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February 17, 2025

NWN OPUC Advice No. 25-02

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: NEW Schedule D – Residential Arrearage Management Program, New Schedule 120 – AMP Cost Recovery

Northwest 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 April 1, 2025.

Eighth Revision of Sheet iv	Tariff Index	Index – General Schedules
Thirteenth Revision of Sheet v	Tariff Index	Index – Adjustment Schedules
Original Sheet D-1	Schedule D	Residential Arrearage Management Program – Optional for Qualifying Customers
Third Revision of Sheet R-1	Schedule R	Arrearage Management Program
Third Revision of Sheet R-2	Schedule R	Arrearage Management Program
Original Sheet 120	Schedule 120	AMP Cost Recovery

Purpose

In compliance with the Second Partial Stipulation approved in Order No. 24-359 in docket UG 490, the purpose of this filing is to request Public Utility Commission of Oregon (“Commission”) approval of 1.) a new tariff Schedule D for an Arrearage Management Program (“AMP”) for income-qualified residential customers, 2.) a new related tariff adjustment Schedule 120 for the recovery of costs for the program, and 3.) the tariff housekeeping cancellation of Schedule R, which was the Company’s COVID-era arrearage management program that sunset in 2022. Related housekeeping changes to the Tariff Index are also included.

The AMP proposed in this filing is a new incremental program that will complement NW Natural’s existing low-income programs, which include the bill discount program, the Oregon Low-Income Gas Program (“OLGA”), the Gas Assistance Program (“GAP”), the Oregon Low-Income Energy Efficiency (“OLIEE”) program, and federal Low-Income Home Energy Assistance Program (“LIHEAP”) funding.

Background

In 2024, the Commission approved the Second Partial Stipulation as part of NW Natural's UG 490 general rate case, which included an AMP for the customers eligible for Tier 0 of the Company's bill discount program.¹ The Stipulation provided: "Immediately following the execution and filing of this Second Stipulation, NW Natural will schedule a workshop with the Stipulating Parties, open to stakeholders, to discuss the details of an AMP for Tier 0 customers. NW Natural commits to make best efforts to submit a filing for an AMP for Tier 0 customers by December 31, 2024, for implementation on April 1, 2025."²

NW Natural held a workshop open to the advocates in the UG 490 docket and all UM 2211 stakeholders on September 19, 2024. NW Natural presented a draft concept of the arrearage management program (AMP) design and invited feedback from stakeholders.

A coalition of energy justice advocates, including NW Energy Coalition, Coalition of Communities of Color, Community Energy Project, Oregon Citizen's Utility Board, Verde and Multnomah County Office of Sustainability provided comments on November 5, 2024.

NW Natural provided reply comments and an update on the AMP development process on January 8, 2025. In those comments, NW Natural conveyed our position to move forward with an AMP for customers in Tier 0 of the bill discount program. These comments were provided to each of the signatories of the energy justice advocates' November 5 comments via a courtesy email. The September 19 workshop presentation, coalition comments and NW Natural's update and reply comments were also filed in the UM 2211 docket on the Commission website at this link: [State of Oregon: Public Utility Commission of Oregon](#).

During the UM 2211 Commission Staff investigation on arrearages and disconnections in the fourth quarter of 2024 that led to the temporary rulemaking in AR 667, consideration of AMPs for the utilities that did not yet have an AMP caused a delay in NW Natural making this filing. As discussed herein, NW Natural still intends that the AMP will be available for customers on or before April 1, 2025.

Proposed Program

NW Natural proposes an AMP that provides arrearage assistance to income-eligible customers based on customers' household incomes, specifically to those customers meeting the eligibility for Tier 0 of the Company's bill discount program. NW Natural's bill discount program is described in tariff Schedule 330 and includes a tiered discount structure providing bill discounts based on income thresholds, with lower incomes eligible for higher discounts. Currently, Tier 0 customers are those with qualifying income of not more than 15% state median income ("SMI") and receive a bill discount of 85%.

Program Design and Enrollment

The proposed AMP will provide arrearage relief to customers with an arrearage balance that are eligible for Tier 0 of the bill discount program with arrearage forgiveness grants. Grants are available up to \$1,000, not to exceed the past due or full account balance. Customers may participate in the AMP up to the cap, which is \$1,000 every 24 months.

¹ *In the Matter of Northwest Natural Gas Company dba NW Natural Request for a General Rate Revision*, Docket No. UG 490, Order No. 24-359 (Oct. 25, 2024).

