



Oregon

Kate Brown, Governor

Public Utility Commission

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February 8, 2022



BY EMAIL

Cascade Natural Gas Corporation
cngcregulatory@cngc.com

RE: Advice No. O22-01-01

At the public meeting on February 8, 2022, the Commission adopted Staff's recommendation in this matter docketed as ADV 1366. 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: February 8, 2022**

REGULAR CONSENT EFFECTIVE DATE February 14, 2022

DATE: January 25, 2022

TO: Public Utility Commission

FROM: Curtis Dlouhy

THROUGH: Bryan Conway and Matt Muldoon **SIGNED**

SUBJECT: CASCADE NATURAL GAS:
(Docket No. ADV 1366/Advice No. 022-01-01)
Housekeeping Changes.

STAFF RECOMMENDATION:

Staff recommends that the Commission approve Cascade Natural Gas' (Cascade, CNG, or Company) Advice No. 022-01-01 filing to round all rates to the fifth decimal place.

DISCUSSION:

Issue

Whether the Commission should approve Cascade's proposed revisions to nine Schedules to round all per-therm rates from six decimal places to five.

Applicable Rule or Law

Under ORS 757.205(1), every public utility shall file with the Public Utility Commission schedules showing all rates, tolls, and charges that it has established and are in force at the time for any service performed by it within the state, or for any service in connection therewith or performed by any public utility controlled or operated by it.

The Commission may approve tariff changes if they are deemed to be fair, just, and reasonable under 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.

OAR 860-022-0025(2) specifically requires that each energy utility changing existing tariffs or schedules must include in its filing a statement plainly indicating the increase, decrease, or other change made with the filing, the number of customers affected by the proposed change and the resulting change in annual revenue; and the reasons or grounds relied upon in support of the proposed change.

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 860-022-0015.

Analysis

Background

On January 14, 2022, the Company filed Advice No. 022-01-01, which updates nine tariff sheets:

1. Sheet No. 101.1
2. Sheet No. 104.1
3. Sheet No. 105.1
4. Sheet No. 111.1
5. Sheet No. 163.1
6. Sheet No. 170.1
7. Sheet No. 197.1
8. Sheet No. 198.1
9. Sheet No. 800.1

The purpose of this filing is to amend the tariffs to display per-therm rates with five decimal places instead of six decimal places. The Company states that the point of the revision is to lessen the likelihood of rounding errors from occurring in the Company's Customer Care and Billing System. The Company notes that it consulted with Commission Staff prior to making this change and that the estimated total dollar impact of this change is a \$676 reduction of revenue. The Company further states that the vast majority of customers do not consume enough volumes to see any impacts on their bills.

Staff Review

Staff reviewed the changes to all nine tariff sheets and found that the changes proposed by Cascade to be consistent with the letter attached in its finding. Staff verified that the changes to Cascade's tariff sheets reflect the purpose of the filing and do indeed

represent all rates at the fifth decimal place. All changes from six decimal places to five decimal places were done by truncating the sixth digit. Therefore, even if a customer experienced an impact to their bill from this change, Cascade's method of implementing the change would result in a bill reduction.

Conclusion

Staff verified that the rate change in the nine affected sheets indeed represent all rates to the fifth decimal place as Cascade intended and supports rounding all rates to the fifth decimal place.

PROPOSED COMMISSION MOTION:

Approve Cascade's Advice No. 022-01-01 filing to round all rates to the fifth decimal place.

**SCHEDULE 101
GENERAL RESIDENTIAL SERVICE RATE**

APPLICABILITY

This schedule is available to residential customers.

RATE

Basic Service Charge		\$6.00	per month
Delivery Charge		\$0.39467	per therm
Schedule 177	Cost of Gas (WACOG)	\$0.43129	per therm
Schedule 191	Temporary Gas Cost Rate	\$0.03725	per therm
Schedule 192	Intervenor Funding	\$0.00107	per therm
Schedule 193	Conservation Alliance Plan	(\$0.00250)	per therm
Schedule 195	Oregon Corporate Activity Tax	\$0.00265	per therm
Schedule 196	Oregon Earnings Sharing	\$0.00000	per therm
Schedule 197	Environmental Remediation Cost	\$0.00030	per therm
Schedule 198	Unprotected EDIT	(\$0.00720)	per therm
	Total	\$0.85753	per therm

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MINIMUM CHARGE

Basic Service Charge \$6.00

TERMS OF PAYMENT

Each monthly bill shall be due and payable within fifteen days from the date of rendition.

TAX ADDITIONS

The rates named herein are subject to increases as set forth in Schedule 100 for Municipal Exactions.

GENERAL TERMS

Service under this rate schedule is governed by the terms of this schedule, the Rules contained in this Tariff, any other schedules that by their terms or by the terms of this rate schedule apply to service under this rate schedule, and by all rules and regulations prescribed by regulatory authorities, as amended from time to time.

