

e-FILING REPORT COVER SHEET

REPORT NAME: RG- 10, NW Natural 2011-2012 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

Is this report associated with a specific docket/case? No Yes

If Yes, enter docket number: Enter docket number: R10

Key words: NW Natural, 2011-2012, OLGA, Annual Report, Oregon Low Income Bill Pay Assistance

If known, please select the PUC Section to which the report should be directed:

- Corporate Analysis and Water Regulation
- Economic and Policy Analysis
- Electric and Natural Gas Revenue Requirements
- Electric Rates and Planning
- Natural Gas Rates and Planning
- Utility Safety, Reliability & Security
- Administrative Hearings Division
- Consumer Services Section

PLEASE NOTE: Do NOT use this form or e-filing with the PUC Filing Center for:

- Annual Fee Statement form and payment remittance or
- OUS or RSPF Surcharge form or surcharge remittance or
- Any other Telecommunications Reporting or
- Any daily safety or safety incident reports or
- Accident reports required by ORS 654.715.

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



January 31, 2013

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-10**, Oregon Low-Income Gas Assistance Program (OLGA)
Annual Report (2011-2012 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 2011-2012 Program Year in accordance with the Company's Tariff P.U.C. Or. 25, Schedule 310.

The Tariff requires that the annual report be filed by December 31 following the end of each program year. Staff at the Public Utility Commission of Oregon generously allowed NW Natural to file later than normal for the 2011-2012 program year as the Company had a key employee with an unplanned extended absence.

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 (OLGA)
ANNUAL REPORT
2011-2012 PROGRAM YEAR**

NW Natural's Oregon Low-Income Gas Assistance (OLGA) October 2011 through September 2012 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.

HISTORY OF 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. On November 1, 2008, the collection was revised from 31 cents a bill to being a 0.33% charge applied to residential customers' total energy bill. At the same time this change was made, language was added to the tariff to allow the Company to redirect any portion of a separate 0.25% charge towards either the OLGA program or the Oregon Low-Income Energy Efficiency (OLIEE) program. The Company annually reviews OLGA and OLIEE funding. While the Company values weatherization as a longer term solution to high bill issues, the OLIEE program does not always keep pace with its funding. If OLIEE has a surplus of funds, collections are reallocated to the OLGA program.

From October 2008 through October 2010, OLGA was funded by both the 0.25% charge and the 0.33% charge. 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 OLGA program funding.

OLGA funding was increased once again in 2012 when the Company filed its rate case (UG-221). As a result of this proceeding, the residential charge funding OLGA was increased from 0.58% to 0.75%.

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. NW Natural does host one face-to-face at the end of each program year. It provides a good opportunity to see each other, discuss close of program year processes, and celebrate the successes achieved that year.

2010-2011 PROGRAM YEAR

Listed below are the highlights of the 2011-2012 OLGA Program Year:

Piggybacking

NW Natural revisited the question raised at the last meeting of whether or not the agencies could apply the “piggy back” provision allowed in the LIHEAP State plan to the OLGA program. Piggybacking is defined in this manner:

If an applicant has received a payment from any OHSC operated energy assistance program (LIHEAP, OLGA, GAP) during the same program year, it is not necessary to repeat the intake process. Instead, the intake worker can “piggyback” on the intake information from the other energy assistance program, which has the same income eligibility limit of 60% of Oregon’s median income. The first intake still requires an appointment, and the applicant is still required to sign the OLGA standard payment authorization form.

When agencies asked NW Natural if piggybacking was permitted in OLGA, NW Natural requested that agencies report their application processes to the Company. After reviewing the information, the Company determined that piggybacking is fine when allowed by the county in which the agency operates and when it does not sidestep the requirement to have on record social security numbers for all household members.

Social Security Numbers

The OLGA Advisory Council discussed the requirement to collect the social security numbers of all household members. The Company’s tariff requires that agencies distributing OLGA “follow the established protocols for the qualification of and disbursement to eligible participants in accordance with the guidelines promulgated by OHCS and the Low-Income Energy Assistance Act of 1981 and subsequent amendments, as outlined in the OHCS Omnibus Contract.” (See Sheet 320-3 of NW Natural Tariff Schedule 320). The LIHEAP and OEAP Intake Operations Manual for 2012 requires, “Social Security number(s) and birthdates for everyone in the household” (page 8 of pdf) and again, more specifically, “FOR LIHEAP A SOCIAL SECURITY NUMBER MUST BE PROVIDED FOR LIHEAP ENERGY ASSISTANCE” (page 10 of pdf).

Program Guidelines and Consistency

During the end of the program year, NW Natural began reviewing agencies’ work plans, which are documents submitted to OHCS defining each agency’s processes. NW Natural’s tariff says that OLGA will conform to the rules established in the LIHEAP guidelines. In some instances, the LIHEAP guidelines allow for local control. As a result, not all agencies are delivering OGLA in the same manner. As discussed, NW Natural plans to read the work plans to understand where agency practices and processes differ.

