

ORDER NO. 13 221

ENTERED JUN 18 2013

**BEFORE THE PUBLIC UTILITY COMMISSION
OF OREGON**

UG 245

In the Matter of

CASCADE NATURAL GAS
CORPORATION,

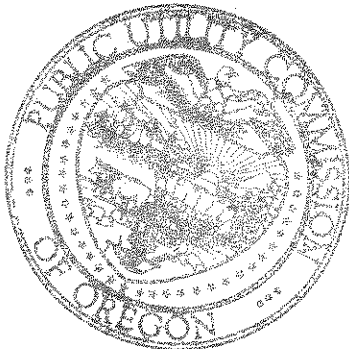
Application for Authorization to Adjust
Schedule No. 31, Public Purpose Funding to
increase public purpose charge.

ORDER

DISPOSITION: STAFF'S RECOMMENDATION ADOPTED

At its public meeting on June 18, 2013, the Public Utility Commission of Oregon adopted Staff's recommendation in this matter. The Staff Report with the recommendation is attached as Appendix A.

BY THE COMMISSION:



Becky L. Beier

Becky L. Beier
Commission Secretary

A party may request rehearing or reconsideration of this order under ORS 756.561. A request for rehearing or reconsideration must be filed with the Commission within 60 days of the date of service of this order. The request must comply with the requirements in OAR 860-001-0720. A copy of the request must also be served on each party to the proceedings as provided in OAR 860-001-0180(2). A party may appeal this order by filing a petition for review with the Court of Appeals in compliance with ORS 183.480 through 183.484.



**PUBLIC UTILITY COMMISSION OF OREGON
STAFF REPORT
PUBLIC MEETING DATE: June 18, 2013**

REGULAR _____ CONSENT X EFFECTIVE DATE July 1, 2013

DATE: June 10, 2013

TO: Public Utility Commission

FROM:  Lisa Gorsuch

THROUGH:  Jason Eisdorfer,  Maury Galbraith, and  Aster Adams

SUBJECT: CASCADE NATURAL GAS: (Docket No. UG 245/Advice No. O13-05-01) Revises Schedule No. 31, Public Purpose Funding, to reflect an increase in the public purpose charge, and modifies the Special Terms and Conditions to revise the distribution percentages.

STAFF RECOMMENDATION:

Staff recommends that Cascade Natural Gas (Cascade or Company) Docket No. UG 245 Advice No. O13-05-01 be approved and the associated tariff sheet revisions be allowed to go into effect on July 1, 2013.

DISCUSSION:

Cascade proposes to increase its public purpose charge from 3.16 percent to 5.0 percent.¹ In addition, the Company proposes to modify the Special Terms and Conditions of Schedule 31, increasing the proportion of the public purpose funding to Energy Trust of Oregon (ETO) from 93 percent to 95 percent, with the 5 percent balance of the public purposes funding allocated to low-income weatherization² and bill assistance programs.³

The increase in public purpose funding will cover an existing 2012 shortfall,⁴ establish a 5 percent reserve balance, and meet the remaining 2013 ETO budget. Cascade will

¹ The public purpose charge applies to Schedules 101 and 104, is a percentage of total revenues, and includes customer service charges.

² Schedule No. 33, Oregon Low-Income Energy Conservation (OLIEC) Program.

³ Schedule No. 32, Oregon Low-Income Bill Assistance Program.

⁴ In 2012 Cascade underfunded ETO program costs and the ETO covered the shortfall, which needs to be repaid.

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evaluate the public purpose charge in early 2014 to determine if the rate needs to be adjusted to meet the 2014 ETO approved program budget.

Staff participated in telephone conferences on two different occasions⁵ with Cascade and the ETO regarding the need to increase the Company's public purposes funding. The discussions included, but were not limited to, budgeted expense versus actual expense by month, how best to address the shortfall as well as the timing of the chosen remedy. Cascade's annual provision of public purpose funding to the ETO will increase from approximately \$2.63 million annually to \$3.1 million⁶ by the end of December 2013.

Staff recommends that Cascade's proposed increase in public purpose funding and the proposed modifications to the Special Conditions in Schedule 31, be approved as filed by the Company.

PROPOSED COMMISSION MOTION:

Cascade's Advice No. O13-05-01 be allowed to go into effect July 1, 2013.

Cascade Docket No. UG 245/Advice No. O13-05-01

⁵ The first meeting took place on November 5, 2012, and the second meeting took place on May 20, 2013.

⁶ The \$3.1 million includes the Company's contribution of public purpose funding of 0.75 percent of residential and commercial total revenues but no less than \$500,000, and the change in allocated funds between the ETO and the low-income programs.