**SCHEDULE 104
GENERAL COMMERCIAL SERVICE RATE**

APPLICABILITY

This schedule is available to commercial customers.

RATE

Basic Service Charge		\$12.00	per month
Delivery Charge		\$0.27282	per therm
Schedule 177	Cost of Gas (WACOG)	\$0.43129	per therm
Schedule 191	Temporary Gas Cost Rate	\$0.03725	per therm
Schedule 192	Intervenor Funding	\$0.00000	per therm
Schedule 193	Conservation Alliance Plan	(\$0.00432)	per therm
Schedule 195	Oregon Corporate Activity Tax	\$0.00265	per therm
Schedule 196	Oregon Earnings Sharing	\$0.00000	per therm
Schedule 197	Environmental Remediation Cost	\$0.00030	per therm
Schedule 198	Unprotected EDIT	(\$0.00462)	per therm
	Total	\$0.73537	per therm

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MINIMUM CHARGE

Basic Service Charge \$12.00

TERMS OF PAYMENT

Each monthly bill shall be due and payable within fifteen days from the date of rendition.

TAX ADDITIONS

The rates named herein are subject to increases as set forth in Schedule 100 for Municipal Exactions.

GENERAL TERMS

Service under this rate schedule is governed by the terms of this schedule, the Rules contained in this Tariff, any other schedules that by their terms or by the terms of this rate schedule apply to service under this rate schedule, and by all rules and regulations prescribed by regulatory authorities, as amended from time to time.

**SCHEDULE 105
GENERAL INDUSTRIAL SERVICE RATE**

APPLICABILITY

This schedule is available to industrial customers.

RATE

Basic Service Charge		\$35.00	per month
Delivery Charge		\$0.24226	per therm
Schedule 177	Cost of Gas (WACOG)	\$0.43129	per therm
Schedule 191	Temporary Gas Cost Rate	\$0.03725	per therm
Schedule 192	Intervenor Funding	\$0.00088	per therm
Schedule 193	Conservation Alliance Plan	\$0.00000	per therm
Schedule 195	Oregon Corporate Activity Tax	\$0.00265	per therm
Schedule 196	Oregon Earnings Sharing	\$0.00000	per therm
Schedule 197	Environmental Remediation Cost	\$0.00030	per therm
Schedule 198	Unprotected EDIT	(\$0.00358)	per therm
	Total	\$0.71105	per therm

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MINIMUM CHARGE

Basic Service Charge \$35.00

TERMS OF PAYMENT

Each monthly bill shall be due and payable within fifteen days from the date of rendition.

TAX ADDITIONS

The rates named herein are subject to increases as set forth in Schedule 100 for Municipal Exactions.

GENERAL TERMS

Service under this rate schedule is governed by the terms of this schedule, the Rules contained in this Tariff, any other schedules that by their terms or by the terms of this rate schedule apply to service under this rate schedule, and by all rules and regulations prescribed by regulatory authorities, as amended from time to time.

**SCHEDULE 111
LARGE VOLUME GENERAL SERVICE RATE**

APPLICABILITY

Service under this schedule shall be for natural gas supplied for all purposes to customers having an annual fuel requirement of not less than 50,000 therms and where the customer's major fuel requirement is for process use.

RATE

Basic Service Charge		\$144.00	per month
Delivery Charge		\$0.16113	per therm
OTHER CHARGES:			
Schedule 177	Cost of Gas (WACOG)	\$0.43129	per therm
Schedule 191	Temporary Gas Cost Rate	\$0.03725	per therm
Schedule 192	Intervenor Funding	\$0.00088	per therm
Schedule 193	Conservation Alliance Plan	\$0.00000	per therm
Schedule 195	Oregon Corporate Activity Tax	\$0.00265	per therm
Schedule 196	Oregon Earnings Sharing	\$0.00000	per therm
Schedule 197	Environmental Remediation Cost	\$0.00030	per therm
Schedule 198	Unprotected EDIT	(\$0.00275)	per therm
	Total	\$0.63075	per therm

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MINIMUM CHARGE

Basic Service Charge \$144.00

SERVICE AGREEMENT

Customers receiving service under this rate schedule shall execute a service agreement for a minimum period of twelve consecutive months' use. The service agreement term shall be for a period not less than one year and the termination date of the service agreement in any year shall be September 30th.

ANNUAL DEFICIENCY BILL

In the event the customer purchases less than the Annual Minimum Quantity of 50,000 therms as stated in the service agreement, the customer shall be charged an Annual Deficiency Bill. The Annual Deficiency Bill shall be calculated as the difference between the Annual Minimum Quantity and the actual purchase of transport therms times the difference between the per therm rates effective in this schedule and any modifying schedules less WACOG.

