

July 6, 2022

NWN OPUC Advice No. 22-02A

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: ADV 1390 / NWN OPUC Advice 22-02A – REVISED Residential Low-Income Bill Discount Program – Replacement Sheets and LSN Enclosed

On April 18, 2022, Northwest Natural Gas Company, dba NW Natural (NW Natural or Company), filed revisions to its Tariff P.U.C. Or. 25, to introduce Schedule 330 – Residential Bill Discount Program – Optional for Qualifying Customers and related Schedule 335 – Bill Assistance Program Cost Recovery, requested to become effective on July 15, 2022, with the program and cost recovery beginning November 1, 2022.

NW Natural provides the enclosed tariff pages that include the changes described below and replace the April 18, 2022 tariff pages in their entirety.¹ The requested effective date for these tariff pages remains July 15, 2022 – accordingly, a less than statutory notice application (LSN) is enclosed. This advice filing is scheduled to be heard at the July 12, 2022 Public Meeting.

Original Sheet 330-1	Schedule 330	Residential Bill Discount Program
Original Sheet 330-2	Schedule 330	Residential Bill Discount Program
Original Sheet 335-1	Schedule 335	Bill Discount Program Cost Recovery
Ninth Revision of Sheet v	Tariff Index	Tariff Index

Schedule 330 - Interim Bill Discount Program

Through the procedural process facilitated by Commission Staff, NW Natural and stakeholders collaborated to identify adjustments and improvements to the proposed interim bill discount program. The enclosed tariff pages reflect the following changes to the interim bill discount program proposed in the original filing in this docket:

- Addition of a Tier 0 with income eligibility from 0-15% State Median Income (SMI) providing a 40% bill discount.
- Clarification that post-enrollment verification is not mandatory and participants who have been auto enrolled will not be subject to the audit process.

¹ Please note that tariff page Sheet v (Tariff Index) did not change, but it is included here for completeness.

- Modification to make the interim bill discount program risk free for potential participants by eliminating the tariff language enabling the rebilling of customers for periods of ineligibility following a post-enrollment audit.
- Recognition that the Company may go live with the bill discount program as soon as adequate operational processes have been tested and are in place – as early as October 1, 2022, but no later than November 1, 2022, which was the original go-live date.

These changes were developed with the input and feedback from stakeholders throughout the workshops and comments provided in the procedural schedule in this docket. NW Natural appreciates the collaboration from Staff and stakeholders in developing a robust interim bill discount program that will provide meaningful assistance to those Oregonians most in need.

The following table summarizes the final proposed bill discount tiers.

	Income Qualifying	Bill Discount Percentage
Tier 0	0-15% SMI	40%
Tier 1	16-30% SMI	25%
Tier 2	31%-45% SMI	20%
Tier 3*	46%-60% SMI	15%

* Note that for customers in single-person households, Tier 3 eligibility is extended to those with gross household income that is the greater of 60% SMI or full-time wages at Oregon minimum wage rates for Portland Metro area.

Schedule 335 – Program Cost Recovery

As described in its original filing, NW Natural proposes an automatic adjustment clause through proposed new tariff Schedule 335 to recover the direct costs of the low-income bill discount program, which includes the cost of the bill discount. A balancing account will be used to track the collections and direct costs to ensure costs and collections match without under- or over-recovery over time. Administrative costs to develop, implement and maintain the program will be deferred and tracked separately for recovery in a future proceeding. This treatment is consistent with Commission Order No. 22-113 in docket UM 2233, which approved the use of deferred accounting for costs associated with the implementation of HB 2475. The order indicated: “incremental administrative costs will be separate deferred and tracked for later ratemaking” and “all costs would accrue interest at the modified blended (MBT) rate.”

NW Natural has updated its estimate for the participant level for the initial rollout of Schedule 335. The revised estimate is 14,100 customers that are expected to be auto enrolled in the program at the start of the program. NW Natural proposes recovery of \$1,900,075, which represents the estimated bill discount of these 14,100 customers. The 14,100 and related \$1.9 million bill discount cost is not intended as a cap for the program but represents an estimate that is conservative for purposes of establishing a level of cost recovery for the rollout of this program.

