

Rates and Regulatory Affairs
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May 1, 2006

VIA ELECTRONIC FILING

Public Utility Commission of Oregon
550 Capitol Street, N.E., Suite 215
P.O. Box 2148
Salem, Oregon 97308-2148

Attn: Filing Center:

Re: AR 507 Rulemaking: NW Natural Comments on Staff's Final
Proposed Rules: OAR 860-021-0328 and OAR 860-021-0057

Northwest Natural Gas Company, dba NW Natural (NW Natural or Company), submits the following comments on Staff's Final Proposed Rules, which were distributed by e-mail on Tuesday April 25, 2006. NW Natural appreciates the opportunity to comment in this matter.

NW Natural supports the Commission staff's (or Staff) desire to incorporate an administrative rule within Division 21 with the intended purpose being to establish a reasonable standard for energy utility service connections and reconnections. However, the Company does not support some of the requirements of OAR 860-021-0328(3)(a) as proposed. Following is a discussion of the company's concern, together with proposed revisions to the rule language.

NW Natural respectfully requests that the Commission consider the Company's comments and the proposed language revisions for incorporation into the final rules.

OAR 860-021-0328

NW Natural is concerned with the language in OAR 860-021-0328 (3)(a)(i)(ii) and (iii) that establishes an absolute requirement for completion of the reconnection by 5:00 p.m. We addressed this issue during the workshops, noting that there will be days, maybe even weeks, where the call volume is such that we would be physically unable to complete all required reconnections to the applicants governed by the proposed rules, as well as fulfill all other service needs of our regular paying customers, by 5:00 p.m.

Staff expressed the position that: (a) if the utility was unable to complete these reconnections by 5:00 p.m. then they must not have sufficient staff; and (b) the utility should be able to anticipate how many calls will be received to reconnect service because the utility knows how many disconnections were completed, and as such should be able to sufficiently plan its resources on any given day.

Staff also confirmed that should a customer complaint be filed because the reconnection was completed after 5:00, it would be considered a rule violation resulting in an at-fault determination.

NW Natural understands how Staff may come to the conclusion that if the work can't get done in a normal business day then a staffing or resource scheduling problem might exist. But it's not that simple.

The utility can only make a best effort attempt to plan for resources to meet daily customer needs based on known (or reasonably forecasted) variables, such as the number of disconnections outstanding, the estimated number of reconnections that would be expected, the estimated number of new account turn ons, weather, time of year, emergency response needs, staff illness and vacations, etc. The utility can only attempt to forecast how these variables might come together, and plan resources accordingly. But, we have no control over how these variables actually come together on any given day.

For example, it is virtually impossible to predict with absolute accuracy when applicants or customers will contact us with a service request. A customer disconnected today may or may not contact us today or tomorrow – it could be weeks, even months during certain parts of the year. Even with the best of forecasts, and particularly during the heavy call volume period that begins in the fall, on any given day as few as 10 unexpected calls could force us into a position of having to complete some of the calls after 5:00 p.m. This does not mean that the Company does not have sufficient resources, it simply means that when unforeseen scheduling situations occur, we must have the flexibility to keep resources working after 5:00 until the day's work is completed.

Further, with respect to gas utilities, the service technician must have access to the customer's meter and equipment in order to complete the reconnection. A single residential reconnection may take anywhere from 25 minutes to 55 minutes, depending on the types of gas-fired equipment and the circumstances that the service technician faces at the premise once he arrives. Following are just a few of the things that could cause unexpected delays in the service technician's daily schedule: (a) Ability to gain quick and easy access to the equipment and to the meter (i.e. meters behind locked gates; equipment in hard to access locations, like basement or attic); (b) customer has additional equipment not in our records, adding more time to the call than expected; or (c)

one or more of the pieces of customer equipment is found to be operating improperly, requiring the technician to troubleshoot the problem to either (i) get the equipment operational, or (ii) leave the equipment off for safety. Any one or all of these situations will add time to the site visit that was unplanned by the service technician, and will force the technician to get behind in his schedule such that some of the work is not completed by 5:00 p.m.

The types of variables discussed above are not considered in staff's proposed Section (9) of OAR 860-021-0328 or Section (5) of OAR 860-021-0057. As such, the utility that is honestly trying to meet customer needs on any given day is arbitrarily put into the position of violating the rule and being subjected to an at-fault determination simply because the rule established an absolute 5:00 p.m. deadline.

Should the rule be approved as Staff has proposed with the absolute 5:00 p.m. deadline, there could be days when the Company would be required to push the service reconnections governed by these rules ahead of other types of service calls scheduled on any given day in order that we can ensure compliance with the rules. Not only would this be inefficient for the service technicians, but the more unfortunate outcome is that other customers could be negatively impacted and their customer rights to good service may be compromised.

NW Natural finds the 5:00 p.m. reconnect deadline proposed by staff to be unfair and unreasonable. At a minimum, the rule should be written so as to provide the utility with the operating flexibility to go beyond 5:00 p.m. without being found in violation of the requirements of the rules. We offer proposed revised language to this section of the rule as follows:

3) For energy utility service that has been disconnected in accordance with OAR 860-021-0305 (1), (3), (6), (7), or involuntarily disconnected for failure to pay Oregon tariff charges:

(a) An energy utility must reconnect service as soon as reasonably possible, within the normal course of business, after an applicant or customer has satisfied the requirements for and requested reconnection. At a minimum, service must be restored as follows:

(i) For a request for reconnection received during the Business Day, Monday through Thursday, service must be restored by the end of the ~~next day, and must make reasonable effort to do so 5:00 p.m.~~ the following day within the utility's regular field service operating hours, except when the following day is a state-recognized holiday.

(ii) For a request for reconnection received on a Friday Business Day before 3:00 p.m., service must be restored by the end of 5:00 p.m. the following day within the utility's regular field service operating hours.

(iii) For a request for reconnection received on a Friday Business Day between 3:00 p.m. and 5:00 p.m., service must be restored by the end of the next Business Day within the utility's regular field service operating hours.

(b) For a request for reconnection received anytime other than a Business Day: Except as provided under section (6) of this rule, the request for reconnection must be treated as if it were received at 8:00 a.m. on the next Business Day and service must be restored in accordance with (3)(a)(i).

As indicated earlier, NW Natural supports the intended purpose for this rulemaking, and the Company will make every effort to fully comply with the final rules approved by the Commission in this Docket.

NW Natural would like to specifically thank Staff for their efforts in working with the utilities and other parties through the informal phase of this rulemaking process. We appreciate Staff's commitment to keeping this process moving quickly and on schedule.

Sincerely,

/s/ Onita King

Onita R. King, Manager
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cc: Deborah Garcia, OPUC Staff
AR 507 Service List

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