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**BEFORE THE PUBLIC UTILITY COMMISSION**

**OF OREGON**

UM 1029

In the Matter of	)	
	)	ORDER
NORTHWEST NATURAL GAS COMPANY,	)	
dba NW NATURAL,	)	
	)	
Request for Reauthorization of Deferred	)	
Accounting of Excess Statutory Weatherization	)	
Program Expenses.	)	

**DISPOSITION: APPLICATION APPROVED**

On July 2, 2003, Northwest Natural (NW Natural or the Company) filed with the Public Utility Commission of Oregon (Commission), pursuant to ORS 757.259 and OAR 860-030-0035, an application to reauthorize deferred accounting treatment of statutory weatherization program expenses in excess of those amounts approved in the UG 132 rates. A description of the filing and its procedural history is contained in the Staff Report, attached as Appendix A, and incorporated by reference.

Based on a review of the application and the Commission's records, the Commission finds that the application satisfies applicable statutes and administrative rules. At its Public Meeting on August 20, 2003, the Commission adopted Staff's recommendation to approve NW Natural's request.

**OPINION**

**Jurisdiction**

ORS 757.005 defines a "public utility" and the Company is a public utility subject to the Commission's jurisdiction.

**Applicable Law**

Adoption of this deferred account is authorized by 757.259(2)(e) in order to better match the costs borne and benefits received by the ratepayer.

**ORDER**

IT IS ORDERED THAT Northwest Natural's application for reauthorization of deferred accounting related to statutory weatherization program expenses in excess of amounts approved in UG 132 rates, until December 31, 2003, as further described in Appendix A, is granted.

Made, entered, and effective \_\_\_\_\_.

BY THE COMMISSION:

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**Becky L. Beier**  
Commission Secretary

A party may request rehearing or reconsideration of this order pursuant to ORS 756.561. A party may appeal this order to a court pursuant to ORS 756.580.

**PUBLIC UTILITY COMMISSION OF OREGON  
STAFF REPORT  
PUBLIC MEETING DATE: August 20, 2003**

**REGULAR** \_\_\_\_\_ **CONSENT**  X  **EFFECTIVE DATE**  July 2, 2003

**DATE:** July 8, 2003

**TO:** John Savage through Lee Sparling and Ed Busch

**FROM:** Judy Johnson

**SUBJECT:**  NORTHWEST NATURAL : (Docket No. UM 1029) Requests  
Reauthorization for Deferral of Excess Statutory Weatherization Program  
Expenses

**STAFF RECOMMENDATION:**

I recommend the Commission approve Northwest Natural's request for reauthorization, under ORS 757.259, to defer costs relating to statutory weatherization program expenses in excess of those amounts approved in UG 132 rates, until December 31, 2003.

**DISCUSSION:**

On July 2, 2003, Northwest Natural (NW Natural) requested reauthorization for deferral of costs related to statutory weatherization program expenses in excess of those amounts approved in UG 132 rates. These activities include residential and commercial energy audits, rebates, and program advertising and administration. The Commission originally authorized deferral of costs related to this program for twelve months beginning July 10, 2001 under ORS 757.259. The original deferral was authorized in Order No. 01-821 (Docket UM 1029). The company estimates that costs in excess of those amounts approved in UG 132 rates will be approximately \$125,000 between July 1, 2003 and December 31, 2003.

Pursuant to the Commission's Order No. 02-624 in Docket No. UG 143, NW Natural will transition responsibility for the administration of the company's statutory weatherization programs to the Energy Trust of Oregon effective July 2, 2003. During the transition period, NW Natural will be responsible to fulfill any pending audit request obligations,

but any new audit requests received on or after July 2, 2003 will be handled through the Energy Trust of Oregon. Weatherization program costs will be removed from rates with the conclusion of Docket UG 152, expected to become effective on or about October 1, 2003. However, due to invoicing lag, deferral activity may continue through December 31, 2003.

Reason for Deferral

Adoption of this deferred account is authorized by 757.259(2)(e) in order to better match the costs borne and benefits received by the ratepayer. NW Natural has met the requirements of OAR 860-027-0300 in its filing.

Proposed Accounting

The proposed continued deferrals would be recorded in a subaccount of account 186 (Miscellaneous Deferred Debits). In the absence of deferral approval, the company would record the amounts in the subaccounts of FERC account 401 (Utility Operation Expense).

Estimated New Deferrals in Next Authorization Period

The estimated amount to be recorded in the 186 subaccount over the 6-month period subsequent to this application is \$125,000.

**PROPOSED COMMISSION MOTION:**

NW Natural's request for reauthorization to defer costs relating to statutory weatherization program expenses in excess of those amounts approved in UG 132 rates, until December 31, 2003, be approved.