

**PUBLIC UTILITY COMMISSION OF OREGON
STAFF REPORT
PUBLIC MEETING DATE: December 17, 2019**

REGULAR _____ CONSENT X EFFECTIVE DATE January 1, 2020

DATE: December 9, 2019

TO: Public Utility Commission

FROM: Kathy Zarate

THROUGH: Michael Dougherty, John Crider, and Mathew Muldoon **SIGNED**

SUBJECT: CASCADE NATURAL GAS:
(Docket No. ADV 1070/ Advice No. O19-11-01)
Application for revision to its Tariff P.U.C. Or. No. 10, Third Revision of
Sheet No.31.1.

STAFF RECOMMENDATION:

Staff recommends that the Commission approve Cascade Natural Gas (Cascade or Company) Advice No. O19-11-01, effective January 1, 2020, as requested.

DISCUSSION:

Issue

Whether the Commission should allow Cascade to decrease the rule 31.1, Public Purpose Charge (PPC) from 6.28 percent to 4.93 percent.

Applicable Law

The Company's filing involves tariff sheets that are governed by ORS 757.205 and OAR 860-022-0025. Under ORS 757.205(1), a public utility must file schedules showing all rates, tolls, and charges for service that have been established and are in force at the time. Tariff revisions or corrections may be made by filing revised sheets with the information required under the Commission's administrative rules, including OAR 860-022-0005 and OAR 860-022-0025.

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.

Analysis

On December 3, 2019, Cascade submitted this filing to update the Company Rule 31.1 to decrease the PPC from 6.28 percent to 4.93 percent.

The purpose of this filing is to decrease the Rule 31, Public Purpose Charge (PPC) from 6.28 percent to 4.93 percent. This rate is set to collect the 2020 budget projections for the Energy Trust of Oregon (Energy Trust or ETO) conservation programs, the Oregon Low Income Bill Pay Assistance (OLIBA) program, the Oregon Low Income Energy Conservation (OLIEC) Program, and the Conservation Achievement Tariff (CAT) Program.

The PPC applies a charge to bills equal to a percentage of customers' total charges for gas service. Collections from this charge fund the Energy Trust delivered natural gas energy efficiency programs offered to sales customers in Cascade's Oregon service territory as well as the Company's low-income assistance programs, which include OLIBA, OLIEC and CAT.

The proposed 4.93 percent PPC charge is set to collect \$3,040,306. This total amount is comprised of the proposed Energy Trust budget of \$3,043,738 less a refund to customers from Cascade's low-income budget in the amount of \$3,432. Cascade's low-income program budget is in a refund position due to OLIEC/CAT projected revenues being exceeded by OLIEC/CAT carryover funds and the difference will be returned to customers. The low-income adjustment includes a true-up to collect the \$50,000 to fund OLIBA bill assistance.

OLIEC and CAT are complementary programs established in Schedule 33. The 2020 budget, set at 0.625 percent of the Company's 12-months of Oregon gross revenues less transportation revenues ending May 31, 2019 is \$368,727. The programs had a combined over collection balance of \$415,110 as of September 30, 2019, and this amount is used to offset the 2020 budget requirements for both programs. Given the program has an over collection balance greater than its proposed budget, the difference will be refunded to customers in the PPC rate calculation.¹

The estimated monthly bill impact of the two rate changes for the average residential customer using 62 therms per month will be decrease of approximately \$0.68 and the average commercial customer bill using 264 therms per month will be decreased by \$2.34. Industrial customers, using an average of 1,748 therms per month will see a bill decrease of approximately \$15.03 per month respectively.

¹ Attachment 1 from Company.

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Conclusion

Staff supports Commission adoption of the Company's filling.

PROPOSED COMMISSION MOTION:

Allow Cascade's Advice No. 1070/19-11-01, to go into effect for service rendered on and after January 1, 2020.

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