

ORDER NO. 16 400

ENTERED OCT 18 2016

**BEFORE THE PUBLIC UTILITY COMMISSION
OF OREGON**

UG 306

In the Matter of

NORTHWEST NATURAL GAS
COMPANY, dba NW NATURAL,

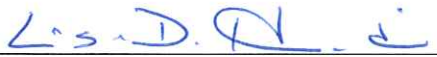
Updates to Schedule 172, Requests
Amortization of Intervenor Funding.

ORDER

DISPOSITION: STAFF'S RECOMMENDATION ADOPTED

This order memorializes our decision, made and effective at the October 18, 2016 Special Public Meeting, to adopt Staff's recommendation in this matter. The Staff Report with the recommendation is attached as Appendix A.

Dated this 18 day of October, 2016, at Salem, Oregon.



Lisa D. Hardie
Chair


John Savage
Commissioner




Stephen M. Bloom
Commissioner

A party may request rehearing or reconsideration of this order under 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 860-001-0720. A copy of the request must also be served on each party to the proceedings as provided in OAR 860-001-0180(2). A party may appeal this order by filing a petition for review with the Circuit Court for Marion County in compliance with ORS 183.484.

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ITEM NO. CA2


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

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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.

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