

February 17, 2022

NWN OPUC Advice No. 22-01

**VIA ELECTRONIC FILING**

Public Utility Commission of Oregon  
Attn: Filing Center  
201 High Street SE, Suite 100  
P.O. Box 1088  
Salem, OR 97308-1088

**Re: Schedule R – Residential Arrearage Management Program**

NW Natural Gas Company, dba NW Natural (NW Natural or Company), files herewith the following revisions to its Tariff P.U.C. Or. 25, stated to become effective on March 23, 2022.

First Revision of Sheet R-1	Schedule R	Arrearage Management Program
First Revision of Sheet R-2	Schedule R	Arrearage Management Program

**Purpose**

The purpose of this filing is to request Public Utility Commission of Oregon (Commission) approval for an additional \$3,083,500 in funding for NW Natural's Schedule R Arrearage Management Program (AMP). The approximately \$3.1 million in additional funding corresponds with an approximate 0.5% of the Company's 2019 revenues and, if approved, would result in a total of \$9.25 million of AMP funding to provide arrearage relief to customers. In addition, NW Natural proposes to add an Instant Grant option to provide grants to low-income customers through an auto-enrollment process.

**Background**

NW Natural's AMP was approved by the Commission with an effective date of May 3, 2021. The AMP was developed in compliance with the stipulation executed in docket UM 2114 that addressed terms and conditions to assist customers and utilities during the ongoing COVID-19 pandemic and related economic impacts.

NW Natural's AMP design reflects flexibility to meet residential customer needs and includes the following:

- **Instant Grant Option**  
An option that offers a one-time grant up to \$300 for the residential customer with a smaller past due or full account balance who expresses economic hardship.
- **50/50 Matching Grant Option**  
A payment match option that offers up to a \$600 matching grant in the form of a credit applied to the account and eliminates a past due or full account balance.

- **Time Payment Arrangement (TPA) with Matching Grant Option**

An option that offers a TPA in which the residential customer makes a payment each month and receives a matching grant payment to reduce the balance at the time the customer’s TPA payment posts. The grant under this option is equal to 50% of the total account balance with matching grant payments divided equally by the number of payments required by the TPA term. No down payment is required and a levelized payment arrangement can be made to bring the customer’s account current in addition to a “current bill plus” payment plan.

These AMP options can be used in concert with each other, individually or in any combination, depending on the circumstances and needs of each customer, up to the \$1,200 program limit. NW Natural customer service representatives discuss the customer’s specific situation and assist them with the option(s) that work best for them.

**Proposal for Additional AMP Funding**

Through the AMP, NW Natural has been able to provide its customers arrearage relief with over 16,000 grants totaling over \$4.3 million through December 2022. The initial level of funding approved by the Commission was \$6.2 million. NW Natural anticipates that the current funding level will be spent and/or become fully committed through roughly March. The additional requested funding of \$3.1 million will enable NW Natural to provide arrearage relief to customers through the heating season as the COVID-19 pandemic persists and the related economic impacts continue. The additional funding will also provide needed arrearage relief through the spring months, which pre-pandemic have typically been the months when NW Natural customers have experienced the highest arrearage balances.

In addition, NW Natural proposes that \$750 thousand of the proposed funding increase be used solely for the proposed new Instant Grant option for low-income customers that is described below.

