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REPORT NAME: NW Natural 2010-2011 Oregon Low Income Gas Assistance (OLGA) Annual Report

COMPANY NAME: NW Natural

DOES REPORT CONTAIN CONFIDENTIAL INFORMATION? No Yes

If yes, please submit only the cover letter electronically. Submit confidential information as directed OAR 860-001-0070 or the terms of an applicable protective order.

If known, please select designation: RE (Electric) RG (Gas) RW (Water)
 RO (Other)

Report is required by: OAR Enter Rule number:
 Statute Enter Statute:
 Order Enter Commission Order No.:
 Other Enter reason: Schedule 310 of NWN's Tariff

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If Yes, enter docket number: Enter docket number:

Key words: NW Natural, 2010-2011, OLGA, Annual Report, Oregon Low Income Bill Pay Assistance

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- Electric and Natural Gas Revenue Requirements
- Electric Rates and Planning
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- Administrative Hearings Division
- Consumer Services Section

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JENNIFER GROSS
Tariff and Regulatory Compliance
Tel: 503.226.4211 ext. 3590
Fax: 503.721.2516
email: jgg@nwnatural.com



December 16, 2011

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: RG-____, Oregon Low-Income Gas Assistance Program (OLGA)
Annual Report (2010-2011 Program Year)

Northwest Natural Gas Company, dba NW Natural (NW Natural or Company), hereby submits its Oregon Low-Income Gas Assistance Program (OLGA) Annual Report for the 2010-2011 Program Year in accordance with the Company's Tariff P.U.C. Or. 24, Schedule 310.

Please call me at (503) 226-4211, extension 3590, if you have any questions.

Sincerely,

/s/ Jennifer Gross

Jennifer Gross
Tariffs & Regulatory Compliance

Enclosure

NW NATURAL

**OREGON LOW-INCOME GAS
ASSISTANCE PROGRAM (OLGA)**

ANNUAL REPORT

2010-2011 PROGRAM YEAR

NW Natural's Oregon Low-Income Gas Assistance Program (OLGA) October 2010 through September 2011 Program Year

BACKGROUND

NW Natural's Oregon Low Income Gas Assistance (OLGA) Program provides natural gas bill payment assistance to income-eligible households. The OLGA program is designed to supplement Federal Low Income Home Energy Assistance Program (LIHEAP) funds.

PROGRAM FUNDING

NW Natural began collecting public purposes funds for low-income bill payment assistance in October 2002 in accordance with Public Utility Commission of Oregon (OPUC) Order No. 02-634 in Docket UG-143. Funds for low-income bill payment assistance were initially collected through a 25-cent surcharge on all Oregon residential customer bills. Effective May 11, 2006, this charge was increased to 31 cents. Advice No. 08-8, effective November 1, 2008, revised the OLGA surcharge from a flat rate to a 0.33% charge applied to residential customer's total energy bill. This filing also added the option to allocate annually a separate charge of up to 0.25% of residential collections toward either the OLGA program or the Oregon Low-Income Energy Efficiency (OLIEE) program. The full variable collection of 0.25%, in addition to the baseline collection of 0.33%, was allocated toward the OLGA program from October 2008 through October 2010. Effective October 1, 2010, the 0.25% charge was redirected to funding OLIEE. At the same time, OLGA collections were raised by 0.25% resulting in no change in the program funding.

PROGRAM ADMINISTRATION

Since the program's inception in 2003, the Company has worked closely with OPUC staff, Oregon Housing and Community Services (OHCS), Community Action Partnership of Oregon (CAPO) and the community action agencies who deliver the program to customers. Representatives from each organization have jointly formed the OLGA Advisory Council. This group meets regularly to ensure that processes or other concerns remain streamlined and managed so that the shared goal of serving qualifying customers is attained.

The OLGA Advisory Council has met quarterly since July 2005. In 2009, physical meetings were largely replaced with teleconferences. Teleconferences have proved easier to schedule since they do not require travel time. When multiple issues are on the agenda, NW Natural or any other member may request a face-to-face meeting.

2010-2011 PROGRAM YEAR

Listed below are the highlights of the 2010-2011 OLGA Program Year:

- The OLGA Advisory Council met by telephone on November 2, 2010, February 2, 2011, and May 10, 2011. A physical meeting was held at NW Natural on August 9, 2011.
- In the second quarter of the program year, the YWCA stopped providing bill payment services to its customers in North Portland. Former YWCA clients were redirected to SEI, which is located

in the same general neighborhood. All program dollars formally allotted to YWCA were reallocated to SEI since they are now handling the customers previously served by the YWCA.

