

**BEFORE THE PUBLIC UTILITY COMMISSION
OF OREGON**

UM 1218(4)

In the Matter of

NORTHWEST NATURAL GAS
COMPANY, dba NW NATURAL

2008 Annual Report for B1 Service Quality
Measures for Billing Accuracy

ORDER

DISPOSITION: REQUEST APPROVED

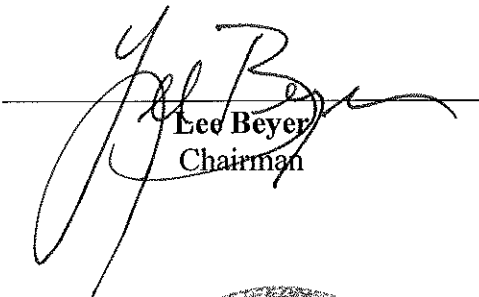
On March 3, 2009, Northwest Natural Gas Company, dba NW Natural (NW Natural or Company), filed its 2008 Annual report for billing accuracy with the Public Utility Commission of Oregon (Commission). The Company requests that the Commission find that no remedy determination is required. A description of the filing is found in Staff's Report, attached as Appendix A, and incorporated by reference.

Staff supports NW Natural's request for acceptance of its 2008 Annual report for billing accuracy without remedy, but states this conclusion would be specific to this filing alone and would not be intended to set a precedent with regard to consideration of NW Natural's future annual reports of B-1 Service Quality Measures where the monthly billing accuracy ratio did not meet or exceed the accuracy target as defined in Order 07-192.

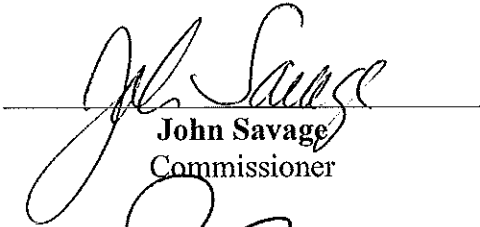
ORDER

IT IS ORDERED that Northwest Natural Gas Company's 2008 Service Quality Measures report is accepted and no remedy determination is required for the 2008 Measure Year.

Made, entered, and effective MAY 04 2009 .



Lee Beyer
Chairman



John Savage
Commissioner



Ray Baum
Commissioner



A party may request rehearing or reconsideration of this order pursuant to ORS 756.561. A request for rehearing or reconsideration must be filed with the Commission within 60 days of the date of service of this order. The request must comply with the requirements in OAR 860-014-0095. A copy of any such request must also be served on each party to the proceeding as provided by OAR 860-013-0070(2). A party may appeal this order by filing a petition for review with the Court of Appeals in compliance with ORS 183.480-183.484.

ITEM NO. CA3

PUBLIC UTILITY COMMISSION OF OREGON
STAFF REPORT
PUBLIC MEETING DATE: April 21, 2009

REGULAR _____ CONSENT X EFFECTIVE DATE _____ Upon approval by the Commission _____

DATE: April 9, 2009

TO: Public Utility Commission

FROM: Lisa Gorsuch

THROUGH: *LS* Lee Sparling, *EB* Ed Busch, and *JJ* Judy Johnson

SUBJECT: NORTHWEST NATURAL: (Docket No. UM 1218(4)) 2008 Annual report of B-1 Service Quality Measures for billing accuracy.

STAFF RECOMMENDATION:

Staff recommends that the Commission accept Northwest Natural's (NWN) 2008 Annual report for billing accuracy as filed on March 3, 2009, and find that a remedy determination is not required for the 2008 Measure Year.

DISCUSSION:

The purpose of the B-1 Service Quality Measures for billing accuracy (B-1 SQM), as adopted by Commission Order No. 05-1055 and modified by Order No. 07-192, is to assure that bills issued by Northwest Natural (NWN) to its Oregon customers are accurate and, if accuracy targets are not met, to provide the Commission with certain remedies.

In its report,¹ NWN reports that two Bill Errors² have occurred for the 2008 Measure Year (Year) that combined affected 10,092 customer bills and resulted in an overall billing accuracy ratio of 99.86%. While this exceeds the billing accuracy target of greater than or equal to 99.4% for the Year, one of the two Bill Errors resulted in a 98.65% billing accuracy ratio for the month of July, which is below the billing accuracy target.

¹ See attachment A.

² A Bill Error is generally defined as an error affecting 500 or more bills that is due to the same cause.

NWN 2008 B-1 SQM
April 9, 2009
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NWN reports that an Auto Pay Message Print Error occurred on July 11, 2008. The Company states this Bill Error was caused by a computer program code change that was made to allow for a special envelope to be inserted into bills from a different bin than would normally be used for envelope insertion. The Company was unaware that the envelope insert code used was linked to the Auto Pay message. As a result, the program code change caused bills that received the special envelope insert to be printed with the message Auto Pay – Do Not Pay. This Bill Error affected 8,039 customer bills. The Company issued replacement bills that included an insert explaining the reason for the replacement bill.

NWN requests that the Commission accept its 2008 Annual report for billing accuracy as filed on March 3, 2009, and find that a remedy determination is not required.

Staff has reviewed the circumstances surrounding NWN's Bill Errors for 2008. Statistics from the Consumer Services Division indicate that no complaints resulted from the incident in July, which dropped the Company's billing accuracy ratio slightly below the minimum target for the month. Staff agrees with the Company that the Bill Error in July did not result in adverse or significant customer impact.

