

PUBLIC UTILITY COMMISSION OF OREGON
STAFF REPORT
PUBLIC MEETING DATE: October 18, 2016

REGULAR _____ CONSENT X EFFECTIVE DATE November 1, 2016

DATE: September 20, 2016

TO: Public Utility Commission

FROM: Judy Johnson 

THROUGH:  Jason Eisdorfer and  Marc Hellman

SUBJECT: NORTHWEST NATURAL: (Docket No. UG 306/Advice No. 16-10A)
Requests amortization of Intervenor Funding.

STAFF RECOMMENDATION:

Staff recommends that the Commission approve Northwest Natural Gas Company's (Company or NW Natural) filing to amortize deferred amounts related to Intervenor Funding to make rates effective November 1, 2016.

DISCUSSION:

Issue

Whether NW Natural's request to amortize deferred costs for grants paid to intervenors should be allowed.

Applicable Law

The Commission has authorized NW Natural to enter into intervenor funding grant agreements.¹ Under ORS 757.072(4) and ORS 757.259(3), the Commission shall allow utilities that enter into such agreements to defer the costs of the grants for later inclusion in rates. Utilities may amortize these deferred costs into rates under ORS 757.259(5).

Discussion

The net effect of the removal of the current temporary adjustments applied to rates effective November 1, 2015, and the application of the new temporary adjustments is to increase the Company's annual revenues by \$23,315. The number of customers

¹ See Order No. 12-452

affected by the proposed change is 579,129 residential customers and 935 industrial customers.

In accordance with ORS 757.259(3) and ORS 757.072, the amortization of amounts deferred under 757.259(3) is not subject to an earnings review, but is subject to a prudence review. Because the deferral and recovery of these amounts is authorized by statute, Staff's prudence review is focused on verification of the accounting methodology used to determine the final amortization balance.

Conclusion

After a review of this filing and workpapers, Staff believes that the proposed rates are correctly calculated and applied. The Company has reviewed this memo and has no issues.

PROPOSED COMMISSION MOTION:

Approve Northwest Natural's filing to amortize deferred amounts related to Intervenor Funding and the associated tariff sheets be allowed to take effect on November 1, 2016.