

Agenda Date: June 29, 2017
Item Number: A1

Docket: UG-170669
Company: Northwest Natural Gas Company

Staff: Kyle Frankiewicz, Regulatory Analyst

Recommendation

Take no action, thereby allowing the Northwest Natural Gas Company's (NW Natural or company) revisions to Schedule I to go into effect by operation of law.

Background

NW Natural is currently operating its energy efficiency programs under a settlement stipulation approved by the Washington Utilities and Transportation Commission (commission) in Order 04 of Docket UG-080546. The programs are administered by the Energy Trust of Oregon (ETO) and reviewed and monitored by the company's Energy Efficiency Advisory Group (EEAG) in compliance with the stipulated agreement.

Each year, NW Natural revises its Energy Efficiency (EE) Plan to reflect program modifications, a revised budget and performance metrics for the upcoming calendar year. The company submits its revised EE Plan to the commission when it makes its annual advice filing, submitted no later than December 1. At its discretion and in consultation with the EEAG, NW Natural may update its conservation tariff to implement proposed changes and updates to its program.

NW Natural serves approximately 70,000 gas customers in Clark, Skamania, and Klickitat counties.

Discussion

NW Natural's tariff revision would implement three relatively small changes to the company's efficiency program:

- Changes the programmatic year of the Washington Low Income Energy Efficiency (WA-LIEE) program from October to September to a calendar year, January to December. This change aligns WA-LIEE with other programs in NW Natural's portfolio. No objections were raised by staff or other members of the EEAG.
- Changes the timeframe used to calculate the maximum rebate per home from the calendar year (January-December) to the last four quarters (generally October-September). This rectifies a timing issue, as the calculation is included in the EE Plan, which is due on December 1, and hence cannot use actual data for the end of the year. Staff welcomes this change.
- Increase the health, safety, and repair (HSR) allowance per home for the company's WA-LIEE program from \$440 to \$1,000. This shift brings NW Natural's contribution into closer alignment with other programs, and should help to increase the participation

rate for potential WA-LIEE projects that may otherwise not be feasible. This proposal enjoyed broad support with the EEAG. Staff encouraged the company to monitor this number and bring it back to the EEAG's attention when the percentage contribution lags significantly compared to other programs.

NW Natural is also using this filing to change the approved energy efficiency measures listed in its EE Plan, which is referenced in Schedule G of NW Natural's tariffs. The changes are recommended by the Energy Trust, and include adding and removing several measures for commercial, residential, and multifamily programs. The updates have been discussed in the EEAG, and staff has no objections.

None of the changes proposed in this filing are expected to alter NW Natural's conservation spending enough to revise the portfolio's budget.

Conclusion

Staff recommends that the commission take no action.