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SCHEDULE 163

GENERAL DISTRIBUTION SYSTEM INTERRUPTIBLE TRANSPORTATION SERVICE

PURPOSE

This schedule provides interruptible transportation service on the Company’s distribution system of customer-supplied natural gas. Service under this schedule is subject to entitlement and curtailment.

APPLICABILITY

To be served on this schedule, the customer must have a service agreement with the Company. The customer must also have secured the purchase and delivery of gas supplies, which may include purchases from a third party agent authorized by the customer served on this schedule. Such agent, otherwise known as a marketer or supplier and hereafter referred to as supplier, nominates and transports natural gas to the Company’s system on a Customer’s behalf in the manner established herein.

RATE

A. **Basic Service Charge** \$625.00 per month

B. **Distribution Charge** for All Therms Delivered Per Month

		Base Rate	Sch. 192	Sch. 195	Sch. 196	Sch 197	Sch 198	Billing Rate		
First	10,000	\$0.12833	\$0.00088	\$0.00265	\$0.000	\$0.00030	(\$0.00114)	\$0.13102	per therm	(T)
Next	10,000	\$0.11577	\$0.00088	\$0.00265	\$0.000	\$0.00030	(\$0.00114)	\$0.11846	per therm	(T)
Next	30,000	\$0.10877	\$0.00088	\$0.00265	\$0.000	\$0.00030	(\$0.00114)	\$0.11146	per therm	(T)
Next	50,000	\$0.06680	\$0.00088	\$0.00265	\$0.000	\$0.00030	(\$0.00114)	\$0.06949	per therm	(T)
Next	400,000	\$0.03389	\$0.00088	\$0.00265	\$0.000	\$0.00030	(\$0.00114)	\$0.03658	per therm	(T)
Next	500,000	\$0.01816	\$0.00088	\$0.00265	\$0.000	\$0.00030	(\$0.00114)	\$0.02085	per therm	(T)
Over	1,000,000	\$0.00189	\$0.00088	\$0.00265	\$0.000	\$0.00030	(\$0.00114)	\$0.00458	per therm	(T)

C. **Commodity Gas Supply Charge**

The Company will pass through to the customer served on this schedule all costs, if any, incurred for securing the necessary supply at the city gate excluding pipeline transportation charges.

D. **Gross Revenue Fee**

The total of all charges invoiced by Company shall be subject to a Gross Revenue Fee reimbursement charge to cover state utility tax and other governmental levies imposed upon the Company, as those fees and levies may be in effect from time to time.

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**SCHEDULE 170
INTERRUPTIBLE SERVICE**

AVAILABILITY

This schedule is available for natural gas delivered for all purposes to customers having an annual fuel requirement of not less than 180,000 therms per year and where customer agrees to maintain standby fuel burning facilities and an adequate supply of standby fuel to replace the entire supply of natural gas delivered hereunder.

SERVICE

Service under this schedule shall be subject to curtailment by the Company when in the judgment of the Company such curtailment or interruption of service is necessary. Company shall not be liable for damages for or because of any curtailment of natural gas deliveries hereunder.

RATE

Basic Service Charge		\$300.00	per month
Delivery Charge		\$0.12376	per therm
OTHER CHARGES:			
Schedule 177	Cost of Gas (WACOG)	\$0.43129	per therm
Schedule 191	Gas Cost Rate Adjustment	\$0.03725	per therm
Schedule 192	Intervenor Funding Adjustment	\$0.00088	per therm
Schedule 193	Conservation Alliance Plan	\$0.00000	per therm
Schedule 195	Oregon Corporate Activity Tax	\$0.00265	per therm
Schedule 196	Oregon Earnings Sharing	\$0.00000	per therm
Schedule 197	Environmental Remediation Costs	\$0.00030	per therm
Schedule 198	Unprotected EDIT	(\$0.00204)	per therm
All Therms per Month:	Total Per Therm Rate	\$0.59409	per therm

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MINIMUM CHARGE

Basic Service Charge \$300.00

TERMS OF PAYMENT

Each monthly bill shall be due and payable fifteen days from the date of rendition.

TAX ADDITIONS

The rates named herein are subject to increases as set forth in Schedule 100 for Municipal Exactions.

SERVICE AGREEMENT

Service under this schedule requires an executed service agreement between the Company and the customer. The service agreement term shall be for a period not less than the period covered under the customer's gas purchase contract with the customer's supplier. However, in no event shall the service agreement be for less than one year and the termination date of the service agreement in any year shall be September 30th. (continued)

**SCHEDULE 197
ENVIRONMENTAL REMEDIATION COST ADJUSTMENT**

APPLICABLE

This adjustment is applicable to customers served on Schedule 101, 104, 105, 111, 163, 170, and 800.

