



# Oregon

Kate Brown, Governor

## Public Utility Commission

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July 27, 2021



### BY EMAIL

Cascade Natural Gas Corporation

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RE: Advice No. O21-06-01

At the public meeting on July 27, 2021, the Commission adopted Staff's recommendation in this matter docketed as ADV 1286. 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

ITEM NO. CA3

**PUBLIC UTILITY COMMISSION OF OREGON  
STAFF REPORT  
PUBLIC MEETING DATE: July 27, 2021**

REGULAR  CONSENT  EFFECTIVE DATE August 1, 2021

**DATE:** July 15, 2021

**TO:** Public Utility Commission

**FROM:** Kathy Zarate

**THROUGH:** Bryan Conway, John Crider, and Matt Muldoon **SIGNED**

**SUBJECT:** CASCADE NATURAL GAS:  
(Docket No. ADV 1286/Advice No. O21-06-01)  
Requests housekeeping revisions to Schedule 163.6-8 and 199.1 to  
remove and to add clarifying language.

**STAFF RECOMMENDATION:**

Approve Cascade ADV 1286/Advice No. O21-06-01 for service on and after August 1, 2021.

**DISCUSSION:**

Issue

Whether the Commission should approve the Company's housekeeping amendments to its tariffs sheets that reflect Commission-approved changes to the title on Schedule 163 and 199 Sheet 6, 7, 8, and 1, respectively.

Applicable 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 fair, just, and reasonable. ORS 757.210.

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 propose 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.

Tariff filings to be effective on less than 30 days following notice of the change may be authorized with a waiver of less than statutory notice pursuant to ORS 757.220 and OAR 860-022-0020.

### Analysis

On July 1, 2021, Cascade Natural Gas (Cascade or the Company) submitted these housekeeping filing revisions to add or remove clarifying language relating to Schedule 163 and 199 Sheet 6, 7, 8, and 1, respectively.

The purpose of this filing is to remove text in the tariff that is a remnant of a prior time when Cascade used to sell nominated gas to its customers. The Company or Cascade no longer offers this service and thus this language needs to be removed.

In this filing, Cascade proposes to change their tariffs as follows:

- In order to remove a service from the tariff that is no longer offered to customers, the Company has revised the First Revision of Sheet No. 163.6 by eliminating the entire paragraph of "Priority of Nominated Gas";
- In order to clarify the language, the Company has changed the Fourth Revision of Sheet No. 163.7 to replace the word "entitlement" with

“curtailment” in the first paragraph, line 6, section “Automatic Assignment of Gas Supply During a Curtailment”.

- In order to align the Company’s entitlement penalties with those of the upstream pipelines, the Company has changed Second Revision of Sheet No. 163.8, lines 4 and 5 from 3 to 5 percent and 5 to 3 percent respectively. The Company states that this change helps to protect core customers from exposure to penalties that may be caused by transportation customers in certain circumstances.<sup>1</sup>
- To reflect the expiration date of the refund as March 31, 2019, the Company has changed the First Revision of Sheet No. 199.1 rates to zero.

### Conclusion

After review, Staff concludes that the revisions filed by Cascade are appropriate. By their housekeeping nature, none of the revisions affect customers’ rates or tariff eligibilities. Staff reviewed the proposed schedule changes to ensure that they were consistent with the rates approved by the Commission. Staff also reviewed the entire tariff file to ensure no other schedules were affected by the recent changes. Staff identified no issues or errors with the filing and recommends the Commission approve the tariff changes as filed, allowing the housekeeping revisions to go into effect for service on and after August 1, 2021. In addition, based on Staff’s review of the Company’s responses to information requests, Staff determined that the public is not harmed by this transaction.

### **PROPOSED COMMISSION MOTION:**

Approve Cascade ADV 1286/Advice No. O21-06-01 for service on and after August 1, 2021.

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<sup>1</sup> Cascade IR No. 1.

**SCHEDULE 163  
GENERAL DISTRIBUTION SYSTEM INTERRUPTIBLE TRANSPORTATION SERVICE**

**IMBALANCES**

Each customer served on this rate schedule shall be required to satisfy any monthly imbalance condition in the manner established below.

Upon notification by the Company that the customer has an imbalance greater than 5%, the customer will have 45 non-entitlement days to eliminate any such imbalance. The Company will bill the customer an imbalance penalty if the customer has not completely satisfied such imbalance condition. These non-entitlement penalties are \$10.00 per MMBtu on the imbalance over -the allowed tolerance on a monthly basis.

Under any agency established hereunder, the Company shall rely upon information concerning the applicable customer's distribution service which is provided by the designated representative. All such information shall be deemed to have been provided by the customer. Similarly, any notice or other information provided by the Company to the supplier concerning the provision of distribution service to such customer shall be deemed to have been provided to the customer. The customer shall rely upon any information concerning distribution service that is provided to the supplier as if that information had been provided directly to the customer.

The Company shall determine the customer's daily gas supply entitlement based upon customer's gas requirements forecast and resulting nomination after Company has considered any curtailment of pipeline or distribution system capacity constraints and gas supply constraints. Such daily gas supply entitlements shall include the summation of all gas supply options and optional balancing service daily volumetric level contracted for by the customer. The Company shall notify the supplier and/or customer in the event that the gas supply entitlement is less than the customer's gas nomination(s).

Penalties from upstream pipeline transporter and/or other costs incurred by Company as a result of a nomination imbalance or an unauthorized overrun will be passed on directly to those customer(s) or groups of customers whose take levels contribute to the imposition of the penalty. Such penalty shall be allocated among such customers, including Company's system supply customers, in proportion to the nomination imbalance or unauthorized overrun associated with each customer or group of customers.