- NW Natural worked with agencies to ensure that customers who have active medical certificates, are subject to disconnection, and are qualified for the OLGA program receive priority service. In talking with medical certificate customers, the Company learned that some of these home-bound customers were not aware of the services available to them. The new processes in place will resolve this oversight.
- The Company discussed changes that were being contemplated to the LIHEAP state plan. OHCS's was considering revising the LIHEAP state plan in two significant ways. First, they were considering changing the eligibility standard from 60% of state median income (equivalent to 184% of poverty level) to 150% of poverty level. Second, they looked at modifying LIHEAP allocations such that more bill payment assistance would be available to electric heat customers. Since the OLGA program follows the guidelines established in LIHEAP state plan, the Company filed comments with OHCS stating that these proposed changes were not in customers' best interest. After deliberation, the changes were not adopted.

PROGRAM YEAR RESULTS

Three Tables are attached: Table 1 provides a comparison of previous and current Program Year results; Table 2 is a 2009-2010 program year detail; and Table 3 shows agency statistics for the past three program years.

CONCLUSION

During the 2010-2011 program year, the OLGA program successfully distributed the funds collected to qualified customers. As the program matures, the Company continues to enjoy a good working relationship with the agencies who act as the program's delivery arm. The Company is unaware of any significant administrative issue with the program. The challenge the OLGA program is facing is whether or not available assistance is sufficient for the need being experienced. The extended economic recession has been very difficult on many customers, and at this time when need is increasing, the Federal Government is considering reducing the LIHEAP funding available to Oregonians. Over the next program year, the Company will consider how the OLGA program should respond to this changing environment of increased need and potentially reduced funding.

TABLE 1

SUMMARY OF PROGRAM YEAR RESULTS - 2002 through 2011

	2010-2011	2009-2010	2008-2009	2007-2008	2006-2007	2005-2006	2004-2005	2003-2004	2002-2003
Number of Customers served	6383	6007	7,430	5,345	5,112	3,996	4,937	4,996	2,965
	\$342.20	\$342.86	\$364.83	\$326.20	\$324.93	\$294.35	\$309.22	\$282.53	\$264.86
Revenues									
Balance from Prior Year	\$339,986.43	\$162,526.37	\$304,590.52	\$382,610.73	\$406,523.13	\$165,791.92	\$465,185.34	\$526,194.56	\$0.00
Program Year Revenues	\$2,542,301.34	\$2,648,911.96	\$3,108,848.20	\$1,994,488.80	\$1,949,508.37	\$1,640,759.76	\$1,485,040.50	\$1,439,916.76	\$1,262,540.28
Interest Earned ⁽³⁾	\$4,965.08	\$14.11	\$1,931.63	\$11,540.61	\$19,811.10	\$11,598.72	\$4,667.77	\$5,608.53	\$3,194.37
Total Available Funds	\$2,887,252.85	\$2,811,452.44	\$3,415,370.35	\$2,388,640.14	\$2,375,842.60	\$1,818,150.40	\$1,954,893.61	\$1,971,719.85	\$1,265,734.65
Payments									
To Customers	\$2,184,262.73	\$2,059,555.01	\$2,710,703.32	\$1,743,529.72	\$1,661,026.86	\$1,176,224.09	\$1,526,624.05	\$1,323,802.12	\$624,621.05
To Agencies	\$436,852.55	\$411,911.00	\$542,140.66	\$348,705.94	\$332,205.37	\$235,403.18	\$262,477.64	\$193,732.39	\$114,919.04
Total Payments	\$2,621,115.28	\$2,471,466.01	\$3,252,843.98	\$2,092,235.66	\$1,993,232.23	\$1,411,627.27	\$1,789,101.69	\$1,517,534.51	\$739,540.09
Ending Balance in OLGA Account	\$266,137.57	\$339,986.43	\$162,526.37	\$296,404.48	\$382,610.37	\$406,523.13	\$165,791.92	\$454,185.34	\$526,194.56
Amounts Allocated but not paid in program year	\$266,137.57	\$339,986.43	\$162,526.37	\$296,404.48	\$382,610.37	\$406,523.13			
Amounts not allocated in the Program Year	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$17,893.96			
Amounts overallocated ⁽¹⁾			\$20,880.19	\$8,186.04					
Program Carry Over ⁽²⁾			\$141,636.19	\$304,590.52					
Percentage of Available Funds Used									
Payments to Customers	75.65%	73.26%	79.37%	72.99%	69.91%	64.69%	78.09%	67.14%	49.35%
Payments to Agencies	15.13%	14.65%	15.87%	14.60%	13.98%	12.95%	13.43%	9.83%	9.08%
remaining balance	9.22%	12.09%	4.76%	12.41%	16.10%	22.36%	8.48%	23.03%	41.57%
Total	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%

