

PUBLIC UTILITY COMMISSION OF OREGON
STAFF REPORT
PUBLIC MEETING DATE: March 27, 2018

REGULAR _____ CONSENT X EFFECTIVE DATE March 28, 2018

DATE: March 20, 2018

TO: Public Utility Commission

FROM: JP Batmale *JPB*

THROUGH: Jason Eisdorfer *J*

SUBJECT: Cascade Natural Gas: (Docket No. ADV 630/Advice No. O18-03-01)
Withdrawal of Tariff Sheet No. 198.1.

STAFF RECOMMENDATION:

The Oregon Public Utility Commission (Commission) should approve, on less than statutory notice, Cascade Natural Gas Company's (Cascade or Company) Advice No. CNG/O18-03-01, withdrawing tariff sheet No. 198.1 (Schedule 198), for service rendered on and after March 28, 2018.

DISCUSSION:

Issue

Whether the Commission should approve Cascade's Advice No. CNG/O18-03-01 withdrawing its Schedule 198 for service rendered on and after March 29, 2018, on less than statutory notice.

Applicable Law

The Commission may approve tariff changes if they are deemed to be fair, just and reasonable. ORS 757.210. Tariff revisions may be made by filing revised sheets with the information required under the Commission's administrative rules, including OAR 860-022-0025. Filings that propose 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 change. ORS 757.220; OAR 860-022-0020. The Commission may, for good cause shown, approve tariff changes on less than statutory notice. ORS 757.220.

Analysis

On September 29, 2017, Cascade filed Advice No. CNG/O17-09-01, Safety Cost Recovery Mechanism (SCRM). The purpose of the filing was to introduce Cascade's proposed Schedule 198 in order to recover safety investments between general rate cases. The Company requested an effective date of January 1, 2018.

Following the Company's filing, Staff began engaging with the Company on the purpose of the filing and the Company's proposed mechanism for cost recovery. Staff and the Company were not in full agreement on the investments meant to be covered by the SCRM. Staff was concerned that the projects covered by the SCRM were not necessarily discreet investments but part of regular safety investments. Staff also sought to gain a better understanding of the connection between the SCRM tariff filing and Cascade's recently filed Safety Project Plan, as called for by UM 1722.

The Company understood Staff's concerns and wanted to clarify its issues. On December 4, 2017, to accommodate Staff, Cascade filed a letter requesting that the effective date of the tariff be extended to February 1, 2018. Due to an oversight, the CNG/O17-09-01 was not taken to a public meeting for the Commission to approve, suspend and investigate, or reject the filing, consistent with ORS 757.220. Therefore, the Company's Schedule 198 went into effect on January 1, 2018.¹

On March 6, 2018, Cascade filed Advice No. CNG/O18-03-01, stating that it seeks to withdraw its Schedule 198 on less than statutory notice, and that the Company will refile its proposed SCRM at a later date following further discussions with Staff.

Conclusion

Because additional discussions are necessary to address Staff's concerns with Schedule 198, and because Schedule 198 is currently in effect, Staff and Cascade agree that withdrawing the Schedule in order to allow for additional discussion is the best outcome for Cascade's customers at this time. Additional time will allow Cascade and Staff an opportunity to come to full agreement on the Company's need for this tariff and need more time to explore the issue.

¹ Although the Company requested an effective date of February 1, 2018 via its December 4, 2017 letter, the Company did not submit replacement tariff sheets. Therefore, the tariff sheet on file with the Commission, which included a January 1, 2018 effective date, went into effect on January 1, 2018.

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PROPOSED COMMISSION MOTION:

Approve, on less than statutory notice, Cascade's Advice No. CNG/O18-03-01, withdrawing Schedule 198, for service rendered on and after March 28, 2018.

ADV 630 CNG Safety Cost Recovery Mechanism Tariff Withdrawal