NW Natural plans on developing processes for auditing compliance to its program parameters. The Company will work with OHCS to understand the monitoring already being done. This work will continue on into the 2012-13 program year.

PROGRAM YEAR RESULTS

Three Tables are attached: Table 1 provides a comparison of previous and current Program Year results; Table 2 is a 2011-2012 program year detail; and Table 3 shows agency statistics for the past six program years.

CONCLUSION

During the 2011-2012 program year, the OLGA program successfully distributed the funds collected to over 5000 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 but is working toward clarifying program parameters and developing processes to audit agencies' compliance to them.

NW Natural is pleased that it was able to increase OLGA program funding in its 2012 rate case. The Company trusts that this increase and a continued good working relationship with agencies will result in more qualifying customers receiving assistance in the 2012-2013 program year.

TABLE 1

SUMMARY OF PROGRAM YEAR RESULTS - 2002 through 2012

	2011-2012	2010-2011	2009-2010	2008-2009	2007-2008	2006-2007	2005-2006	2004-2005	2003-2004	2002-2003
Number of Customers served	5087	6383	6007	7,430	5,345	5,112	3,996	4,937	4,996	2,965
Average Payment per Household	\$351.61	\$342.20	\$342.86	\$364.83	\$326.20	\$324.93	\$294.35	\$309.22	\$282.53	\$264.86
Revenues										
Balance from Prior Year	\$266,137.57	\$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	\$2,394,831.30	\$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⁾	\$1,067.37	\$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	\$2,662,036.24	\$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	\$1,788,656.94	\$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	\$357,731.39	\$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	\$2,146,388.33	\$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	\$515,647.91	\$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	\$515,647.91	\$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	\$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	67.19%	75.65%	73.26%	79.37%	72.99%	69.91%	64.69%	78.09%	67.14%	49.35%
Payments to Agencies	13.44%	15.13%	14.65%	15.87%	14.60%	13.98%	12.95%	13.43%	9.83%	9.08%
remaining balance	19.37%	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%	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 program year interest.

Oregon Low Income Gas Assistance Program (OLGA)

Agency Statistics

2011-12

YTD PROGRAM TOTALS	
# of Households Served	5,087.00
Average Payment per household	\$351.61

	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	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0.00%	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!			
Human Solution																	
# of Households Served	8	14	8	15	19	27	29	116	76	32	51	92	487	9.57%	12.01%	25.78%	
Average Payment per household	\$422	\$487	\$519	\$442	\$540	\$528	\$480	\$424	\$417	\$396	\$440	\$428	\$441	\$441			
% funds disbursed to Administration	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%			
SEI																	
# of Households Served	58	71	74	156	106	201	110	91	50	29	55	38	1039	20.42%	23.40%	50.24%	
Average Payment per household	\$395	\$243	\$351	\$365	\$386	\$404	\$446	\$496	\$448	\$505	\$480	\$413	\$403	\$403			
% funds disbursed to Administration	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%			
Portland Impact																	
# of Households Served	21	51	12	23	36	55	43	82	74	66	53	42	558	10.97%	11.16%	23.97%	
Average Payment per household	\$257	\$225	\$370	\$377	\$400	\$383	\$457	\$429	\$401	\$317	\$297	\$314	\$358	\$358			
% funds disbursed to Administration	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%			
Community Services Consortium																	
# of Households Served	36	36	44	87	100	101	73	65	64	53	36	48	743	14.61%	12.98%		
Average Payment per household	\$324	\$314	\$329	\$295	\$317	\$291	\$322	\$316	\$307	\$324	\$317	\$323	\$312	\$312			
% funds disbursed to Administration	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%			
Mid-Willamette Valley Comm. Action																	
# of Households Served	23	29	28	54	58	142	109	95	80	29	6	42	695	13.66%	10.26%		
Average Payment per household	\$353	\$272	\$332	\$278	\$273	\$248	\$257	\$272	\$246	\$249	\$238	\$241	\$264	\$264			
% funds disbursed to Administration	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%			
Yamhill Comm. Action Partnership																	
# of Households Served	6	2	5	8	8	17	10	11	12	5	3	5	92	1.81%	1.88%		
Average Payment per household	\$286	\$163	\$232	\$416	\$365	\$429	\$330	\$460	\$300	\$499	\$243	\$351	\$366	\$366			
% funds disbursed to Administration	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%			
Mid-Columbia Action Comm.																	
# of Households Served	0	2	13	11	12	22	3	6	21	4	11	3	108	2.12%	2.19%		
Average Payment per household	\$0	\$260	\$286	\$349	\$304	\$339	\$414	\$300	\$495	\$430	\$349	\$335	\$363	\$363			
% funds disbursed to Administration	0%	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%			
Health & Human Services																	
# of Households Served	8	8	9	18	42	34	32	53	19	18	16	13	270	5.31%	4.62%		
Average Payment per household	\$324	\$264	\$306	\$305	\$308	\$339	\$329	\$294	\$281	\$314	\$252	\$318	\$306	\$306			
% funds disbursed to Administration	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%			
Clackamas Co. Soc. Services Div.																	
# of Households Served	17	15	20	33	19	6	16	40	79	43	39	19	346	6.80%	7.56%		
Average Payment per household	\$385	\$344	\$368	\$326	\$339	\$344	\$442	\$452	\$421	\$367	\$372	\$429	\$391	\$391			
% funds disbursed to Administration	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%			
Community Action Team																	
# of Households Served	20	12	24	26	39	46	19	18	20	31	11	5	271	5.33%	5.35%		
Average Payment per household	\$284	\$309	\$296	\$298	\$300	\$381	\$407	\$418	\$377	\$397	\$431	\$465	\$353	\$353			
% funds disbursed to Administration	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%			
Community Action Organization																	
# of Households Served	21	30	18	51	19	104	112	47	51	3	4	18	478	9.40%	8.59%		
Average Payment per household	\$206	\$238	\$265	\$311	\$393	\$301	\$334	\$367	\$386	\$125	\$180	\$413	\$322	\$322			
% funds disbursed to Administration	20%	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	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 OLGA Annual Report - Agency Statistics