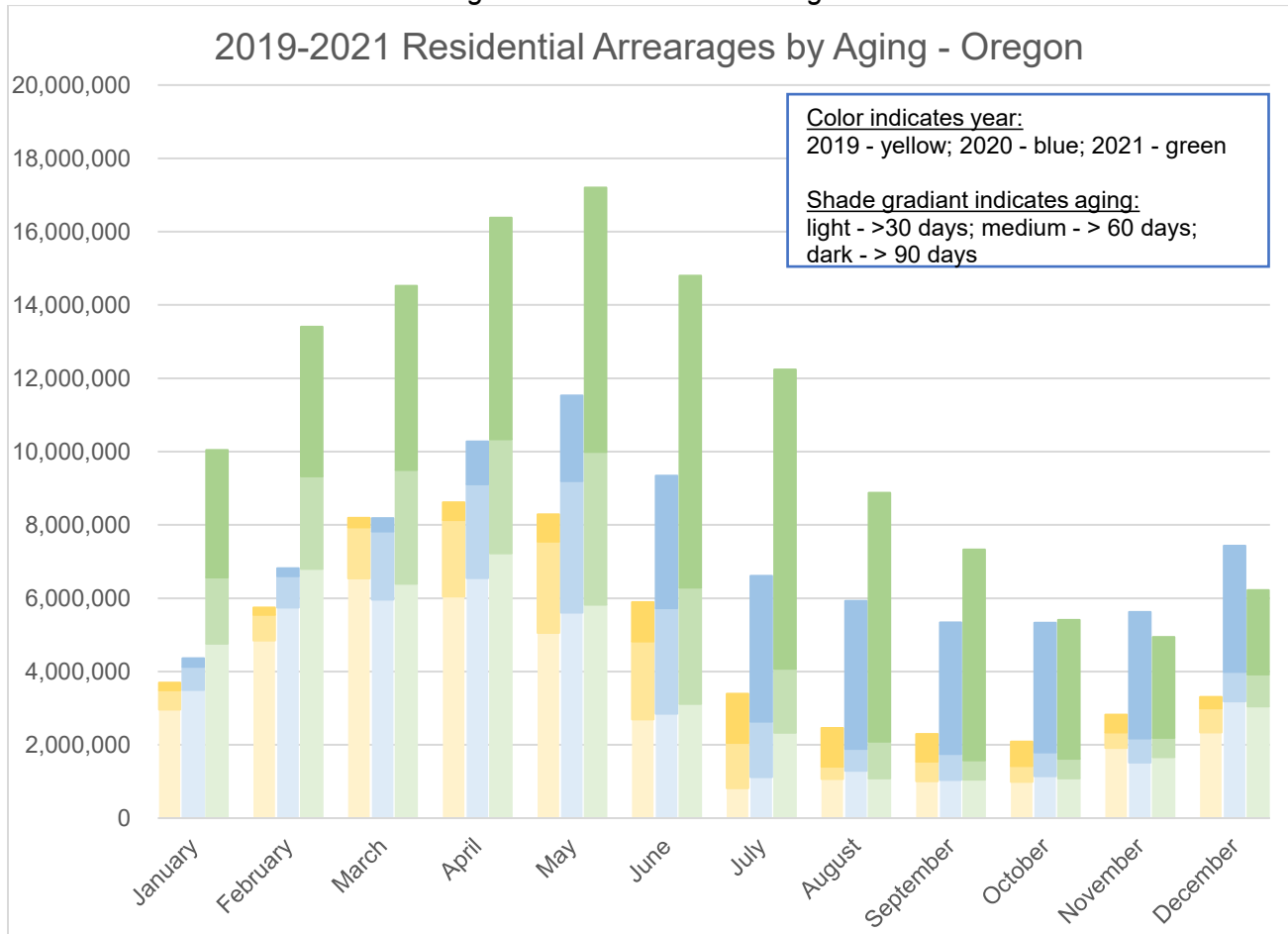
The following figures provide a summary of NW Natural’s AMP activity and historical arrearages.

*Figure 1 – AMP Activity*

*May 3, 2021 – February 14, 2022*

Grant Type	Number of Households	Total Funds Granted
Instant Grant – up to \$300	15,668	\$3,892,327
50/50 Matching Grant – up to \$600	4,345	\$859,609
TPA w/Matching Grant – up to \$1,200	3,459	\$515,769
Crisis Grant – up to \$1,000	228	\$190,681
<b>Total</b>	<b>23,700</b>	<b>\$5,458,386</b>
<b>Percent of total Granted/Committed</b>		<b>88.5%</b>

Figure 2 – Historical Arrearages



**Proposal for Low-Income Auto-Enrollment Instant Grant Option**

NW Natural proposes an enhancement to the AMP to allow for an additional Instant Grant Option to focus on the needs of low-income customers who disproportionately continue to feel the economic impacts of the ongoing pandemic. Under the proposed new Instant Grant option, NW Natural proposes to identify customers with past-due balances who have received energy assistance since January 1, 2019, and automatically apply AMP grants to those accounts to bring them current via auto-enrollment in the AMP. For those customers who receive AMP grants under this option, NW Natural will send each customer a letter informing them of the AMP grant being applied to their account, providing references for other available energy assistance, and asking customers to contact the Company with any questions.

