

ITEM NO. CA5

**PUBLIC UTILITY COMMISSION OF OREGON
STAFF REPORT
PUBLIC MEETING DATE: February 21, 2023**

REGULAR **CONSENT** **EFFECTIVE DATE** March 1, 2023

DATE: February 7, 2023

TO: Public Utility Commission

FROM: Ishraq Ahmed

THROUGH: Bryan Conway, Marc Hellman, and Matt Muldoon **SIGNED**

SUBJECT: NORTHWEST NATURAL GAS COMPANY:
(Docket No. ADV 1485/Advice No. 23-01)
Updates the Annual Service Election date for Schedules 31 and 32.

STAFF RECOMMENDATION:

Staff recommends the Commission approve Northwest Natural's (NW Natural, NWN, or Company) Advice No. 23-01, which updates the Annual Service Election from July 31 to June 30 for the annual November 1 through October 31 Purchased Gas Adjustment (PGA) Year for Schedules 31 and 32, effective for service on and after March 1, 2023.

DISCUSSION:

Issue

Whether the Commission should approve NW Natural's request to revise Schedules 31 and 32 to change the Annual Service Election from July 31 to June 30 for the annual November 1 through October 31 PGA Year.

Applicable Law

ORS 757.205 requires public utilities file to all rates, rules, and charges with the Commission.

OAR 860-022-0025 illustrates energy utility requirements for filing tariffs or changes to rate schedules.

Analysis

Staff has reviewed the filing and engaged in discussions with the Company. The Annual Service Election is the date by which a customer may request to change all or a portion of their Service Type Selection for the following November 1 through October 31 period (PGA Year). When there is no customer requested change under this Annual Service Election provision, then for the next PGA Year commencing November 1, the Customer's Service Type and related billing options, including the Commodity Component option for Sales Service Types, will default to the same Service Type and billing options that are in effect at the close of the current Annual Service Election period. NW Natural's annual revenue resulting from the proposed tariff changes will not be impacted.

NW Natural states that moving the Annual Service Election to June 30 will make the PGA more streamlined and improve the PGA review process for Commission Staff and Stakeholders. Changing the Annual Service Election to June 30 will allow NW Natural additional time to make its August 1 PGA Filing with an updated load forecast and informed by the recent service elections and remove the need to update the load forecast with advice filings before the September 15 PGA filing.

Staff inquired whether NW Natural had discussed the change in date with customers under Schedules 31 and 32. The Company stated that since there are many customers under the schedules, they had not discussed this with them. The Company has however discussed the Annual Service Election date with the Alliance of Western Energy Consumers and they have expressed support for this change. In addition, the Company mentioned that since very few customers change rate schedules and select the Annual Service Election, the change should not be concerning. Table 1 below shows the annual service election activity per year.

Table 1 – Annual Service Election (2020 to 2022)

Year	Total customer count	Annual Service Election customers	% of Total customers on Annual Service Election
2022	1836	25	1.36%
2021	1776	25	1.41%
2020	1784	10	0.56%

NW Natural confirmed that customers would be locked in a specific service type contract under the Annual Service Election for twelve months covering the annual PGA

Year for November 1 through October 31. Generally, customers who elect to make a rate schedule or service type election are a mix of sales and transportation customers with the largest percentage being sales customers. Of these customers, commercial customers are much more likely to elect a rate schedule or service type than industrial customers, but there are several industrial customers each year who make an election. Large industrial customers (using more than 2,000,000 therms annually) rarely elect service-type changes.

The Company has reviewed the memo and agrees with its contents.

PROPOSED COMMISSION MOTION:

Approve NW Natural's request to revise Schedules 31 and 32 to change the Annual Service Election from July 31 to June 30 for the annual November 1 through October 31 PGA Year, effective with service rendered on or after March 1, 2023.