

PUBLIC UTILITY COMMISSION OF OREGON
STAFF REPORT
PUBLIC MEETING DATE: December 18, 2017

REGULAR _____ CONSENT X EFFECTIVE DATE January 1, 2018

DATE: December 11, 2017

TO: Public Utility Commission

FROM: Mitchell Moore ^{man}

THROUGH: I Jason Eisdorfer and John Crider I Jan JC

SUBJECT: NORTHWEST NATURAL: (Docket No. ADV 635/Advice No. 17-20)
Revises Schedule 301, Public Purposes Funding Surcharge.

STAFF RECOMMENDATION:

Staff recommends the Commission approve changes to Northwest Natural Gas Company's (NW Natural or Company) Schedule 301, Public Purposes Funding Surcharge, effective January 1, 2018.

Staff recommends the Commission approve the Company's application for Less Than Statutory Notice.

ISSUE:

Whether the Commission should approve NW Natural's proposed revisions to Schedule 301, increasing the Public Purposes Funding Surcharge from 3.20 percent to 3.59 percent.

DISCUSSION:

Applicable Law

The Public Purposes Funding Surcharge came about through Commission Order 02-634, which adopted a partial decoupling mechanism for NW Natural and transferred the non low-income energy efficiency programs to Energy Trust of Oregon (ETO). The order states, "... NW Natural agrees to transfer the responsibility for its energy efficiency, demand-side management (DSM) programs, and energy audits to the

order states, "... NW Natural agrees to transfer the responsibility for its energy efficiency, demand-side management (DSM) programs, and energy audits to the Energy Trust of Oregon, or to another independent entity approved by the Commission."¹ And further states, "through an adjustment schedule, NW Natural will collect energy efficiency, DSM, and energy audit costs on behalf of ETO ..."²

Analysis

On December 6, 2017, NW Natural filed Advice No. 17-20, relating to the public purpose charge applied to Residential bills and Commercial bills.

NW Natural is proposing to increase the portion of the public purpose funding surcharge from 3.20 percent to 3.59 percent for residential customers and from 2.49 percent to 2.79 percent for commercial customers. The change will ensure that Energy Trust of Oregon (ETO) will have approximately \$22 million of total program funding in 2018, which is sufficient to acquire nearly 4.1 million therm savings. The table below shows the proposed allocations and the current allocations (with adjustments highlighted).

Public purposes program	Proposed		Current	
	Residential	Commercial	Res.	Comm.
Schedule 350 energy efficiency programs delivered and administered by the ETO.	3.59%	3.59%	3.20%	3.20%
Schedule 310 low-income bill payment assistance activities.	0.75%	---	0.75%	---
Schedule 320 low-income energy efficiency activities.	0.55%	0.55%	0.55%	0.55%
Total:	4.89%	4.14%	4.50%	3.75%

This filing makes no change to the residential surcharges for low-income bill payment assistance and low-income energy efficiency activities. This filing makes no changes to the commercial surcharge for low-income energy efficiency activities.

The proposed funding levels were developed through discussions with the ETO as the levels needed to achieve 2018 energy efficiency program funding requirements and are needed to acquire all cost-effective energy efficiency in 2018. The revision represents

¹ Order No. 02-634 at p.5

² Order No. 02-634 at p.5

an increase to the average Residential monthly bill by \$0.19 cents per month. The revision will increase an average Commercial monthly bill by \$0.78 cents per month

Conclusion

Staff has reviewed this filing and supports the tariff revisions that increase the collections that support public purpose funding for Schedule 350 energy efficiency programs delivered and administered by the Energy Trust of Oregon.

PROPOSED COMMISSION MOTION:

NW Natural's proposed revisions to its Schedule 301, Public Purposes Funding Surcharge, be approved effective January 1, 2018, and approve the Company's application for Less Than Statutory Notice.