

**PUBLIC UTILITY COMMISSION OF OREGON
STAFF REPORT
PUBLIC MEETING DATE: September 23, 2008**

REGULAR _____ CONSENT X EFFECTIVE DATE September 24, 2008

DATE: September 10, 2008

TO: Public Utility Commission

FROM: Lisa Gorsuch

THROUGH: Lee Sparling, Ed Busch, and Judy Johnson

SUBJECT: NORTHWEST NATURAL: (Advice No. 08-4) Revises Table of Contents and Schedule 15, Charges for Special Metering Equipment, Rental Meter and Metering Services, to reflect new rental meter options.

STAFF RECOMMENDATION:

Staff recommends that Advice No. 08-4 as filed on September 10, 2008, and Northwest Natural's Application for Waiver for Less Than Statutory Notice (LSN) be approved, and the associated revisions to the Table of Contents and Schedule 15, Charges for Special Metering Equipment, Rental Meter and Metering Services, go into effect on September 24, 2008.

DISCUSSION:

Northwest Natural (NWN or Company) originally filed Advice No. 08-4 with the Commission on August 1, 2008, requesting revisions to the Table of Contents and Schedule 15, Charges for Special Metering Equipment, Rental Meter and Metering Services, with an effective date of September 1, 2008. Staff asked the Company to extend the effective date to allow time for additional data requests and review. On August 12, 2008, NWN filed to extend the effective date to September 24, 2008. At Staff's request a replacement filing and LSN were submitted on September 10, 2008, that amended the language of the proposed changes to Schedule 15.

NWN proposes to update Schedule 15, Charges for Special Metering Equipment, Rental Meter and Metering Services, to reflect revisions including new meter rental options, Special Provisions outlining customer costs and responsibilities, and language added to clarify charges.

The following sheets will have revisions or be added:

Twelfth Revision of Sheet No. iv
"Tariff Index,"

First Revision of Sheet No. 15-1
Schedule 15,
"Charges for Special Metering Equipment, Rental Meter and Metering Services,"

First Revision of Sheet No. 15-2
Schedule 15,
"Charges for Special Equipment, Rental Meter and Metering Services,"

Original Sheet No. 15-3
Schedule 15,
"Charges for Special Equipment, Rental Meter and Metering Services,"
And

Original Sheet No. 15-4
Schedule 15,
"Charges for Special Equipment, Rental Meter and Metering Services."

NWN is phasing out all diaphragm meters offered prior to this filing with exception of the 1000 cubic feet per hour diaphragm meter. Meter models to be phased out, rented by customers prior to this filing, will be grandfathered under the previously established agreements. Staff and NWN agree that price changes, if necessary, will be addressed as part of NWN's next general rate case.

Meter rental options are expanded to include 250 and 630 cubic feet per hour diaphragm meters, and 23M175 and 38M175 rotary meters. The addition of these meters has been in response to customer demand. The meters being phased out are either obsolete or are no longer being requested by customers.

The addition of Original Sheets 15-3 and 15-4 to Schedule 15 is the result of the expansion of Special Provisions for Meters and Special Metering Equipment. This information provides clarification of cost and equipment responsibilities of customers opting to rent meters from NWN. At the same time, these special provisions also help ensure other customers will not be subsidizing costs associated with providing rental meters. The Table of Contents is being updated to reflect the addition of these two new sheets.

Revisions to Metering Services and Charges in Schedule 15 clearly differentiate between one time charges, installation charges, and monthly charges.

NWN responses to Staff Data Requests addressed concerns regarding cost and commitment requirements, as well as policies and procedures surrounding meter rentals. NWN acknowledges meter rental is not necessary or essential to the delivery and billing of monopoly gas service, should not take priority over the provision of gas service, and should not be subsidized by other gas customers. The rates are established by the Company to recover cost for materials that would not be incurred were submeters not offered for rent.

NWN offers the option of meter rental as a customer service for Commercial and Industrial customers choosing to submeter for reasons including, but not limited to, monitoring the energy efficiency of specific equipment or gathering data for reporting carbon emissions. The option of meter rental has been offered by NWN for over 30 years.

PROPOSED COMMISSION MOTION:

NWN's Application for an LSN and Advice No. 08-4 be approved, and the associated tariff sheets be allowed to go into effect with service on or after September 24, 2008.