

**PUBLIC UTILITY COMMISSION OF OREGON  
STAFF REPORT  
PUBLIC MEETING DATE: March 23, 2006**

**REGULAR** \_\_\_\_\_ **CONSENT**  X  **EFFECTIVE DATE**  April 1, 2006

**DATE:** March 15, 2006

**TO:** Public Utility Commission

**FROM:** Marion Anderson

**THROUGH:** Lee Sparling, Marc Hellman, and Michael Dougherty

**SUBJECT:** NORTHWEST NATURAL: (Advice No. 06-3) Introduces Schedule S, Service Solutions Dealer Appointment Service Pilot Program.

**STAFF RECOMMENDATION:**

Pursuant to ORS 757.220, Staff recommends the Commission approve Northwest Natural Gas Company's Advice No. 06-3, as filed on February 27, 2006, and amended on March 9, 2006, to become effective April 1, 2006, with a Utility Less Than Statutory Notice Application.

**DISCUSSION:**

Northwest Natural (NW Natural or the Company) filed Advice No. 06-3 on February 27, 2006, with an effective date of April 1, 2006. The amendment replaces Original Sheet S-1 and modifies the Description section's language pursuant to discussions between the Company and Staff. In accordance with ORS 757.205, this service will be incorporated into the NWN's Tariff P.U.C. Or. 24.

This pilot program allows the Company to assist residential ratepayers requiring repair or replacement of gas-fired equipment by contractor/dealer referral. Referrals would arise from inspection/adjustment services provided by NW Natural under OAR 860-021-0010(1). Service Solutions arose from a study of the Company's 2005 inspection/adjustment service visits that resulted in the need for a contractor/dealer approximately 40% of the time. Customers can secure a referral by calling the Company and requesting an appointment, or by asking the technician conducting the inspection/adjustment. A list of contractors/dealers will also be posted on the NW Natural website. There is no tie-in to normal gas service and there is no referral charge to customers.

Referral contractors/dealers must meet criteria set by the Company and sign a participation agreement. Failure to maintain compliance with the requirements of the agreement will result in termination from the program. A referral fee is paid to NW Natural. All program expenses and revenues will be recorded in non-utility accounts. Financial projections submitted by the Company show the program's pilot period to be above breakeven.

The Service Solutions program does not impact the requirement under OAR 860-021-0010(1) for NW Natural's inspection and adjustment of customer-owned appliances and facilities for safe and efficient operation, upon customer request. However, Energy and Safety Staff expressed concern with natural gas utilities' inspection and adjustment customer request response timeframe. The OARs do not make a response timeframe specification for inspection and adjustment. As a result, the matter is being considered for a future rulemaking affecting all natural gas utilities serving Oregon ratepayers.

**PROPOSED COMMISSION MOTION:**

Northwest Natural Gas Company's Advice No. 06-3, as filed on February 27, 2006, and amended on March 9, 2006, be effective April 1, 2006, on a less than statutory notice basis.