

PUBLIC UTILITY COMMISSION OF OREGON  
STAFF REPORT  
PUBLIC MEETING DATE: December 20, 2016

REGULAR \_\_\_\_\_ CONSENT X EFFECTIVE DATE January 1, 2017

DATE: December 5, 2016

TO: Public Utility Commission

FROM: Scott Gibbens *SG*

THROUGH: Jason Eisdorfer and Marc Hellman *A*

SUBJECT: NORTHWEST NATURAL: (Docket No. ADV 430/Advice No. 16-19)  
Requests revision to Schedule 301 to reflect 2017 program funding requirements for Energy Trust of Oregon.

**STAFF RECOMMENDATION:**

The Public Utility Commission (Commission) should approve the application by Northwest Natural (NWN or Company) to modify Tariff P.U.C. Or. 25, Schedule 301: Public Purposes Funding Surcharge (Tariff).

**DISCUSSION:**

Issue

Whether the Commission should approve NWN's proposed update to Schedule 301 revising the portion of the public purpose funds allocated to Energy Trust of Oregon (ETO) for the administration of residential and commercial energy efficiency programs from 2.54 percent to 3.20 percent.

Applicable Rule or Law

The Company's filing involves tariff sheets that are governed by ORS 757.205, ORS 757.210, and OAR 860-022-0025. OAR 860-022-0025 provides that utilities may make tariff changes by filing an entirely new tariff or by filing revised sheets that refer to the tariff sheets on file. Filings that make any change in rates, tolls, charges, rules, or regulations must be filed with the Commission at least 30 days before the effective date of the changes. ORS 757.220. The Commission reviews tariffs filed under ORS 757.205 and 757.210 to determine whether they are fair, just, and reasonable.

Analysis

Advice No. 16-19 was filed on November 16, 2016. The purpose of this filing is to revise the portion of public purpose funds allocated to ETO for the administration of residential and commercial energy efficiency programs from 2.54 percent to 3.20 percent as a result of ETO's proposed 2017-2018 budget increase. The table below illustrates the changes in the program funding of ETO.

Table 1: ETO Funding Requirements

Year	Year End Carry-over	Schedule 301 Collection	Total Budget	Energy Savings (therms)
2016	\$6.8 million	\$14.5 million	\$21.3 million	3.8 million
2017	\$1.2 million	\$17.4 million	\$18.6 million	4.3 million

Table 2: ETO Charge Impacts

Year	Residential			Commercial		
	ETO % Charge	Impact to Avg. Monthly Bill	2016-2017 % Change	ETO % Charge	Impact to Avg. Monthly Bill	2016-2017 % Change
2016	2.54%	\$1.36	0.6%	2.54%	\$5.50	0.6%
2017	3.20%	\$1.71		3.20%	\$6.93	

This filing will result in a total public purpose charge of 4.20 percent (additional 1 percent due to low-income programs) applied to Residential bills and 3.45 percent (additional 0.25 percent due to low-income programs) applied to Commercial bills. The effect of this filing is to increase the average residential bill by about \$0.35 per month and the average commercial bill by about \$1.43 per month.

Staff reviewed the filing, tariff schedule, and Company's workpapers to ensure that the proposed changes result in fair and reasonable rates. The filing included all requisite documents for Staff to confirm the Company's calculations, including an ETO worksheet. Staff had one clarifying phone conversation with the Company. Staff found that the Company's rate calculations resulting from the updated Public Purpose charges were correct and the proposed revisions to Tariff Sheet 301-1 are correct.

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### Conclusion

After review of NWN's tariff filing and supporting calculations, Staff concludes that the proposed revision to Sheet 301-1 and the resulting rates are fair, just, and reasonable.

### **PROPOSED COMMISSION MOTION:**

Approve NWN's proposed revisions to Tariff P.U.C. Or. 25, Schedule 301, for service rendered on and after January 1, 2017.

Advice No. 16-19