



Oregon

Kate Brown, Governor

Public Utility Commission

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December 17, 2019



BY EMAIL

Cascade Natural Gas Corporation

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RE: Advice No. O19-11-01

At the public meeting on December 17, 2019, the Commission adopted Staff's recommendation in this matter docketed as ADV 1070. The Staff Report and a receipted copy of the sheets in your advice filing are attached.

Nolan Moser

Chief Administrative Law Judge

Public Utility Commission of Oregon

(503) 378-3098

**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.

Cascade ADV 1070
December 9, 2019
Page 3

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.

ADV. 1070

**SCHEDULE 31
PUBLIC PURPOSE CHARGE**

PURPOSE

The purpose of this provision is to define the funding method for public purposes activities to be administered through one or more independent entities. Public purposes activities include, but may not necessarily be limited to, energy efficiency programs, market transformation and low-income conservation and bill assistance programs designed to benefit sales customers within Cascade Natural Gas’s service territory in Oregon.

ADJUSTMENT TO RATES

A public purpose charge equal to 4.928% of current revenues, including customer service charges, in each month will be assessed as a line item on the bills of rate schedules 101, 104, 105, 111 and 170. The level of the public purpose charge will be reviewed and revised as necessary based on periodic evaluation of public purposes funding needs. (R)

The Public Purposes Funds shall be allocated to specific separate accounts to fund the respective public purposes programs as follows:

- 4.933% will support public purpose funding of energy efficiency programs that replace programs previously administered by Cascade with energy efficiency programs administered by an independent entity. (C)
- -0.005% will support public purpose funding for low-income conservation and bill assistance activities. (C)

SPECIAL TERMS AND CONDITIONS

1. 100.11% of the monies designated as public purpose funding will be transferred to the Energy Trust of Oregon. The Energy Trust of Oregon will use the funds to design, promote and administer Natural Gas energy efficiency programs in accordance with agreements executed between Cascade and the Energy Trust. (C)
2. -0.11% of the monies designated as public purpose funding will be transferred to two internal program accounts and dispersed to Community Action Agencies (Agencies) for the purpose of adding or expanding low-income weatherization programs and bill assistance programs. The funding will be designated for low-income conservation programs with the remaining funds to be designated for bill payment assistance. (C)
(T)
(T)
(T)

(continued)