

**PUBLIC UTILITY COMMISSION OF OREGON  
STAFF REPORT**

**PUBLIC MEETING DATE: December 28, 2021**

**REGULAR**  **CONSENT**  **EFFECTIVE DATE** January 1, 2022

**DATE:** December 20, 2021

**TO:** Public Utility Commission

**FROM:** Nick Sayen

**THROUGH:** Bryan Conway, JP Batmale, and Sarah Hall **SIGNED**

**SUBJECT:** NORTHWEST NATURAL:  
(Docket No. ADV 1347/Advice No. 21-17)  
Proposes revisions to Schedule 301 to update the portion allocated to the Energy Trust of Oregon.

**STAFF RECOMMENDATION:**

Approve Northwest Natural's (NW Natural or Company) Advice No. 21-17, effective with service on and after January 1, 2022.

**DISCUSSION:**

Issue

Whether the Commission should approve NW Natural's advice filing to revise Schedule 301, Public Purposes Funding Surcharge, which updates the portion allocated to the Energy Trust of Oregon.

Applicable Rule or Law

ORS 757.205(1) states that 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. Pursuant to ORS 757.210, the Commission may approve tariff changes if they are deemed to be fair, just, and reasonable. 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 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.

OAR 860-022-0030(1) further requires that for tariff or schedule filings proposing increased rates, the utility must for each separate schedule, identify the total number of customers affected, the total annual revenue derived under the existing schedule, and the amount of estimated revenue which will be derived from applying the proposed schedule, the average monthly use and resulting bills under both the existing rates and the proposed rates that will fairly represent the application of the proposed tariff or schedules, and the reasons or grounds relied upon in support of the proposed increase.

NW Natural's public purpose funding surcharge was established pursuant to Commission Order No. 02-634 in Docket No. UG 143, and supports a number of public purposes.

### Analysis

#### *Background*

On November 15, 2021, NW Natural submitted Advice No. 21-17 requesting revisions to Schedule 301, Public Purposes Funding Surcharge, to increase the portion allocated to the Energy Trust of Oregon (Energy Trust) for administration of residential and commercial energy efficiency programs.

The proposed funding level was developed through discussions with Energy Trust as the level needed to achieve 2022 energy efficiency program funding requirements, and to acquire all cost-effective energy efficiency in 2022.

#### Schedule 301 – Public Purposes Funding Surcharge

NW Natural's Schedule 301 is designed to fund public purposes activities to be administered through independent entities. As noted in the Company's tariff, public purposes activities can include, but are not necessarily limited to, programs such as: energy efficiency, market transformation, residential low-income energy efficiency, and residential low-income bill payment assistance.

Schedule 301 is applicable to all Schedule 2 Residential Customers and Schedule 3, 27, and 31 Commercial Customers.

*Public Purposes Funds Allocated to the Energy Trust*

The proposed revision would increase the portion of the surcharge allocated to the Energy Trust by 0.48 percent, from 3.70 percent to 4.18 percent. This change represents a 13 percent increase in the rate. As explained in the filing, this change is intended to provide Energy Trust with approximately \$28.2 million dollars of residential and commercial energy efficiency program funding in 2022, which is sufficient to acquire nearly 4.2 million of therm savings. As calculated by Staff, this reflects an increase of approximately \$3,250,000 to the previously projected Energy Trust portion of Schedule 301 for 2021.

*Effects of Filing*

The proposed revision will increase the portion of the surcharge allocated to the Energy Trust, but does not make changes to remaining portions of the surcharge. Specifically, this filing makes no change to the Residential surcharges for low-income bill payment assistance and low-income energy efficiency activities. These remain at 0.75 percent and 0.85 percent respectively. The effect of the change to Schedule 301 will result in a total public purposes surcharge of 5.78 percent for Residential bills.

This filing makes no changes to the Commercial surcharge for low-income energy efficiency activities, which remains at 0.85 percent. The effect of the change to Schedule 301 will result in a total public purposes surcharge of 5.03 percent for Commercial bills.

As stated in the filing, the average residential customer on Schedule 2, using 54 therms per month, will see a \$0.31 increase in their monthly bill as a result of this filing. This represents a 0.5 percent increase in their monthly bill. The average commercial customer on Schedule 3, using 242 therms per month, will see a \$1.18 increase in their monthly bill as a result of this filing. This represents a 0.5 percent increase in their monthly bill.

Staff asked for and received the Company's workpapers outlining this increase to the public purposes surcharge, as well as the calculations of bill impacts. Staff reviewed the workpapers and finds the tariff calculations to be accurate.

Per the Company's filing, there is no change in NW Natural's operating revenue resulting from the proposed revision.

*Conclusion*

Staff finds that NW Natural's filing, and the workpapers associated with the filing, meet the necessary requirements outlined in the Applicable Rule or Law section. Staff finds

Docket No. ADV 1347  
December 20, 2021  
Page 4

that the Company's revision to Schedule 301 results in rates that are fair, just, and reasonable. Staff recommends the Commission approve NW Natural's advice filing.

**PROPOSED COMMISSION MOTION:**

Approve NW Natural's Advice No. 21-17, proposing revisions to Schedule 301, Public Purposes Funding Surcharge, to update the portion allocated to the Energy Trust of Oregon, effective with service on and after January 1, 2022.

Docket No. ADV 1347