NW Natural proposes that \$750 thousand of the AMP funding increase requested above will be used solely for the low-income auto-enrollment Instant Grant option to ensure relief is available for eligible customers through the end of the heating season.

NW Natural’s proposed new Instant Grant Option is intended to address the needs of low-income customers that have especially been impacted by the economic repercussions caused by the COVID-19 pandemic in manner that is convenient for customers without creating additional barriers for relief.

In addition, the proposed new Instant Grant Option will meet Commission Staff's HB 2475 Interim Action Framework in UM 2211 that calls for natural gas companies to provide enhanced bill assistance for low-income customers to address winter heating balances before interim differential rate programs are put in place. NW Natural is in the process of developing a low-income bill discount program that is estimated to be filed in 2022 with the program in place for the next heating season.

### **AMP Outreach**

Since AMP was launched in May 2021, NW Natural has engaged in robust and extensive community outreach regarding its availability with new and existing community partners. Our community partners, including Meals on Wheels People and local school districts, have helped the Company distribute its multi-language AMP brochure to customers. The AMP is also a key component of our healthy account campaigns managed through our Customer Contact Center and is further publicized through the Company's website and social media messages.

NW Natural will continue its extensive outreach for the life of the program. In addition, NW Natural plans to revise public service announcements to make clear that AMP grants are available, deliver targeted outreach to those in arrears, and upgrade its social media strategy for AMP to highlight multiple messages in different ways. NW Natural's Community Partnerships team will continue to maintain and extend the enhanced community outreach strategy that employs creative solutions to reach hard to access populations by delivering information through partners trusted in the communities we serve.

NW Natural provided a summary of the proposal in this filing to stakeholders in the UM 2114 and UM 2211 dockets before filing. NW Natural received a couple of questions from one stakeholder and looks forward to further discussion and engagement with all stakeholders during the Commission's consideration of this filing.

### **HB 2475 Actions**

Through this filing, NW Natural seeks to leverage the success of the AMP by extending available funding to assist customers through the heating season and through the high-arrearage season by providing a low-income targeted enhancement to assist those customers most energy-burdened. The AMP modifications proposed in this filing are a first step in NW Natural's plan to provide relief to energy-burdened customers. In 2022, NW Natural intends to file a proposal for a low-income bill discount program as the next interim step in addressing the needs of energy-burdened customers and implementing HB 2475. NW Natural's next step will be the completion of its low-income needs assessment in 2022 that, along with Staff's UM 2211 investigation into the implementation of HB 2475, will inform a long-term and potentially comprehensive low-income rate program.

### **Conclusion**

NW Natural respectfully request the Commission approve this tariff change to become effective March 23, 2022.

In accordance with ORS 757.205, copies of this letter and the filing made herewith are available in the Company's main office in Portland, Oregon and on its website at [www.nwnatural.com](http://www.nwnatural.com).

Please address correspondence on this matter to me with copies to the following:

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eFiling  
NW Natural Rates & Regulatory Affairs  
250 SW Taylor Street  
Portland, OR 97204  
Phone: (503) 610-7330  
eFiling@nwnatural.com

Respectfully submitted,

*/s/ Natasha Siores*

Natasha Siores  
Manager, Regulatory Affairs  
NW Natural  
250 SW Taylor Street  
Portland, OR 97204  
(503) 610-7074  
natasha.siores@nwnatural.com

**SCHEDULE R  
ARREARAGE MANAGEMENT PROGRAM**

**PURPOSE:**

The purpose of this schedule is to implement the residential Arrearage Management Program (AMP) consistent with Commission Order No. 20-401. The Order directs Utilities to establish a program to identify and manage residential customer arrearages associated with the COVID-19 pandemic to proactively assist residential customers prior to resuming disconnections and prevent bad debt accumulating on utility accounts.

