



NW Energy Coalition
for a clean and affordable energy future

April 22, 2024

Via Electronic Filing
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Oregon Public Utility Commission
201 High St. SE, Suite 100
Salem, OR 97301-3398

RE: Docket UG 490 NW Natural Gas Request for a General Rate Revision
Comments from Northwest Energy Coalition (NVEC)

Dear Chair Decker, Commissioner Tawney, Commissioner Perkins and Staff of the
OPUC,

Thank you for the opportunity to provide the below comments on NW Natural's rate increase proposal. Overall, NVEC is concerned about the amount of utility rate increase proposals happening simultaneously and the compounding costs that customers, especially both gas and electric customers, will bear if passed. Moreover, 90% of NW Natural's accounts are composed of residential customers¹, most of whom live in rural counties of Oregon that have been flagged in the 2018 Biennial Energy Report² as energy burdened, with 15% to up to 50% of households in those counties paying 6% or more of their income on energy while earning 200 percent or below federal poverty level. Connecting the dots here means the impacts of a NW Natural rate increase will affect energy burdened households and their livelihoods the most, making this an energy justice issue.

NVEC points to the biennial report because we could not find data on NW Natural's total customer energy burden. NW Natural's Low-Income Needs Assessment (LINA) Energy Burden Analysis conducted by Applied Energy Group, Inc only reflects "typical energy

¹ UG 490 – NW Natural's Executive Summary, p. 2

² Oregon Department of Energy 2018 Biennial Energy Report, Ch.7, p. 4 available at:
<https://www.oregon.gov/energy/Data-and-Reports/Documents/BER-Chapter-7-Protecting-Consumers.pdf>

burden across NW Natural's service area and how (it) varies by geography.”³ The figures provided only show urban cities in NW Natural's service territory as selected areas of energy burden. NWECA would like to see greater efforts on NW Natural's part in the next LINA or Energy Burden Assessment to paint a more accurate picture of their customers' energy burden, especially in rural counties. An updated assessment should inform what reasonable rates look like, and is intrinsically tied to the approach and success of low-income discount programs from UM 2211.

We would like to see strong efforts from PUC Staff and Commissioners to regulate rate increases for customers to better adapt to increasing costs as well as stricter rules and tracking for how utilities are using customer dollars. Political activities such as lobbying or pro-gas educational campaigns should not be paid for by customers. PUC Staff and the Commission should also explore solutions such as introducing rate increase caps, which follow a similar concept from Oregon's rent increase caps. We support CUB's proposal to limit rate increases to 7% plus inflation or 10%, whichever is lowest, and any requests over that cap would be pushed into the next year or beyond. Furthermore, we support CUB's recommendation for the Commission to implement a rate shock mitigation mechanism to be used as needed, such as during winter high usage times.

During the 4/16/2024 UG 490 public comment hearing, multiple developers claimed that line extension allowances are not subsidized by customers. The facts are that NW Natural is currently asking to increase the number of customer dollars to up to \$3,600 per new gas hookup. This is a subsidy that is a 25% increase from what the PUC struck down less than two years ago. We hope the PUC stays on the same track as before and does not approve these line extension allowances. NWECA does not agree that NW Natural customers should pay subsidies to continue to expand the gas system, instead we strongly advocate for gas utilities to incorporate decarbonization pathways into all planning and to identify the lowest reasonable cost path to decarbonize the overall gas energy system.

We encourage the Commission and Staff to research and implement mechanisms to address energy burden and energy access for the long-haul and put the public's livelihoods first. We appreciate the current work that has been seeded to address equity concerns of utility rate proposals through EJ Workshops and look forward to continuing engaging in those.

Sincerely,

³ UG 490 – NW Natural Low Income Needs Assessment Exhibit 201, p. 18-21

/s/ Alessandra de la Torre

Policy Associate

Northwest Energy Coalition