

**PUBLIC UTILITY COMMISSION OF OREGON
STAFF REPORT
PUBLIC MEETING DATE: April 22, 2008**

REGULAR _____ CONSENT X EFFECTIVE DATE _____ Upon approval by the Commission

DATE: April 11, 2008

TO: Public Utility Commission

FROM: Deborah Garcia

THROUGH: Lee Sparling, Ed Busch, and Judy Johnson

SUBJECT: NORTHWEST NATURAL: (Docket No. UM 1218(2)) 2007 Annual report of B-1 Service Quality Measures for billing accuracy.

STAFF RECOMMENDATION:

I recommend that the Commission accept Northwest Natural's 2007 Annual report for billing accuracy as filed on February 29, 2008, and find that Northwest Natural has met its required billing accuracy levels.

DISCUSSION:

The purpose of the B-1 Service Quality Measures for billing accuracy (B-1 SQM), as adopted by Commission Order No. 05-1055 and modified by Order No. 07-192, is to assure that bills issued by Northwest Natural (NWN) to its Oregon customers are accurate and, if accuracy targets are not met, to provide the Commission with certain remedies.

In its report,¹ NWN reports that no Bill Errors² have occurred for the 2007 Measure Year (Year) and therefore, the Monthly Billing Accuracy Ratio for each month, as defined by the Service Quality Measure, was 100 percent.

¹ See attachment A.

² A Bill Error is generally defined as an error affecting 500 or more bills that is due to the same cause.

In addition to Bill Errors, the attached B-1 SQM report shows the number and types of non-reportable bill corrections that occurred during the year. The report indicates that overall the number of correctly issued bills was 99.64 percent. The largest number of bill corrections occurred due to a change in a customer's start or end date which primarily occurs due to incorrect or untimely customer-provided information. The next largest number of bill corrections resulted from correcting meter reading errors that are normally encountered in meter reading operations.³

When comparing the 2006 and 2007 reports, Staff did note with concern a 195 percent increase in the Bill Under/Over Registered Meter category under Other Bill Corrections. In this category, the annual number of corrected bills to total annual bills was 1078 out of 6,877,977 for 2006, and 3,184 out of 7,014,726 for 2007. These numbers are nothing more than "blips on the radar" but the B-1 SQM is working as envisioned by providing a very early warning of a potentially negative trend that bears watching by both NWN and Staff.

In response to Staff inquiry about the increase in this category, NWN reported [it had] "improved the process in which we initiate review of suspected failed meters." Staff agrees that a proactive policy to investigate potential meter failure is a good one and would likely account for the increase in this category. In this instance, Staff's plan for follow up is to ensure that NWN is up-to-date on its meter maintenance and replacement program.

Overall, NWN is to be commended for the Billing Accuracy Ratio maintained throughout the 2007 Measure Year, and Staff agrees with NWN's assessment that it has exceeded the requirements of the B-1 SQM and therefore no remedy determination is required.

PROPOSED COMMISSION MOTION:

NWN's 2007 B-1 SQM report be accepted and no remedy determination be required for the 2007 Measure Year.

³ These sorts of meter reading errors might include an inability to access a meter due to a dog, a locked gate, or an obstruction blocking the meter, etc.

Program: CNNSQMSR
 Bill Accuracy Report
 Revenue Month Period: 01/2007 - 12/2007
 as of 2/15/2008 7:49 AM

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
Total Bills Issued - Oregon	580,636	584,059	585,351	580,601	584,159	583,936	582,901	582,254	581,827	586,140	589,317	593,545	7,014,726
BSQM Corrections - Oregon	0	0	0	0	0	0	0	0	0	0	0	0	0
(No BSQM events in 2007)	0	0	0	0	0	0	0	0	0	0	0	0	0
SubTotal BSQM	0	0	0	0	0	0	0	0	0	0	0	0	0
% of Total Bills Issued	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
% of Total Bills Issued Correctly	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
Other Bill Corrections - Oregon													
Crossed Meter Correction	40	42	41	33	42	18	24	34	20	0	16	4	314
Bill Clerk Processing Error	30	36	36	54	33	47	17	30	17	18	13	18	349
Bill Undr/Ovr Registrd Mtr Use	209	303	349	331	303	325	349	326	216	172	185	116	3,184
Cancel/Bill Agn to Start PmtPln	57	26	13	2	1	2	1	1	0	0	4	11	118
Change Customer Rate Schedule	5	6	3	5	4	4	6	3	1	4	2	3	46
Change Service Start/End Date	696	659	780	765	835	815	919	714	758	823	756	645	9,165
Corrects for Meter Pressure	17	21	11	9	7	6	6	5	5	6	4	3	100
Corrects CIS Progm Code Error	66	17	85	13	8	24	68	79	69	54	56	50	589
Corrects ERT Install Pgm Error	53	80	90	24	13	10	7	7	7	5	3	1	300
Corrects Info from Field Tech	30	28	35	38	42	29	16	14	5	2	9	18	266
Corrects Meter Read Error	725	886	698	594	694	668	706	663	264	227	223	371	6,719
Corrects Order Info From CSR	38	36	34	28	30	41	35	33	25	23	34	55	412
Corrects Payment Plan	1	2	0	0	0	0	0	0	0	0	1	1	5
Corrects Pmt Application	1	0	0	0	0	0	0	0	0	0	0	0	1
Corrects Prior Estimated Read	339	104	99	122	157	123	81	85	36	40	43	45	1,274
Corrects Prorated Meter Read	1	2	3	3	1	6	2	1	0	1	1	0	21
Customer Provided Incorr Read	10	3	12	7	14	10	7	5	9	5	2	5	89
Deposit Proc'd Incorrectly	28	20	27	31	15	25	19	24	51	58	46	12	356
Other	28	49	45	21	25	20	16	14	15	13	37	23	306
Prior High Est Read (Auto)	645	177	69	128	150	127	76	149	36	41	42	39	1,679
Reverse Deposit - Credit Estab	10	10	9	4	6	9	10	10	5	8	11	6	98
WARM Opt-Out/Not Proc'd Timely	3	1	3	1	0	0	0	0	0	0	0	2	10
WARM Tariff Apprvd Opt-Out Chg	2	1	0	1	0	0	0	0	0	0	0	0	4
SubTotal Other	3,034	2,509	2,442	2,214	2,380	2,309	2,365	2,197	1,539	1,500	1,488	1,428	25,405
BSQM & Other Bill Corrections													
Total Bill Corrections - Oregon	3,034	2,509	2,442	2,214	2,380	2,309	2,365	2,197	1,539	1,500	1,488	1,428	25,405
% of Total Bills Issued	0.52%	0.43%	0.42%	0.38%	0.41%	0.40%	0.41%	0.38%	0.26%	0.26%	0.25%	0.24%	0.36%
% of Total Bills Issued Correctly	99.48%	99.57%	99.58%	99.62%	99.59%	99.60%	99.59%	99.62%	99.74%	99.74%	99.75%	99.76%	99.64%