PURPOSE

This schedule recovers environmental remediation costs for a former manufactured gas plant in Eugene, Oregon. The Company is authorized per Order No. 16-477 to recover \$162,000 over a three-year period of time.

RATE

The following rate shall be applied to all applicable customers on an equal cents per therm basis:

\$0.00030	per therm
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LIMITATION

This temporary rate addition shall remain in effect until cancelled pursuant to order of the Oregon Public Utility Commission.

SPECIAL TERMS AND CONDITIONS

The rates named herein are subject to increases as set forth in Schedule No. 100 Municipal Exactions.

GENERAL TERMS

Service under this schedule is governed by the terms of this schedule, the Rules contained in this Tariff, any other schedules that by their terms or by the terms of this schedule apply to service under this schedule, and by all rules and regulations prescribed by regulatory authorities, as amended from time to time.

**SCHEDULE 198
UNPROTECTED EXCESS DEFERRED INCOME TAX (EDIT)
RATE ADJUSTMENT SCHEDULE**

APPLICABLE

This adjustment is applicable to customers served on Schedules 101, 104, 105, 111, 163, and 170.

PURPOSE

The Tax Cut and Jobs Act (the Act), signed into law by President Trump on December 22, 2017, reduced the federal corporate income tax rate from 35% to 21% effective for tax years beginning after December 31, 2017. This rate adjustment schedule annually returns to customers the unprotected excess deferred income tax (EDIT) amortizations in accordance with the terms and conditions established in the Settlement Agreement filed in UG-347.

RATE

This following adjustment rate will apply on a per therm basis for each rate schedule as listed in the table below:

Rate Schedule	Per Therm Charge
101	(\$0.00720)
104	(\$0.00462)
105	(\$0.00358)
111	(\$0.00275)
163	(\$0.00114)
170	(\$0.00204)

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TERM

This rate schedule adjustment shall be effective for a term of five years, ending March 31, 2024.

TAX ADDITIONS

The rates named herein are subject to increases as set forth in Schedule No. 100 Municipal Exactions.

GENERAL TERMS

Service under this schedule is governed by the terms of this schedule, the Rules contained in this Tariff, any other schedules that by their terms or by the terms of this schedule apply to service under this schedule, and by all rules and regulations prescribed by regulatory authorities, as amended from time to time.

**Schedule 800
Biomethane Receipt Services**

PURPOSE:

This Schedule establishes terms and conditions whereby qualifying producers of biomethane (Biomethane Producer) may request either a newly constructed interconnection to the Company’s distribution system or increased capacity at an existing interconnection point for the purpose of injecting qualifying biomethane on the Company’s distribution system.

APPLICABILITY:

Service under this Schedule is available to Biomethane Producers who meet all of the following conditions:

- 1) The Biomethane Producer must meet the following credit screening criteria as established for nonresidential customers in Rule 2;
- 2) The raw biogas from which the biomethane is produced must be from one or a mix of the following feedstocks: a) agricultural byproducts; b) wastewater; c) landfill waste; or d) food and beverage waste;
- 3) The Company, in its sole opinion, has determined that injection of biomethane will not jeopardize or interfere with normal operation of the Company’s distribution system and its provision of gas service to its customers;
- 4) Prior to the Company’s building an interconnection, the Biomethane Producer must demonstrate to the satisfaction of Company that it has secured end user(s) that are Company’s customers who agree to purchase all the estimated biomethane production; and
- 5) The Biomethane Producer must comply with all terms and conditions preceding biomethane receipt services as established herein, including:
 - a. Paying all costs for the Interconnection Capacity Study and the Engineering Study as well as all interconnect costs; and
 - b. Executing a Biomethane Receipt Services Agreement for ongoing receipt services under this Schedule.

MONTHLY CHARGES

A Biomethane Producer receiving service under this Schedule shall receive the following monthly charges:

Basic Service Charge \$2,500.00

Blocks By Therms		Base Rate	Odorant	Sch. 192	Sch. 195	Sch. 197	Sch. 198	Billing Rate
First	10,000	\$0.12833	\$0.0002125	\$0.00088	\$0.00265	\$0.00030	(\$0.00114)	\$0.13123
Next	10,000	\$0.11577	\$0.0002125	\$0.00088	\$0.00265	\$0.00030	(\$0.00114)	\$0.11867
Next	30,000	\$0.10877	\$0.0002125	\$0.00088	\$0.00265	\$0.00030	(\$0.00114)	\$0.11167
Next	50,000	\$0.06680	\$0.0002125	\$0.00088	\$0.00265	\$0.00030	(\$0.00114)	\$0.06970
Next	400,000	\$0.03389	\$0.0002125	\$0.00088	\$0.00265	\$0.00030	(\$0.00114)	\$0.03679
Over	500,000	\$0.01816	\$0.0002125	\$0.00088	\$0.00265	\$0.00030	(\$0.00114)	\$0.02106

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