Staff supports NWN's request for acceptance of its 2008 Annual report for billing accuracy without remedy. However, this conclusion would be specific to this filing alone and would not be intended to set a precedent with regard to consideration of NWN's future annual reports of B-1 SQMs where the monthly billing accuracy ratio did not meet or exceed the accuracy target as defined in Order 07-192.

PROPOSED COMMISSION MOTION:

NWN's 2008 SQM report be accepted and no remedy determination be required for the 2008 Measure Year.

NWN 2008 B-1 SQM

Program: CNNSQMSR
 Bill Accuracy Report
 Revenue Month Period: 01/2008 - 12/2008
 as of 2/24/2009 7:44 AM

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
Total Bills Issued - Oregon	595,348	597,251	598,173	597,567	597,452	595,897	596,649	595,485	595,442	596,130	599,168	598,735	7,163,297

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
BSQM Corrections - Oregon	0	0	0	0	0	0	8,039	0	0	0	0	0	8,039
Auto Pay Message - 7/11/08	0	0	0	0	2,053	0	0	0	0	0	0	0	2,053
Incorr WARM Message - 5/19/08	0	0	0	0	2,053	0	8,039	0	0	0	0	0	10,092
SubTotal BSQM	0	0	0	0	2,053	0	8,039	0	0	0	0	0	10,092
% of Total Bills Issued	0.00%	0.00%	0.00%	0.00%	0.34%	0.00%	1.35%	0.00%	0.00%	0.00%	0.00%	0.00%	0.14%

% of Total Bills Issued Correctly	100.00%	100.00%	100.00%	100.00%	99.66%	100.00%	98.65%	100.00%	100.00%	100.00%	100.00%	100.00%	99.86%
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	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
Other Bill Corrections - Oregon	34	30	66	34	26	18	20	3	16	35	31	14	327
Crossed Meter Correction	16	30	16	13	16	33	20	20	16	16	12	9	217
Bill Clerk Processing Error	287	241	186	184	161	197	178	160	155	128	73	66	2,016
Bill Undr/Ovr Registrd Mtr Use	5	31	60	36	42	28	16	7	10	9	5	10	259
Cancel of Correct (Good) Bill	9	4	4	5	2	1	1	0	0	1	2	11	40
Cancel/Bill Agn to Start PmtPin	5	4	4	8	2	0	0	2	3	0	2	3	33
Change Customer Rate Schedule	900	867	719	727	684	796	826	668	588	593	612	544	8,524
Change Service Start/End Date	5	2	1	1	1	1	1	1	1	1	1	1	17
Corrects for Meter Pressure	41	126	66	66	20	27	95	52	52	22	3	14	584
Corrects CIS Program Code Error	5	7	5	4	1	2	3	3	3	11	8	5	57
Corrects ERT Install Pgm Error	24	13	21	31	30	25	28	15	19	30	26	15	277
Corrects Info from Field Tech	1	0	0	0	0	0	0	0	0	0	0	0	1
Corrects Meter Read Data	471	588	379	473	550	809	819	751	490	278	256	313	6,177
Corrects Meter Read Error	52	60	63	68	39	30	27	17	26	30	41	39	492
Corrects Order Info From CSR	1	1	0	0	0	0	0	0	0	0	0	3	5
Corrects Payment Plan	64	59	67	48	196	86	77	123	53	183	60	1,054	2,070
Corrects Prior Estimated Read	2	2	0	0	0	1	1	0	0	1	1	2	10
Corrects Prorated Meter Read	5	8	15	11	8	5	15	6	8	11	3	1	96
Customer Provided Incorr Read	22	32	39	25	13	34	17	30	32	33	36	27	340
Deposit Proc'd Incorrectly	29	38	26	20	19	15	19	19	24	20	33	25	280
Other	53	34	23	51	139	181	94	52	36	43	45	1,679	2,436
Prior High Est Read (Auto)	3	7	7	5	10	4	7	14	16	14	2	5	94
Reverse Deposit - Credit Estab	3	2	3	0	0	0	0	0	0	1	2	11	22
WARM Opt-Out:Not Proc'd Timely	1	1	0	0	0	0	0	0	0	0	0	0	2
WARM Tariff Apprvd Opt-Out Chg	1	1	0	0	0	0	0	0	0	0	0	0	2
SubTotal Other	2,038	2,187	1,770	1,810	1,959	2,293	2,264	1,943	1,548	1,460	1,254	3,851	24,376

BSQM & Other Bill Corrections	2,038	2,187	1,770	1,810	4,012	2,293	10,303	1,943	1,548	1,460	1,254	3,851	34,469
Total Bill Corrections - Oregon	0.34%	0.37%	0.30%	0.30%	0.67%	0.38%	1.73%	0.33%	0.26%	0.24%	0.21%	0.64%	0.48%
% of Total Bills Issued	99.66%	99.63%	99.70%	99.70%	99.33%	99.62%	98.27%	99.67%	99.74%	99.76%	99.79%	99.36%	99.52%

% of Total Bills Issued Correctly	99.66%	99.63%	99.70%	99.70%	99.33%	99.62%	98.27%	99.67%	99.74%	99.76%	99.79%	99.36%	99.52%
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