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November 19, 2024

Oregon Public Utility Commission
Attn: Filing Center
P.O. Box 1088
Salem, OR 97308-1088

RE: Cascade Natural Gas Advice No. O24-11-01
Schedule 31, Public Purpose Charge

Cascade Natural Gas Corporation ("Cascade" or "Company") submits the following revision to its Tariff P.U.C. OR No. 10, stated to become effective with service on and after January 1, 2025:

Seventh Revision of Sheet No. 31.1

OVERVIEW

The purpose of this filing is to increase Cascade's Schedule 31, Public Purpose Charge ("PPC") from 3.44 percent to 6.456 percent so that 2025 collections are sufficient to support the Energy Trust of Oregon's ("Energy Trust's") conservation programs that are offered to Cascade's sales customers, and two Cascade-administered, income-qualified programs, Oregon Low Income Bill Pay Assistance ("OLIBA") and the Oregon Low Income Energy Conservation ("OLIEC").

The proposed 6.456 percent PPC charge is set to collect \$5,867,036. Of this amount, 5.191 percent of projected revenues or \$4,717,823 will be transferred to Energy Trust for the administration of Cascade's energy efficiency programs. The remaining 1.265 percent of forecast revenues or \$1,149,213 will be divided between OLIBA and OLIEC, 92.96% percent to OLIBA and 7.04% percent to OLIEC.

BILL IMPACTS

The proposed change to the PPC will result in a bill increase of 2.80% for all affected rate classes. The average residential customer using 56 therms per month can expect their bill to increase by approximately \$1.82. The average commercial customer using 262 therms per month will see an increase of \$6.92, and the average industrial customer using 1,644 therms per month will pay about \$41.19 more. Bill impacts for each customer class are provided in the "Customer Bill Impact Tab" of the attached work paper titled, "CNGC Advice No. O24-11-01 Attachment 1 11-19-2024.xlsx."

PROGRAM BUDGETS

Energy Trust Programs

Energy Trust clarified that its funding need for calendar year 2025 is \$4.7, or \$1.8 million more than forecast collections of \$2.9 million absent a change to the PPC. This revises the collections for ETO from 3.152% to 5.191%.

Oregon Low-Income Bill Pay Assistance

Since the establishment of the PPC with Commission Order No. Order No. 06-191 in 2006 through 2019, the OLIBA annual budget was \$50,000. In 2020, many people experienced job loss due to the COVID-19 pandemic and, as a result, demand for OLIBA increased. Responding to the financial need in the community, the Oregon legislature passed House Bill (“HB”) 2475, giving the Commission more authority to find regulated solutions for low-income customers. The Commission opened Docket UM 2211 to implement HB 2475. As a part of the collaborative conversations to address the increased financial need among utility customers, Cascade established its bill discount program, referred to as the Energy Discount Program (“EDP”), and offered under the Company’s Tariff Schedule 36. Cascade also redesigned OLIBA from being a traditional grant program that reduces a percentage of a customer’s arrearage balance. Both EDP and OLIBA have removed barriers to program entry by allowing customers to enroll by self-attesting their household income to either Cascade or a local Community Action Agency. These changes have resulted in increased program penetration and subsequently, increased program spending. OLIBA is forecasted to spend \$542,230 in calendar year 2025 based on projected program spending in 2024. This amount, plus the account carryover of (\$526,431) results in a total program budget of \$1,068,661. See the “Low Income Assist 24” tab of the attached workpaper, “CNGC Advice No. O24-11-01 Attachment 1 11-19-2024.xlsx,” for the OLIBA 2025 budget.

Oregon Low-Income Energy Conservation

OLIEC offers income-qualified customers whole-house weatherization, which is the most enduring means for reducing customer bills. On July 28, 2023, Cascade filed O23-07-05 to revise the OLIEC parameters to increase OLIEC program penetration, remove barriers to entry, and promote distributional justice of energy efficiency benefits. Those revisions have proven successful. OLIEC is forecast to spend \$313,998 in 2024. Using the 2024 budget as the baseline for 2025, plus the account carryover of \$233,446, OLIEC needs to collect \$80,552 to have sufficient funding in 2025. See the “Weatherization 24” tab of the attached workpaper, “CNGC Advice No. O24-11-01 Attachment 1 11-19-2024.xlsx”, for the 2025 OLIEC budget.

WORK PAPER

The attached work paper titled, “Advice No. O24-11-01 Attachment 1 11-19-2024.xlsx” provides the OLIEC and OLIBA budgets as well as the derivation of the new PPC and the overall bill impacts.

CUSTOMER NOTICE

In compliance with Oregon Administrative Rule (“OAR”) 860-022-0017, customers will receive notice of this proposed rate change in their December bills, which will be distributed starting December 4, 2024.

Please direct any questions regarding this filing to me at (208) 377-6015 or to Jennifer Gross at (509)-975-9473.

Sincerely,

/s/ Lori Blattner

Lori Blattner
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Attachments

**SCHEDULE 31
PUBLIC PURPOSE CHARGE**

PURPOSE

The purpose of this provision is to define the funding method for public purposes activities to be administered through one or more independent entities. Public purposes activities include, but may not necessarily be limited to, energy efficiency programs, market transformation and low-income conservation and bill assistance programs designed to benefit sales customers within Cascade Natural Gas’s service territory in Oregon.

ADJUSTMENT TO RATES

A public purpose charge equal to 6.456% of current revenues, including customer service charges, in each month will be assessed as a line item on the bills of rate schedules 101, 104, 105, 111 and 170. The level of the public purpose charge will be reviewed and revised as necessary based on periodic evaluation of public purposes funding needs.

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The Public Purposes Funds shall be allocated to specific separate accounts to fund the respective public purposes programs as follows:

- 5.191% will support public purpose funding of energy efficiency programs that replace programs previously administered by Cascade with energy efficiency programs administered by an independent entity.
- 1.265% will support public purpose funding for low-income conservation and bill assistance activities.

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SPECIAL TERMS AND CONDITIONS

1. 80.41% of the monies designated as public purpose funding will be transferred to the Energy Trust of Oregon. The Energy Trust of Oregon will use the funds to design, promote and administer Natural Gas energy efficiency programs in accordance with agreements executed between Cascade and the Energy Trust.
2. 19.59% of the monies designated as public purpose funding will be transferred to two internal program accounts and dispersed to Community Action Agencies (Agencies) for the purpose of adding or expanding low-income weatherization programs and bill assistance programs. The funding will be designated for low-income conservation programs (7.04%) with the remaining funds (92.96%) to be designated for bill payment assistance.

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