(1) The over allocation is the result of an error in the percentage used to allocate funds to YWCA in 2007-2008 and 2008-2009, as follows: for 2008-2009, \$8186.04 and for 2008-2009, \$12,694.14

(2) The carry over is adjusted for the over allocation to the YWCA that was discovered at end of 2008-2009 program year

(3) Due to a change in reporting, \$2,419.18 of interest earned during the 2009-2010 program year was not applied in that program year. This was corrected by adding this amount to the 2010-2011

Table 2
NW Natural 2010-2011 Program Year Detail

Oregon Low Income Gas Assistance Program (OLGA)
 Agency Statistics 2010-2011

YTD PROGRAM TOTALS	
# of Households Served	6,383.00
Average Payment per household	\$342.20

	Post: Nov For: Oct	Post: Dec For: Nov	Post: Jan For: Dec	Post: Feb For: Jan	Post: Mar For: Feb	Post: Apr For: Mar	Post: May For: Apr	Post: Jun For: May	Post Jul For: Jun	Post: Aug For: Jul	Post: Sep For: Aug	Post: Oct For: Sep	YTD	% of Total Customers	% of Total Dollars	% of Mult. Co \$
YWCA																
# of Households Served	18	13	8	0	0	0	0	0	0	0	0	0	39	0.61%	0.59%	1.33%
Average Payment per household	\$362	\$285	\$333	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$331			
% funds disbursed to Administration	20%	20%	20%	0%	0%	0%	0%	0%	0%	0%	0%	0%	20%			
Human Solution																
# of Households Served	19	33	34	45	54	43	35	78	101	68	45	87	642	10.06%	13.21%	29.68%
Average Payment per household	\$447	\$318	\$425	\$411	\$484	\$477	\$516	\$470	\$494	\$397	\$462	\$432	\$449			
% funds disbursed to Administration	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%			
SEI																
# of Households Served	27	38	65	259	118	194	101	86	63	40	56	44	1091	17.09%	19.71%	44.27%
Average Payment per household	\$372	\$262	\$289	\$269	\$362	\$426	\$491	\$548	\$469	\$519	\$507	\$482	\$395			
% funds disbursed to Administration	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%			
Portland Impact																
# of Households Served	28	37	8	41	91	84	39	110	92	74	47	33	684	10.72%	11.00%	24.72%
Average Payment per household	\$199	\$285	\$372	\$314	\$350	\$359	\$393	\$408	\$364	\$385	\$324	\$271	\$351			
% funds disbursed to Administration	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%			
Community Services Consortium																
# of Households Served	71	96	133	105	109	141	115	95	85	42	48	51	1091	17.09%	15.27%	
Average Payment per household	\$313	\$312	\$311	\$299	\$308	\$293	\$303	\$295	\$310	\$325	\$307	\$319	\$306			
% funds disbursed to Administration	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%			
Mid-Willamette Valley Comm. Action																
# of Households Served	30	32	21	44	82	104	78	138	163	96	93	67	948	14.85%	11.61%	
Average Payment per household	\$371	\$318	\$333	\$301	\$262	\$259	\$306	\$266	\$251	\$239	\$263	\$217	\$268			
% funds disbursed to Administration	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%			
Yamhill Comm. Action Partnership																
# of Households Served	7	8	8	11	23	25	12	10	14	4	3	2	127	1.99%	1.83%	
Average Payment per household	\$311	\$354	\$295	\$300	\$200	\$270	\$368	\$405	\$299	\$480	\$862	\$410	\$315			
% funds disbursed to Administration	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%			
Mid-Columbia Action Comm.																
# of Households Served	2	4	15	13	25	27	11	0	3	2	3	0	105	1.64%	1.56%	
Average Payment per household	\$358	\$250	\$276	\$319	\$351	\$339	\$293	\$0	\$233	\$340	\$548	\$0	\$325			
% funds disbursed to Administration	20%	20%	20%	20%	20%	20%	20%	0%	20%	20%	20%	0%	20%			
Health & Human Services																
# of Households Served	3	11	25	29	40	60	27	33	15	24	13	15	295	4.62%	4.04%	
Average Payment per household	\$338	\$291	\$289	\$315	\$289	\$309	\$309	\$288	\$299	\$313	\$283	\$282	\$299			
% funds disbursed to Administration	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%			
Clackamas Co. Soc. Services Div.																
# of Households Served	5	13	17	20	17	17	14	19	40	52	55	64	333	5.22%	6.31%	
Average Payment per household	\$333	\$340	\$348	\$316	\$332	\$327	\$338	\$385	\$505	\$507	\$436	\$402	\$414			
% funds disbursed to Administration	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%			
Community Action Team																
# of Households Served	16	33	62	38	27	31	31	44	20	19	20	11	352	5.51%	5.15%	
Average Payment per household	\$332	\$293	\$289	\$303	\$306	\$296	\$300	\$329	\$293	\$404	\$389	\$503	\$320			
% funds disbursed to Administration	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%			
Community Action Organization																
# of Households Served	18	6	22	98	62	102	72	43	40	88	60	65	676	10.59%	9.71%	
Average Payment per household	\$189	\$209	\$242	\$237	\$302	\$298	\$331	\$401	\$417	\$331	\$340	\$347	\$314			
% funds disbursed to Administration	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%			
Oregon Coast Community Action																
# of Households Served	0	0	0	0	0	0	0	0	0	0	0	0	0	0.00%	0.00%	
Average Payment per household	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	#DIV/0!		
% funds disbursed to Administration	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	#DIV/0!		

