



Oregon

Tina Kotek, Governor

Public Utility Commission

201 High St SE Suite 100

Salem, OR 97301-3398

Mailing Address: PO Box 1088

Salem, OR 97308-1088

503-373-7394

February 20, 2024



BY EMAIL

Cascade Natural Gas Corporation

cngcregulatory@cngc.com

lori.blattner@intgas.com

RE: Advice No. O24-01-01

At the public meeting on February 20, 2024, the Commission adopted Staff's recommendation in this matter docketed as ADV 1586. 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 20, 2024**

REGULAR **CONSENT** **EFFECTIVE DATE** February 21, 2024

DATE: February 6, 2024

TO: Public Utility Commission

FROM: Scott Shearer and Lucy Mondragon

THROUGH: Bryan Conway and Marc Hellman **SIGNED**

SUBJECT: CASCADE NATURAL GAS:
(Docket No. ADV 1586/Advice No. O24-01-01)
Requests Revisions to the Definitions of Residential and Commercial Customers.

STAFF RECOMMENDATION:

Staff recommends the Commission approve Cascade Natural Gas' (CNG or Company) request, subject to conditions, to update Sheets 2.1 and 2.2 in its tariff. Specifically, to update the definitions of residential and commercial customers.

DISCUSSION:

Issue

Whether the Commission should approve CNG's request to update the definitions of residential and commercial customers.

Applicable Rule or Law

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.

ORS 757.210(1) The Commission may approve tariff changes if they are deemed to be fair, just, and reasonable.

ORS 757.220 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. Tariff revisions or corrections may be made by filing revised sheets with the information required under the Commission's administrative rules, including.

OAR 860-021-0008 provides the broad definitions for service, including customer.

Analysis

CNG states the reason for the change in definitions is:

The purpose of this filing is to revise the definitions of residential and commercial customers to provide greater clarity to Cascade's field employees. The Company is simultaneously revising the same definitions in its Washington Tariff for systemwide consistency. The language revisions add clarity and are not substantive; they will not result in a need to reclassifying the service designation of any existing customers.

Staff reviewed the changes in the tariffs and compared the changes to the definitions listed in OAR 860-021-0008 for compliance.

Energy Justice

The Citizens' Utility Board (CUB) mentioned a concern to the Commission's Energy Justice Program Manager, about the language that could have a potential effect on low-income households' access to assistance funding. Specifically, tenants of buildings with master metered facilities, where the customer is the building owner, but the tenant qualifies for energy assistance funding. The concern was the new language could potentially remove residential customers from qualifying for assistance, as the location would now be considered "commercial" under the new definitions. The Commission previously addressed this concern for PacifiCorp, in Docket No. ADV 1431.

On January 30, 2024, Staff met with CNG to discuss the concern. CNG confirmed that the new language does not affect customers, it is simply for consistency clarity for their field staff and to match up the definitions in it's Washington and Oregon territories. Additionally, CNG's cover letter states "*The language revisions add clarity and are not substantive; they will not result in a need to reclassifying the service designation of any existing customers.*" CNG also indicated that they did not serve any master metered residential customers that they were aware of. They agreed to review their customer base and confirm that there are no residential master metered customers in their system. On January 31, 2024, CNG confirmed this via email.

CNG, CUB, and Staff all agreed that this topic should be addressed as a part of Docket No. UM 2211 discussion related to programs to address energy burden.¹

Both CNG and CUB have reviewed a copy of this memo and voiced no concerns.

Conclusion

Based on its review of the Company's filing, Staff concludes the changes in the definitions of residential and commercial customers are reasonable and meet the required minimum definitions for service, with the condition that, subject to outcome of Docket No. UM 2211, additional changes may be required of CNG's tariff and definitions.

PROPOSED COMMISSION MOTION:

Approve Cascade Natural Gas' request to update Sheets 2.1 and 2.2 in its tariff, revising the definitions of residential and commercial customers, subject to the outcome of Docket No. UM 2211.

ADV 1586 CNG Advice O24-01-01

¹ See *In the Matter of Public Utility Commission of Oregon, Implementation of House Bill 2475*, Docket No. UM 2211, Staff's Letter to Stakeholders Providing Implementation Strategy Update, Dec. 22, 2021.