In compliance with OAR 860-022-0025 and OAR 860-022-0030, NW Natural states that the effect of the proposed Schedule 335 will increase the Company’s annual Oregon revenues by \$1,900,075 or about 0.26%.

The monthly bill of the average residential customer served under Rate Schedule 2 using 53 therms per month will increase by \$0.17, or 0.30%. The monthly increase for the average Rate Schedule 3

commercial customer using 237 therms is \$0.56, or 0.20%, the monthly increase for the average Rate Schedule 27 customer using 45 therms is \$0.11, or 0.20% and the monthly increase for the average Rate Schedule 31 customer using 2,630 therms is about \$5.05, or 0.27%. The average Rate Schedule 32 customer using 36,103 therms will see a monthly increase of about \$13.28, or 0.11%. Work papers supporting the rate and bill impact calculations will be separately submitted in electronic format.

The number of customers affected by the proposed change is 643,080 residential customers, and 63,384 commercial and industrial customers.

Conclusion

NW Natural respectfully request the Commission approve this tariff change to become effective July 15, 2022. An LSN is included herein.

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.

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

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

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**SCHEDULE 330
RESIDENTIAL BILL DISCOUNT PROGRAM –
OPTIONAL FOR QUALIFYING CUSTOMERS**

PURPOSE:

The purpose of this schedule is to implement an optional bill discount program for income-qualifying residential customers.

APPLICABLE:

To all income-qualified Residential Customers taking service under Rate Schedule 2 of this Tariff. Income-qualified is defined as Customers with gross household income at or below 60% of Oregon State Median Income (SMI), adjusted for household size. For customers in single-person households, eligibility is extended to those with gross household incomes the greater of 60% SMI or full-time wages at Oregon minimum wage rates for Portland Metro area.

Pending operational readiness, this program will begin as early as October 1, 2022 and no later than November 1, 2022.

BILL DISCOUNT:

Participating income-qualified Customers will receive the following credit on their monthly bill:

	Income Qualifying	Bill Discount Percentage
Tier 0	0-15% SMI	40%
Tier 1	16-30% SMI	25%
Tier 2	31%-45% SMI	20%
Tier 3*	46%-60% SMI	15%

* For customers in single-person households, Tier 3 eligibility is extended to those with gross household income that is the greater of 60% SMI or full-time wages at Oregon minimum wage rates for Portland Metro area.

SPECIAL CONDITIONS:

1. An Applicant for this bill assistance program must be the account holder and is required to provide an application that includes a self-declaration of household size and income. Household size reflects all permanent residents in the home, including adults and children. Qualifying income refers to total gross annual income, both taxable and nontaxable, from all sources for all persons in the applicant's household.
2. Renewal of a Customer's enrollment is required every two years. It is the customer's responsibility to notify the Company if there is a change in income qualification status.
3. NW Natural may also auto-enroll eligible customers that have received energy assistance or have participated in any of the Company's low-income programs with a Tier 3 bill discount. Auto-enrolled customers may provide additional information to qualify for higher tier discounts and must re-enroll every two years.
4. Participants that were not auto-enrolled may be subject to post-enrollment verification audit sampling, which may include a showing of proof of household size and income. Bill discounts may be suspended for Customers found to be ineligible or non-responsive during post-enrollment audits. Customers may re-apply for this program upon providing verification of eligibility.

(continue to Sheet 330-2)

(N)

(N)

**SCHEDULE 330
RESIDENTIAL BILL DISCOUNT PROGRAM –
OPTIONAL FOR QUALIFYING CUSTOMERS**

SPECIAL CONDITIONS (continued):

5. Customers are only eligible to receive bill credits under this rate schedule at one residential location at any one time and only for new charges billed after enrollment or re-enrollment.

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.