(D)

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**SCHEDULE 163**  
**GENERAL DISTRIBUTION SYSTEM INTERRUPTIBLE TRANSPORTATION SERVICE**

**AUTOMATIC ASSIGNMENT OF GAS SUPPLY DURING A CURTAILMENT**

In the event of a curtailment, the Company may automatically take assignment of customer-owned gas supplies in order to protect the service to higher priority customers as defined in Rule 17, Order of Priority for Gas Service. If the Company takes assignment of the customer-owned gas, the Company will compensate the customer with a credit equal to the Gas Daily-midpoint price at the source of the supply for all volumes assigned plus a credit of \$0.60 per therm on all but the first 5 percent of the customer's daily curtailment under this Schedule.

(D)

(T)

**UNAUTHORIZED USE OF GAS DURING ENTITLEMENT PERIODS**

The Company may declare an entitlement period on any day the Company, in its sole discretion, reasonably determines a critical operational condition warrants the need. During a curtailment or an entitlement period, the total physical quantity of gas taken by customers served under this rate schedule exceeds or is less than the total quantity of gas which the customer is entitled to take on such day, as defined below, then all gas taken in excess of such entitlement or not taken within said entitlement shall constitute unauthorized overrun or underrun volume. Each general system or customer-specific declared overrun entitlement period shall be specified as either an overrun or an underrun entitlement for customers such that only one penalty condition may exist at one time, whereas:

- **Underrun Entitlement** – A period of time in which delivered natural gas volumes to a transportation customer may not exceed the customer's confirmed nomination for that day.
- **Overrun Entitlement** – A period of time in which delivered natural gas volumes to a transportation customer must be equal to or more than that customer's confirmed nomination for that day.

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**SCHEDULE 163**  
**GENERAL DISTRIBUTION SYSTEM INTERRUPTIBLE TRANSPORTATION SERVICE**

**UNAUTHORIZED USE OF GAS DURING CUTRAILMENTS OR ENTITLEMENT PERIODS (continued)**

Customers served under this schedule shall pay Company for all unauthorized overrun or underrun quantities that exceed the percentage specified by the Company in its declared entitlement. For a general system or customer-specific declared entitlement period, such percentage will be: (i) in the Company's sole discretion 5 percent, or, in the case of a declared overrun entitlement period announced on the day it is to be in effect, 3 percent for that day (Stage I), 8 percent (Stage II) or 13 percent (Stage III) of a customer's entitlement as set forth above. (I)

(R)

A customer's usage of gas that exceeds the amount authorized by the Company during an entitlement period shall be considered an unauthorized overrun volume. The overrun charge that will be applied during any overrun entitlement period will equal the greater of \$1.00 per therm or 150% of the highest midpoint price for the day at NW Wyoming Pool, NW south of Green River, Stanfield Oregon, NW Canadian Border (Sumas), Kern River Opal, or El Paso Bondad supply pricing points (as published in Gas Daily), converted from dollars per dekatherms to dollars per therm by dividing by ten. The overrun charge will be in addition to the incremental costs of any supplemental gas supplies the Company may have had to purchase to cover such unauthorized use, in addition to the regular charges incurred in the Rate section of this Schedule and any other charges incurred per the terms and conditions established in this Schedule. The payment of an overrun penalty shall not under any circumstances be considered as giving customer the right to take unauthorized overrun gas or to exclude any other remedies which may be available to the Company to prevent such overrun. The charge that will apply during any underrun entitlement period will be \$1.00 per therm for any underrun imbalances.

**NOTICE OF ENTITLEMENT**

The Company shall give as much advance notice as possible for each entitlement. The Company's entitlement periods as well as restoration notices shall be given by telephonic communications, electronic communication, or personal contact by Company personnel to the customer's responsible representative. A notice of entitlement period will include the parameters for gas consumption during said entitlement period.

**TAX ADDITIONS**

The rates named herein are subject to increases as set forth in Schedule 100 for Municipal Exactions.

(continued)

**SCHEDULE 199  
INTERIM PERIOD DEFERRED FEDERAL INCOME TAX BENEFITS  
RATE ADJUSTMENT SCHEDULE**

**APPLICABLE**

This adjustment is applicable to customers served on Schedules 101, 104, 105, 111, 163, and 170.

**PURPOSE**

The Tax Cut and Jobs Act (the Act), signed into law by President Trump on December 22, 2017, reduced the federal corporate income tax rate from 35% to 21% effective for tax years beginning after December 31, 2017. This rate adjustment schedule returns to customers the tax benefits from the period January 1, 2018 through March 31, 2019, when base rates reflected the new tax rates.

**RATE**

The following adjustment rate will apply on a per therm basis for each rate schedule as listed in the table below:

Rate Schedule	Per Therm Charge
101	\$0.00
104	\$0.00
105	\$0.00
111	\$0.00
163	\$0.00
170	\$0.00

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**TERM**

This rate schedule adjustment shall be effective for a term of one year, ending October 31, 2020.

**TAX ADDITIONS**

The rates named herein are subject to increases as set forth in Schedule No. 100 Municipal Exactions.

**GENERAL TERMS**

Service under this schedule is governed by the terms of this schedule, the rules contained in this Tariff, any other schedules that by their terms or by the terms of this schedule apply to service under this schedule, and by all rules and regulations prescribed by regulatory authorities, as amended from time to time.