**RULE 2
DEFINITIONS**

DEFINITIONS

When used in this Tariff the following terms shall have the meanings defined below:

1. Applicant - A person, firm, or corporation that (1) applies for service; (2) reapplies for service at a new or existing location after service has been disconnected; or (3) has not met the requirements for becoming a customer as established in Rule 3.
2. BTU - British Thermal Unit
3. British Thermal Unit - The standard unit for measuring a quantity of thermal energy. One BTU equals the amount of thermal energy required to raise the temperature of one pound of water one degree Fahrenheit and is exactly defined as equal to 1,055.05585262 joules. 100,000 BTUs is equivalent to one therm.
4. Commission - The Public Utility Commission of Oregon or otherwise referred to as OPUC.
5. Company - Cascade Natural Gas Corporation (Cascade) or its assigned agents acting through its duly authorized officers or employees within the scope of their respective duties.
6. Core Customer – A core customer is one for whom the Company purchases and delivers natural gas.
7. Customer - Any person, firm, or corporation that has:
 - A. Applied for, been accepted, and is currently receiving gas and, or distribution service from the Company under these Rules and Regulations at one location under one rate classification contract, or
 - B. Received gas or distribution service from the Company, and voluntarily terminated service within the past twenty days.
8. Curtailement - An event when the Company must interrupt service to customers in accordance with Rule 17. The amount of service reduction required and the length of time for any curtailment event is dependent upon the severity and geographical scope of the circumstances requiring the curtailment.
9. Customer Classifications:
 - A. Residential - Residential service is provided at dwellings primarily used for residential purposes, including, but not limited to, a) single family dwellings, b) separately metered apartment, condominium, or townhouse units, mobile homes, and houseboats, c) a single metered duplex or multiplex not exceeding two housing units. Residential service does not include dwellings employed for transient occupancy, such as hotels, motels, camps, lodges, and clubs. For purposes of this rule, a residential dwelling must contain permanent facilities for sleeping, bathing, and cooking.

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**RULE 2
DEFINITIONS**

DEFINITIONS (continued)

Customer Classifications (continued)

- B. Commercial - Commercial service is provided to a customer engaged in selling, warehousing, or distributing a commodity, in some business activity or in a profession, or in some form of economic or social activity, including but not limited to office spaces, stores, and clubs. Commercial service is also provided to the following dwellings: 1) spaces for transient occupancy such as hotels and motels; 2) common spaces within individually metered apartments, townhouse, and condominiums such as lobbies, hallways, corridors, recreation rooms, pools, shared barbeques, and shared gyms; and 3) multiple unit residential dwellings with a single meter serving more than two units. Commercial service also includes purposes that do not come directly under another classification of service.
 - C. Industrial - Service to a customer engaged in a process which creates or changes raw or unfinished materials into another form or product. (Factories, mills, machine shops, mines, oil wells, refineries, pumping plants, creameries, canning and packing plants, shipyards, etc., i.e., in extractive, fabricating or processing activities).
 - D. Interruptible Gas - An interruptible gas service is considered non-firm, receives a reduced rate on natural gas service because this class of customers is the first curtailed when gas supply or distribution is constrained for reasons other than force majeure, and is required to have a back-up system for use when curtailment occurs. An interruptible customer is a *core* customer because the Company purchases this customer’s gas.
 - E. Transportation - Transportation customers purchase their own natural gas and procure only distribution services from the Company.
10. Gas Day - A twenty-four-hour period beginning daily at 7:00 a.m. Pacific Clock Time (PCT), which is Pacific Standard Time or Daylight Savings Time in Kennewick, Washington, whichever is effective at the time of reference. The Company’s Gas Day coincides with the Gas Day established in Northwest Pipeline’s tariff, which may change from time to time, upon approval of the Federal Energy Regulatory Commission (FERC).
 11. Firm Service - The sale of natural gas on a firm basis where the Company will exercise reasonable diligence to supply and deliver continuous service to customers not receiving interruptible service. See Order of Priority in Rule 17.

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