

**PUBLIC UTILITY COMMISSION OF OREGON**  
**STAFF REPORT**  
**PUBLIC MEETING DATE: June 26, 2001**

**REGULAR AGENDA**      **CONSENT AGENDA**   X   **EFFECTIVE DATE** July 1, 2001

**DATE:** June 25, 2001

**TO:** Phil Nyegaard through Lee Sparling and Bonnie Tatom

**FROM:** Reed Harris

**SUBJECT:** NW Natural's Advice No. 01-9A, Monthly Revision of Schedule 55 Sales and Transportation Rates

**SUMMARY RECOMMENDATION:**

I recommend the Commission approve NW Natural's application for Less than Statutory Notice and allow Schedule 55, Sheet Nos. 55-1 and 55-2 in Advice No. 01-9A, to go into effect on July 1, 2001.

**DISCUSSION:**

The purpose of the filing is to state the rates that will apply in July 2001 under the company's rate schedule for interruptible incentive gas service. The complete terms and conditions for service to qualifying customers are set forth in Schedule 55. Among these terms are the pricing formula and the definitions of a floor price and a ceiling price.

The transportation block prices in Schedule 55 change every month pursuant to the pricing formula which determines these rates from weekly heavy fuel oil quotations in Bunkerfuels Report. The sales rates under Schedule 55 are derived by adding the transportation block rates to the Northwest Pipeline TI-1 volumetric rate and the NWN Monthly Producer WACOG from Schedule 169. NWN's filing contains copies of the source documents from which the Portland heavy fuel oil prices are taken, as well as work sheets showing the method used to convert oil prices (expressed in dollars per metric ton) to comparable gas sales and transportation rates (expressed in cents per therm).

On June 22, 2001, NWN advised staff of an inadvertent omission in the original filing and re-filed Advice No. 01-9A together with an application for Less Than Statutory Notice. Staff review of the revised filing confirms that the method used is consistent with the pricing formula adopted in UG 81/84, and the calculated rate levels are acceptable.

**STAFF RECOMMENDATION:**

I recommend the Commission approve NWN's application for Less Than Statutory Notice and allow the NW Natural tariff sheets filed in Advice No. 01-9A to become effective as filed.