

**PUBLIC UTILITY COMMISSION OF OREGON
STAFF REPORT
PUBLIC MEETING DATE: June 27, 2023**

REGULAR **CONSENT** **EFFECTIVE DATE** June 28, 2023

DATE: June 12, 2023

TO: Public Utility Commission

FROM: Ted Drennan

THROUGH: Caroline Moore and Scott Gibbens **SIGNED**

SUBJECT: CASCADE NATURAL GAS COMPANY:
(Docket No. ADV 1497/Advice No. O23-04-01)
Updates Schedule 800, Biomethane Receipt Services.

STAFF RECOMMENDATION:

Staff recommends the Commission approve Cascade Natural Gas Company's (Cascade, CNG, or Company) Advice No. O23-04-01 filing that proposes changes to Schedule 800, Biomethane Receipt Service.

DISCUSSION:

Issue

Whether the Commission should approve Cascade's proposed changes to Schedule 800, Biomethane Receipt Service.

Applicable Rule or Law

ORS 757.205 requires public utilities to file schedules showing all rates, tolls, and charges for service that have been established and are in force at the time. Pursuant to ORS 757.210, the Commission may approve tariff changes if they are deemed to be fair, just, and reasonable.

Tariff revisions are made by filing revised sheets with the information required under the Commission's administrative rules, including 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.
ORS 757.220; OAR 860-022-0015.

Analysis

Background

On April 12, the Company filed to revise Schedule 800, Biomethane Receipt Services, requesting an effective date of May 17, 2023. The schedule was originally established in 2017 to allow for biomethane (also known as renewable natural gas or RNG) injections on the Cascade distribution system. The tariff allows local producers of pipeline-quality RNG the opportunity to use Cascade's system to transport RNG to a buyer.

Upon review of the filing, Staff had questions on some of the proposed language changes. To accommodate Staff's questions, and provide additional time for discussion, the Company filed replacement sheets on May 2, 2023, to delay the effective date until June 28, 2023.

Following meetings and discussion with Staff, the Company made an updated filing on June 12, 2023. The filing addressed concerns that Staff raised with the original proposed changes to the tariff.

Reason for Update

Cascade's reason for filing the update was to "clarify that service under this schedule is for biomethane producers seeking distribution service on Cascade's system and is not for the sale of biomethane or its environmental attributes to Cascade."¹ Staff believes the edits remove any potential ambiguity there could be among RNG developers.

The Company also simplified the tariff, removing quality standards based on obsolete parameters. These standards will now be contained in the Interconnection Agreements, as opposed to the tariff. Staff believes given the nascent RNG market it is appropriate to have the evolving standards in Cascade's Interconnection Agreements as opposed to Schedule 800.

¹ ADV 1497, Cascade's Advice No. O23-04-01, p.1,
<https://edocs.puc.state.or.us/efdocs/UAA/uaa121637.pdf>.

Conclusion

After reviewing Cascade's revised filing, Staff believes the tariff offers a reasonable balance between encouraging the development of renewable natural gas and protecting the interests of Cascade's current natural gas customers. There should be no confusion or ambiguity in the revised tariff.

Based on discussion with the Company, and the subsequent tariff revisions, Staff believes the tariff update is fair, just, and reasonable and should be approved by the Commission.

PROPOSED COMMISSION MOTION:

Approve Cascade Natural Gas Company's Advice No. O23-04-01 filing proposing changes to Schedule 800, Biomethane Receipt Service, effective June 28, 2023.