The Program was established to identify and waive residential arrearages at an initial total amount of \$6,167,000, not to be increased without prior Commission approval. This amount represents one percent (1%) of the Company's 2019 Oregon retail revenues. In 2022, an additional \$3,083,500 in Program funding was approved by the Commission, of which \$750,000 will be used solely for the Instant Grant "Option b" pertaining to past-due customers who have received energy assistance since January 1, 2019.

**APPLICABLE:**

To all Residential Customers with a past due balance taking service under Rate Schedule 2 of this Tariff.

**ENROLLMENT:**

Eligible Residential Customers may enroll in an AMP option by calling the Customer Contact Center, Monday through Friday, 7 a.m. to 6 p.m. at 800-422-4012 or 503-226-4211.

**AMP OPTIONS:**

The AMP is intended to address long-term arrearage reduction and prevent turn-off due to non-payment and also serves as an additional resource to supplement various sources of low-income energy assistance for qualified customers. The following options are available as part of this residential Arrearage Management Program:

- 1. Instant Grant Options** (T)
  - a. An option that offers a one-time grant up to \$300 (but not to exceed the past due or full account balance) for the residential customer with a smaller past due or full account balance who expresses economic hardship.
  - b. A secondary Instant Grant option in which NW Natural will identify past-due customers who have received energy assistance since January 1, 2019 and will proactively apply AMP funds to those accounts to bring them current via auto-enrollment in the AMP. Proactive auto-enrollments may occur periodically based on customer need and availability of funds. (N)
    - i. NW Natural will send each customer a letter informing them of the AMP funds being applied to their account, providing references for other available energy assistance and asking customers to contact the Company with any questions. (N)
  - c. Grant will appear on the customer's next bill as "Instant Grant." (T)
  
- 2. 50/50 Matching Grant Option**
  - a. A payment match option that offers up to a \$600 matching grant in the form of a credit applied to the account and eliminates a past due or full account balance.
  - b. Grant will appear on the customer's next bill as "50/50 Grant." (K)

(continue to Sheet R-2)

(K) Transferred to Sheet R-2

Issued February 17, 2022  
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Effective with service on  
and after March 23, 2022

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**SCHEDULE R  
ARREARAGE MANAGEMENT PROGRAM**

**3. Time Payment Arrangement (TPA) with Matching Grant Option**

- a. An option that offers a TPA in which the residential customer makes a payment each month and receives a matching grant payment to reduce the balance at the time the customer's TPA payment posts.
- b. The customer's grant is equal to 50% of the total account balance with matching grant payments divided up in a number equal to the number of TPA payments required by the TPA term.
  - i. Grant not to exceed the \$1,200 Program limit or the balance of that limit still available to the customer under the AMP, whichever is less.
- c. Eliminates a past due balance and brings the full account balance current when the plan is completed.
- d. Grant payments will appear on the customer's bill as "Arrearage Management Plan Grant."

(M)

(M)

**SPECIAL CONDITIONS**

- 1. Residential customers can participate in the AMP in any combination of options up to a maximum contribution from the Program limit of up to \$1,200.
- 2. Residential customers that express (1) no means to make payment(s) and (2) are suffering additional financial hardship due to crises above and beyond those commonly experienced due to the COVID-19 pandemic, including, but not limited to death, chronic illness or major injury in the household; or ongoing medical complications from COVID-19, may receive Instant Grants up to \$1,000 without a matching payment. Such customers may not exceed the \$1,200 Program limit.
- 3. The Company will defer and seek recovery of all associated program costs not otherwise included in rates in accordance with Commission Order No. 20-401 and Order No. 20-380.
- 4. In addition to the reporting requirements outlined in Commission Order No. 20-401, the Company will provide quarterly reporting on the amount of assistance that has been provided and the number of customers enrolled in the Program, and any additional reporting may be provided as determined by the Commission.

**TERM**

This program shall continue through October 1, 2022, or until the Company reaches the spending limit, or until the Commission closes the program.

**GENERAL TERMS:**

This Schedule is governed by its terms, the General Rules and Regulations 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.

(M) Transferred from Sheet R-1

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