

ITEM NO. CA15

PUBLIC UTILITY COMMISSION OF OREGON
STAFF REPORT
PUBLIC MEETING DATE: December 18, 2018

REGULAR _____ CONSENT X EFFECTIVE DATE January 1, 2019

DATE: December 11, 2018

TO: Public Utility Commission

FROM: Mitchell Moore *MM*

THROUGH: Jason Eisdorfer and John Crider *Jc*

SUBJECT: NORTHWEST NATURAL GAS: (Docket No. ADV 891/Advice No. 18-15)
Updates Schedule 301 Public Purposes Funding Surcharge.

STAFF RECOMMENDATION:

Staff recommends that the Public Utility Commission of Oregon (Commission) approve Northwest Natural Gas Company doing business as NW Natural's (NWN's) filing Advice No. 18-15 and allow it to take effect January 1, 2019.

DISCUSSION:

Issue

Whether the Commission should allow NWN's proposed revisions to Schedule 301, the Public Purposes Funding Surcharge for the administration of residential and commercial energy efficiency programs.

Applicable Rule or Law

Under ORS 757.205(1):

Every public utility shall file with the Public Utility Commission, within a time to be fixed by the commission, schedules which shall be open to public inspection, showing all rates, tolls and charges which it has established and which 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 per ORS 757.210. Tariff revisions or corrections may be made by filing revised sheets with the information required under the Commission's administrative rules, including OAR 860-022-0005 and OAR 860-022-0025. OAR 860-022-0025(2) specifically requires that each energy utility changing existing tariffs or schedules 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 change. ORS 757.220; OAR 860-022-0015.

NW Natural's public purpose funding surcharge was established pursuant to Commission Order No. 02-634 in Docket UG 143, and supports a number of public purposes, including low-income weatherization assistance. The low-income weatherization program supported by this surcharge is set forth in Schedule 320, which was most recently revised when Advice No. 17-16 went into effect on November 1, 2017, following Commission approval.

Analysis

Schedule 301:

Advice No. 18-15 was filed on November 29, 2018 to increase the portion of the public purposes funding surcharge allocated to Energy Trust of Oregon (ETO) for the administration of residential and commercial energy efficiency programs from 3.59 percent to 3.88 percent by amending Sheet 301-1 in Schedule 301.

The effect of this filing is to increase the average residential bill by about \$0.15 per month and the average commercial bill by about \$0.58 per month. The total public purpose charge applied to residential bills will be 5.18 percent; the total charge applied to commercial bills will be 4.43 percent.

NW Natural states that the change will ensure \$23.7 million in ETO total program funding for 2019, which is sufficient to acquire nearly 3.9 million therm savings

Staff reviewed the tariff calculations and stated need for the increase. Staff found no issues in the Company workpapers. Staff finds the increase reasonable given the level of program participation and the relative small impact to customers.

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Conclusion

Staff supports the revisions filed by NWN as appropriate. Staff reviewed the proposed schedule changes to ensure that they resulted in fair and reasonable rates. Staff recommends the Commission approve the tariff changes as filed.

PROPOSED COMMISSION MOTION:

Approve NWN's Advice No.18-15 and allow it to go into effect with service on and after January 1, 2019.

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