at our October 12, 2017 Special Public Meeting, to adopt Staff's recommendation in this matter. The Staff Report with the recommendation is attached as Appendix A.

Dated this 16 day of October, 2017, at Salem, Oregon.


Lisa D. Hardie
Chair


Stephen M. Bloom
Commissioner




Megan W. Decker
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. CA7

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

NWN Docket No. UG 333
September 29, 2017
Page 2

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.

NWN Docket No. UG 333 WARM