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VIA ELECTRONIC FILING

Steven V. King, Executive Director and Secretary
WASHINGTON UTILITIES &
TRANSPORTATION COMMISSION
1300 S Evergreen Park Drive, SW
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Olympia, Washington 98504-7250

RE: Docket No. U 144155: NW Natural Comments and Responses to WUTC Questions

Northwest Natural Gas Company, dba NW Natural (“NW Natural” or the “Company”), submits the following comments in accordance with the Washington Utilities & Transportation Commission’s (“Commission”) February 20, 2015 Notice of Opportunity to Submit Written Comments (the “Notice”) issued in Docket U-144155. The Notice states that a CR 101 was filed to consider the adoption of rules within Washington Administrative Code (WAC) 480-90-178 and WAC 480-100-178, Billing requirements and payment date. The Notice further states that the Commission is seeking written comments from interested persons related to rules to encourage regulated utilities to identify and correct faulty meters in a timely fashion.

NW Natural’s comments and responses to Staff’s questions are set forth below. Please note that NW Natural’s comments are specific to WAC 480-90-178, although our comments may also carry to WAC 480-100-178 with regard to electric utilities.

Comments

Other Affected Rules. NW Natural supports the Commission’s efforts to clarify its rules regarding utility practices around identifying and correcting faulty meter situations. We note that WAC 480-90-183(5), Complaint meter tests, currently contains language that establishes the parameters around correcting bills that are related to a meter error. As such, NW Natural suggests that this rulemaking consider whether changes to WAC 480-90-183 are also warranted in order to ensure that any duplicative or contradictory language is removed.

Gas versus Electric. NW Natural strongly recommends that the Commission consider the unique differences between gas and electric customer use when assessing the timeline under which a zero-use meter should be investigated. As the Commission knows, gas use profile - unlike electric usage - is purely dependent on the type of gas-fired appliances installed. It is not uncommon for a customer that uses natural gas for space heat only to experience zero usage during the spring and fall shoulder months and for the entirety of the summer months. This means a zero use read could easily occur for five consecutive months, or even longer during mild spring and fall seasons. For this reason, NW Natural’s current practice is to monitor, but not

take a corrective action on zero use meters until six consecutive months of zero use have passed, with the exception that after three consecutive months of zero use a bill message is printed on the customer's bill noticing them to contact us if they have been using their gas-fired appliances so that a meter inspection could be initiated. This practice allows NW Natural to control costs while still ensuring that zero use meters are investigated within a reasonable and acceptable timeframe. Should the Commission seek to require gas utilities to investigate zero use meters earlier than six months, NW Natural encourages the Commission to fully consider the added costs versus the actual benefits of an earlier investigation. In NW Natural's experience, less than 2% of accounts with at least six consecutive months of zero usage are related to a meter failure.

Corrected Billings. NW Natural encourages the Commission to consider a limit on how far back a corrected bill should be issued. In addition, the Company encourages the Commission to provide sufficient flexibility in the rule such that utilities are not required to issue a corrected bill where there is good cause not to make the correction.

Staff's Questions and Answers

NW Natural's responses to the Commission's questions are provided below.

1. Please provide the average number of meters in service from 2012 to 2014.

In the state of Washington, the average number of meters in service from 2012 to 2014 was 72,500.

2. Please provide three years of historical data showing the following: (Please use format provided in table below.)

a. Total number of retroactive bills and length of the retroactive bills for stopped meters.

The counts are for accounts with a stopped meter identified and rebilled			
Number of Accounts			
# of Months Retroactively Billed	2012	2013	2014
1	1	3	5
2	1	3	2
3	2	2	4
4	1	1	1
5	3	1	8
6	7	11	18
7	1	0	2

b. Total number of unidentified energy usage meters.

NW Natural does not track this information.

3. What is the company's policy regarding bill settlement for metering errors?

NW Natural will correct for under- or over-billing due to a metering error back to the date that the error is determined to have first occurred, but for not more than one year of adjustment. If the date the meter error first occurred is not known, corrected bills will be issued for up to six months. This practice represents the Oregon rules for bill adjustments, which for consistency, we have adopted for Washington application as well.

The Company may waive a bill correction for good cause, which may include but is not limited to a determination that the Company should have known, or did know, about the meter problem and failed to take appropriate corrective action, or where the customer is able to provide valid and verifiable information showing that they are not responsible for an adjusted billing.

4. Does the company have a billing threshold before investigating zero-read meter readings or unidentified energy usage? If so, please provide information on the company's minimum billing threshold.

NW Natural will investigate zero-use meter reads after six consecutive months of zero usage. A bill message is reflected on the bill after 3 months of zero-use. The bill message informs the customer to call us if they have been using their gas appliances as there may be a meter issue. Additionally, industrial accounts are reviewed whenever a bill is calculated with zero use.

An adjusted bill will not be issued if the non-registered use of the failed meter is calculated to be less than 50 CCF.

It is NW Natural's practice to resolve any unidentified energy usage (which we refer to as occupant usage) within two months. We typically do not issue a bill for usage that is two therms or less.

5. Does the company have specific goals regarding the identification and resolution of stopped meters and unidentified energy usage meters?

NW Natural strives to respond to and resolve meter issues and occupant use situations promptly and efficiently, although we do not have specific defined goals relating to these practices.

6. What types of reports does the company generate to help identify stopped meter and unidentified usage meter problems?

For zero-use meters a bill exception report is generated listing each account where there are six consecutive months of zero usage. The Account Services department reviews each listed account for equipment information that might be the cause of zero-usage, such as freeze protect equipment. If we cannot find a reasonable explanation for zero usage, a service order is created and a service technician is sent to the premise to inspect the meter.

For Occupant (unidentified usage) a report is generated daily that is reviewed by the Customer Contact Center department. This report is a list of accounts that are closed but where the meter is showing

usage. A 5-day notice of disconnection is issued to the premise for each listed account. If no response is received then an order is dispatched to physically shut off the meter. If a response is received, the account is opened and a bill is created.

NW Natural appreciates the opportunity to comment in this proceeding, and we look forward to participating in the May 20, 2015 workshop.

Please address correspondence on this matter to me with copies to the following:

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Sincerely,

NW NATURAL
/s/ Onita King

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Rates and Regulation