² *Ibid.* at Appendix B page 6 of 13 (Oct. 25, 2024).

Customers can enroll in the AMP by calling NW Natural's Customer Contact Center ("CCC"). Self-certification of income eligibility will be accepted by the CCC with no documentation required. AMP participants will automatically be enrolled in the bill discount program, if not already enrolled.

Facilitating enrollment through the CCC benefits customers because it provides a conversation with a customer service representative ("CSR") who can explain all the options available for arrearage relief, as well as bill assistance and any other needs that the customer may have. In addition, it saves the additional costs to implement a web solution that would require coordination with NW Natural's Customer Information System (CIS). NW Natural will work with our partner community action agencies ("Agencies") to ensure that the Agencies are familiar with the availability of the AMP so they can work with NW Natural to ensure their clients are connected with all available assistance. At the same time, NW Natural CSRs will refer customers to Agencies for assistance. This model of leveraging the Customer Contact Center for customer enrollment worked very effectively for NW Natural's COVID AMP and the subsequent low-income AMP that were in place in 2021-2022.

Discussion

NW Natural proposes this AMP focused on Tier 0 customers to meet the requirement of the Second Stipulation in the UG 490 general rate case, and more importantly, to take time to examine the recommendations in the energy burden assessment ("EBA"). NW Natural's EBA was performed by Empower Dataworks and was completed after the stipulations were reached in the UG 490 general rate case. The EBA included valuable insight and recommendations from Empower Dataworks on the NW Natural's bill discount and other energy assistance programs. NW Natural's EBA included an arrearage relief recommendation to provide a simple approach of a capped budget arrearage relief program:

"While some BDP participants may need help with arrears, we are not recommending an Arrearage Management Program (AMP). In our experience, AMPs (which typically require consistent payments from customers in exchange for arrearage matching from a utility) are very onerous to implement, hard to explain to customers and typically have low success rates for customers completing the term of the program (customers do not receive the full arrearage matching because they fall behind on their bills). Most NW Natural customers have relatively small arrears. Instead, we are recommending that NW Natural provide arrearage relief using an immediate, much simpler, and no strings attached approach."³

Implementing an AMP focused on Tier 0 customers at this time will meet our commitment in the UG 490 stipulation and allow time and space to review the recommendations of the EBA and the ongoing discussions in the UM 2211 docket to consider holistic solutions regarding our suite of energy assistance programs.

NW Natural has been working to implement the AMP described herein and anticipates the program will be available for customers no later than April 1, 2025.

Outreach and engagement

NW Natural has engaged with community partners across its service territory, including community action agencies, community-based organizations (CBOs), housing networks, places of worship, food banks, culturally specific organizations, and healthcare networks. These strategic partnerships have been invaluable, enabling us to connect with customers we might not otherwise reach and to

³ See NW Natural's EBA filed in docket UM 2211, PDF page 62 at this link: [um2211hah331407120.pdf](#)

disseminate information about our bill discount program through trusted and respected channels. NW Natural continues to build on its outreach efforts and remains committed to deploying new and creative ways to inform customers about its programs.

This community outreach will augment NW Natural's traditional customer communications through its bill inserts, website, social media and other platforms to broadcast the availability of the AMP. We will also coordinate with our Agencies to ensure there are materials and resources about the new program for our community action agency partners and their clients

Cost Recovery

NW Natural proposes new tariff Schedule 120 to recover the costs of the AMP, which includes the cost of the AMP grants and incremental costs NW Natural may experience for program costs such as, but not limited to, administrative, outreach, and communication costs.

NW Natural does not have an estimate of the costs of the AMP at this time. Through December 2024, there are 9,867 customers on Tier 0 of the bill discount program. This represents 18% of the total 54,353 customers in the program. NW Natural's bill discount program has reached 76.6% enrollment of the estimated number of low-income customers. The Company recently increased the bill discount for Tier 0 customers from 40% to 85%, effective November 1, 2024. Such a substantial increase in the bill discount and the related impacts make it difficult to estimate the uptake and cost of the AMP at this time. Thus, the Company proposes to use deferred accounting to track program costs. NW Natural anticipates seeking cost recovery of the deferred program costs each year as part of the Company's Purchased Gas Adjustment filings, or at other times as approved by the Commission. Accordingly, the Company is not including any costs to be recovered at this time but will do so with the 2025-26 PGA filings. Thus, there is no rate impact of this filing.

