

Agenda Date: April 30, 2009
Item Number: A1

Docket: UG-090470
Company: Northwest Natural Gas Company

Staff: Deborah Reynolds, Regulatory Analyst
Roger Kouchi, Regulatory Analyst

Recommendation

Take no action, thereby allowing Northwest Natural Gas Company's (NW Natural or company) proposed low income bill assistance program tariff revisions filed in Docket UG-090470 to become effective May 1, 2009, by operation of law.

Background

In December of 2008, the Utilities and Transportation Commission (commission) approved a settlement agreement in Docket UG-080546 requiring NW Natural to develop a low-income bill assistance program in consultation with its newly formed Low-income Rate Assistance Working Group.¹ The parties to the settlement included NW Natural, Commission Staff, Public Counsel, the Northwest Industrial Gas Users, The Energy Project, and the Northwest Energy Coalition. Members of the Working Group include the settling parties and the Energy Trust of Oregon. The program will be delivered by two community action agencies: Clark County Community Services and the Washington Gorge Action Program.

Discussion

On March 31, 2009, NW Natural filed tariff sheets introducing the low-income bill assistance program Gas Residential Energy Assistance Tariff (GREAT). The GREAT program will distribute up to \$500,000 per year in low-income bill assistance funds. Administrative and program delivery fees are set at 20 percent of the annual budget. The program year will run from October 1 through September 30. The company will recover the monies distributed including administrative and program delivery fees in a filing coincident with its annual purchased gas adjustment (PGA) filing.

Staff found the proposed rate design consistent with the enabling statute which specifies that "expenses and lost revenues as a result of these discounts shall be included in the company's cost of service and recovered in rates to other customers."² Staff believes this means each retail customer class pays the portion determined through the cost of service analysis.

¹ Docket UG-080546, Order 04, Paragraph 28.

² RCW 80.28.068 – Rates – Low-income customers. Upon request by an electrical or gas company, the commission may approve rates, charges, services, and/or physical facilities at a discount for low-income senior customers and low-income customers. Expenses and lost revenues as a result of these discounts shall be included in the company's cost of service and recovered in rates to other customers.

Docket UG-090470
April 30, 2009
Page 2

Conclusion

Staff reviewed the proposed tariff revisions filed by NW Natural in Docket UG-090470 and found them to be consistent with RCW 80.28.068. Therefore, staff recommends the commission take no action, thereby allowing the company's proposed low-income bill assistance program tariff revisions filed in Docket UG-090470 to become effective May 1, 2009, by operation of law.