AGENCIES	2011-2012	2010-2011	2009-2010	2008-2009	2007-2008	2006-2007
YWCA						
# of Households Served	0	39	518	523	447	397
Average Payment per household	\$0.00	\$330.70	\$388.31	\$395.47	\$389.65	\$371.02
% funds disbursed to Administration	0%	20%	20%	20%	20%	20%
Human Solution						
# of Households Served	487	642	662	838	566	652
Average Payment per household	\$441.00	\$449.43	\$427.20	\$455.80	\$378.24	\$355.21
% funds disbursed to Administration	20%	20%	20%	20%	20%	20%
SEI						
# of Households Served	1039	1091	637	638	521	445
Average Payment per household	\$402.82	\$394.55	\$387.21	\$500.06	\$412.12	\$424.65
% funds disbursed to Administration	20%	20%	20%	20%	20%	20%
Portland Impact						
# of Households Served	558	684	705	756	567	551
Average Payment per household	\$357.87	\$351	\$335.00	\$406.11	\$342.04	\$357.88
% funds disbursed to Administration	20%	20%	20%	20%	20%	20%
Community Services Consortium						
# of Households Served	743	1091	964	1421	1028	910
Average Payment per household	\$312.39	\$305.75	\$315.52	\$259.77	\$262.02	\$259.25
% funds disbursed to Administration	20%	20%	20%	20%	20%	20%
Mid-Willamette Valley Comm. Action						
# of Households Served	695	948	934	860	681	707
Average Payment per household	\$264.09	\$267.54	\$263.38	\$379.18	\$322.91	\$286.40
% funds disbursed to Administration	20%	20%	20%	20%	20%	20%
Yamhill Comm. Action Partnership						
# of Households Served	92	127	94	135	85	95
Average Payment per household	\$365.92	\$314.96	\$349.83	\$342.48	\$356.04	\$309.58
% funds disbursed to Administration	20%	20%	20%	20%	20%	20%
Mid-Columbia Action Comm.						
# of Households Served	108	105	115	152	102	95
Average Payment per household	\$362.80	\$325.33	\$337.52	\$320.60	\$311.90	\$312.80
% funds disbursed to Administration	20%	20%	20%	20%	20%	20%
Health & Human Services						
# of Households Served	270	295	291	431	282	248
Average Payment per household	\$306.22	\$299.49	\$298.19	\$266.61	\$260.09	\$264.80
% funds disbursed to Administration	20%	20%	20%	20%	20%	20%
Clackamas Co. Soc. Services Div.						
# of Households Served	346	333	367	524	354	335
Average Payment per household	\$390.65	\$413.80	\$383.99	\$386.09	\$309.85	\$350.60
% funds disbursed to Administration	20%	20%	20%	20%	20%	20%
Community Action Team						
# of Households Served	271	352	219	469	233	243
Average Payment per household	\$352.96	\$319.53	\$334.18	\$360.73	\$341.56	\$321.12
% funds disbursed to Administration	20%	20%	20%	20%	20%	20%
Community Action Organization						
# of Households Served	478	676	501	682	473	430
Average Payment per household	\$321.51	\$313.69	\$339.39	\$321.28	\$276.99	\$316.54
% funds disbursed to Administration	20%	20%	20%	20%	20%	20%
Oregon Coast Community Action						
# of Households Served	0	0	0	1	6	4
Average Payment per household	\$0.00	\$0.00	\$0.00	\$140.00	\$274.33	\$294.75
% funds disbursed to Administration	0%	0%	0%	20%	20%	20%