(N)

(N)

**SCHEDULE 335
BILL DISCOUNT PROGRAM
COST RECOVERY**

PURPOSE:

This Schedule recovers the costs of the Company’s Bill Discount Program offered under **Schedule 330** “Residential Bill Discount Program – Optional for Qualifying Customers”. This Adjustment Schedule is implemented as an automatic adjustment clause as provided for under ORS 757.210.

APPLICABILITY:

This Schedule applies to all bills of customers taking service on the rate schedules listed below:

Application to Rates:

Effective: **November 1, 2022**

A charge will be assessed on each bill for the applicable Rate Schedules:

Rate Schedule	Charge per Bill
2	\$0.17
3	\$0.56
27	\$0.11
31	\$5.05
32	\$13.28

GENERAL TERMS:

Service under this Schedule is governed by the terms of this Schedule, the General Rules and Regulations contained in this, 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.

(N)

(N)

NORTHWEST NATURAL GAS COMPANY

P.U.C. Or. 25

Ninth Revision of Sheet v
Cancels Eighth Revision of Sheet v

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(continued)

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Issued July 6, 2022
NWN OPUC Advice No. 22-02A

Effective with service on
and after July 15, 2022

LESS THAN STATUTORY NOTICE APPLICATION

This document may be electronically filed by sending it as an attachment to an electronic mail message addressed to the Commission's Filing Center at puc.filingcenter@puc.oregon.gov.

BEFORE THE PUBLIC UTILITY COMMISSION OF OREGON

IN THE MATTER OF THE APPLICATION OF <u>Northeast Natural Gas Company dba NW Natural</u> (UTILITY COMPANY))))))	UTILITY L.S.N. APPLICATION NO. _____ (LEAVE BLANK)
TO WAIVE STATUTORY NOTICE.		

NOTE: ATTACH EXHIBIT IF SPACE IS INSUFFICIENT.

1. GENERAL DESCRIPTION OF THE PROPOSED SCHEDULE(S) ADDITION, DELETION, OR CHANGE. (SCHEDULE INCLUDES ALL RATES, TOLLS AND CHARGES FOR SERVICE AND ALL RULES AND REGULATIONS AFFECTING THE SAME)
 Original Sheet 330-1, Original Sheet 330-2, Original Sheet 335-1 and Ninth Revision of Sheet v are added or modified to add the Company's new interim Residential Bill Discount Program, related Bill Discount Program Cost Recovery, and related update to the tariff index.

2. APPLICANT DESIRES TO CHANGE THE SCHEDULE(S) NOW ON FILE KNOWN AND DESIGNATED AS: (INSERT SCHEDULE REFERENCE BY NUMBER, PAGE, AND ITEM)

Eight Revision of Sheet v

Original Sheet 330-1, Original Sheet 330-2, Original Sheet 335-1 are new sheets.

3. THE PROPOSED SCHEDULE(S) SHALL BE AS FOLLOWS: (INSERT SCHEDULE REFERENCE BY NUMBER, PAGE AND ITEM)

Original Sheet 330-1, Original Sheet 330-2, Original Sheet 335-1 and Ninth Revision of Sheet v

4. REASONS FOR REQUESTING A WAIVER OF STATUTORY NOTICE:

NW Natural filed its original proposal on April 18, 2022. Over the course of the procedural schedule in this advice filing docket ADV 1390, NW Natural worked with Staff and stakeholders to revise and improve the original proposal. The Company met with Staff and stakeholders to discuss and confirm these changes as recently as July 5, 2022. These changes are reflected in the revised tariff sheets. The requested effective date will enable NW Natural to implement the proposed bill discount program by the 2022-2023 heating season.

5. REQUESTED EFFECTIVE DATE OF THE NEW SCHEDULE(S) OR CHANGE(S): July 15, 2022

AUTHORIZED SIGNATURE 	TITLE Manager, Regulatory Affairs	DATE July 6, 2022
PUC USE ONLY		
<input type="checkbox"/> APPROVED <input type="checkbox"/> DENIED	EFFECTIVE DATE OF APPROVED SCHEDULE(S) OR CHANGE	
AUTHORIZED SIGNATURE	DATE	