TABLE 3
NW Natural 2010-2011 OLGA Annual Report - Agency Statistics

AGENCIES	2010-2011	2009-2010	2008-2009	2007-2008	2006-2007
YWCA					
# of Households Served	39	518	523	447	397
Average Payment per household	\$330.70	\$388.31	\$395.47	\$389.65	\$371.02
% funds disbursed to Administration	20%	20%	20%	20%	20%
Human Solution					
# of Households Served	642	662	838	566	652
Average Payment per household	\$449.43	\$427.20	\$455.80	\$378.24	\$355.21
% funds disbursed to Administration	20%	20%	20%	20%	20%
SEI					
# of Households Served	1091	637	638	521	445
Average Payment per household	\$394.55	\$387.21	\$500.06	\$412.12	\$424.65
% funds disbursed to Administration	20%	20%	20%	20%	20%
Portland Impact					
# of Households Served	684	705	756	567	551
Average Payment per household	\$351	\$335.00	\$406.11	\$342.04	\$357.88
% funds disbursed to Administration	20%	20%	20%	20%	20%
Community Services Consortium					
# of Households Served	1091	964	1421	1028	910
Average Payment per household	\$305.75	\$315.52	\$259.77	\$262.02	\$259.25
% funds disbursed to Administration	20%	20%	20%	20%	20%
Mid-Willamette Valley Comm. Action					
# of Households Served	948	934	860	681	707
Average Payment per household	\$267.54	\$263.38	\$379.18	\$322.91	\$286.40
% funds disbursed to Administration	20%	20%	20%	20%	20%
Yamhill Comm. Action Partnership					
# of Households Served	127	94	135	85	95
Average Payment per household	\$314.96	\$349.83	\$342.48	\$356.04	\$309.58
% funds disbursed to Administration	20%	20%	20%	20%	20%
Mid-Columbia Action Comm.					
# of Households Served	105	115	152	102	95
Average Payment per household	\$325.33	\$337.52	\$320.60	\$311.90	\$312.80
% funds disbursed to Administration	20%	20%	20%	20%	20%
Health & Human Services					
# of Households Served	295	291	431	282	248
Average Payment per household	\$299.49	\$298.19	\$266.61	\$260.09	\$264.80
% funds disbursed to Administration	20%	20%	20%	20%	20%
Clackamas Co. Soc. Services Div.					
# of Households Served	333	367	524	354	335
Average Payment per household	\$413.80	\$383.99	\$386.09	\$309.85	\$350.60
% funds disbursed to Administration	20%	20%	20%	20%	20%
Community Action Team					
# of Households Served	352	219	469	233	243
Average Payment per household	\$319.53	\$334.18	\$360.73	\$341.56	\$321.12
% funds disbursed to Administration	20%	20%	20%	20%	20%
Community Action Organization					
# of Households Served	676	501	682	473	430
Average Payment per household	\$313.69	\$339.39	\$321.28	\$276.99	\$316.54
% funds disbursed to Administration	20%	20%	20%	20%	20%
Oregon Coast Community Action					
# of Households Served	0	0	1	6	4
Average Payment per household	#DIV/0!	\$0.00	\$140.00	\$274.33	\$294.75
% funds disbursed to Administration	#DIV/0!	0%	20%	20%	20%