

ITEM NO. *CAB*

PUBLIC UTILITY COMMISSION OF OREGON
STAFF REPORT
PUBLIC MEETING DATE: January 10, 2017

REGULAR _____ CONSENT X EFFECTIVE DATE January 22, 2017

DATE: December 29, 2016

TO: Public Utility Commission

FROM: Scott Gibbens *MH GSC*

THROUGH: Jason Eisdorfer *JE* and Marc Hellman *#*

SUBJECT: CASCADE NATURAL GAS: (Docket No. ADV 483/Advice No. O16-12-01)
Housekeeping revision to Schedule 33, Conservative Achievement Tariff.

STAFF RECOMMENDATION:

The Public Utility Commission (Commission) should approve the application by Cascade Natural Gas (CNG or Company) to modify Tariff P.U.C. Or. No. 9, Schedule 33: Conservation Achievement Tariff (Tariff).

DISCUSSION:

Issue

Whether the Commission should approve CNG's proposed revision to Schedule 33 correcting an error in language included in previous revisions to the tariff effective on December 1, 2016, pursuant to Advice No. O16-10-02.

Applicable Rule or Law

The Company's filing involves tariff sheets that are governed by ORS 757.205, ORS 757.210, and OAR 860-022-0025. OAR 860-022-0025 provides that utilities may make tariff changes by filing an entirely new tariff or by filing revised sheets that refer to the tariff sheets on file. 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. See ORS 757.220. The Commission reviews tariffs filed under ORS 757.205 and 757.210 to determine whether they are fair, just, and reasonable.

Analysis

Advice No. O16-12-01 was filed on December 22, 2016. The purpose of this filing is to correct an error in language in Schedule 33 inadvertently included in Advice No. O16-10-02. The Commission approved Advice No. O16-12-01 at its public meeting on November 22, 2016, and the changes to Schedule 33 became effective with service rendered on and after December 1, 2016. The Company revised Schedule 33 to add parameters to its Conservation Achievement Tariff (CAT) program. The Company added a \$10,000 spending cap per project; however the language adopted defining the cap states that the cap does not include rebates from the Oregon Low Income Energy Conservation (OLIEC) program, the OLIEC admin fees, and CAT reimbursements for the home audit and post work inspection. This current filing, Advice No. O16-12-01, changes the language of Schedule 33 so that it states:

This \$10,000 cap on CAT reimbursements includes OLIEC rebates, the OLIEC administrative fee, and CAT reimbursements for the audit and inspection.

PUC Staff, staff at the Oregon Housing and Community Services, several Agency partners and CNG met prior to the Company's filing of Advice No. O16-10-02, in order to define parameters and fine tune the CAT program. In the meetings that took place on August 11 and September 23, Staff proposed a cap on the spending of any single project. At the time, it was the intention to include the cap to control costs of a single project so that funds would be available for a greater number of projects. The intention of the parties involved in crafting the improvements that eventually became Advice No. O16-10-02, was that the Cap would apply to OLIEC rebates, the OLIEC admin fee, and audit and inspection costs. The current language in the tariff however, explicitly excludes those items from the Cap, which renders the cost control mechanism ineffective and runs counter to the original intent.

Staff reviewed the filing, tariff schedule, issue history and Company's memorandum of understanding to ensure that the proposed changes result in correct tariffs. Staff had one clarifying phone conversation with the Company. Staff found that the Company's proposed changes are consistent with the original intent of the parties involved and result in a correct tariff sheet.

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Conclusion

After review of CNG's tariff filing and supporting documentation, Staff concludes that the proposed revision to Sheet 33-D is fair, just and reasonable.

PROPOSED COMMISSION MOTION:

Approve CNG's proposed revisions to Tariff P.U.C. Or. 9, Schedule 33, for service rendered on and after January 22, 2017.

Advice No. O16-11-01