NW Natural has filed a separate Application for Deferred Accounting to enable tracking of AMP costs concurrently with this filing.

Conclusion

NW Natural respectfully requests the Commission approve the enclosed tariff proposals effective April 1, 2025.

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
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Respectfully submitted,

/s/ Natasha Siores

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NORTHWEST NATURAL GAS COMPANY

P.U.C. Or. 25

Eighth Revision of Sheet iv
Cancels Seventh Revision of Sheet iv

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(continued)

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Thirteenth Revision of Sheet v
Cancels Twelfth Revision of Sheet v

TARIFF INDEX

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(N)

**SCHEDULE D
RESIDENTIAL ARREARAGE MANAGEMENT PROGRAM – OPTIONAL FOR
QUALIFYING CUSTOMERS**

PURPOSE:

The purpose of this schedule is to implement a residential Arrearage Management Program (AMP) for customers eligible for Tier 0 of the Bill Discount Program described in tariff Schedule 330, consistent with the Second Partial Stipulation approved in Commission Order No. 24-359.

APPLICABLE:

To all income-eligible Residential Customers with a past due balance taking service under Rate Schedule 2 of this Tariff. To qualify as income-eligible for this Program, customers can self-certify as having a household income level that is consistent with Tier 0 of the Bill Discount Program described in tariff Schedule 330. Tier 0 customers are those with qualifying income of not more than 15% of state median income. Self-certification of income eligibility will be accepted by the Customer Contact Center (CCC) with no documentation required

ENROLLMENT:

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

AMP GRANTS:

The Program is intended to address long-term arrearage reduction and prevent disconnection due to non-payment. It also serves as an additional resource to supplement various sources of low-income energy assistance for qualified customers.

AMP arrearage forgiveness grants are available up to \$1,000, not to exceed the past due or full account balance.

SPECIAL CONDITIONS

1. Residential customers can participate in the AMP up to a maximum contribution of the Program limit of \$1,000 every 24 months.
2. The Company will defer and seek recovery of all associated program costs not otherwise included in rates in accordance with a Commission-approved deferral for the AMP.
3. 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 as determined by the Commission.

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.

NORTHWEST NATURAL GAS COMPANY

P.U.C. Or. 25

Third Revision of Sheet R-1
Cancels Second Revision of Sheet R-1

SCHEDULE R

CANCELLED – RESERVED FOR FUTURE USE

(C)

(D)

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NORTHWEST NATURAL GAS COMPANY

P.U.C. Or. 25

Third Revision of Sheet R-2
Cancels Second Revision of Sheet R-2

SCHEDULE R

CANCELLED – RESERVED FOR FUTURE USE

(C)

(D)

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**SCHEDULE 120
AMP COST RECOVERY**

(N)

PURPOSE:

This Schedule recovers the costs of the Residential Arrearage Management Program (AMP) offered under Schedule D – Residential Arrearage Management Program – Optional for Qualifying Customers.

APPLICABLE:

To all classes of Customers taking service under the following Rate Schedules of the Tariff of which this Schedule 120 is a part. Costs will be allocated on an equal percentage of margin basis

Rate Schedule 2	Rate Schedule 3	Rate Schedule 27	Rate Schedule 31
Rate Schedule 32	Rate Schedule 33		

APPLICATION TO RATE SCHEDULES:

Effective: April 1, 2025

The Temporary Adjustments in the applicable above-listed Rate Schedules include the adjustment shown below. NO ADDITIONAL ADJUSTMENT TO RATES IS REQUIRED.

Schedule	Block	Rate Adjustment	Schedule	Block	Rate Adjustment
2		\$0.00000	32 CSI	Block 1	\$0.00000
3 CSF		\$0.00000		Block 2	\$0.00000
3 ISF		\$0.00000		Block 3	\$0.00000
27		\$0.00000		Block 4	\$0.00000
31 CSF	Block 1	\$0.00000		Block 5	\$0.00000
	Block 2	\$0.00000		Block 6	\$0.00000
31 CTF	Block 1	\$0.00000	32 ISI	Block 1	\$0.00000
	Block 2	\$0.00000		Block 2	\$0.00000
31 ISF	Block 1	\$0.00000		Block 3	\$0.00000
	Block 2	\$0.00000		Block 4	\$0.00000
31 ITF	Block 1	\$0.00000		Block 5	\$0.00000
	Block 2	\$0.00000		Block 6	\$0.00000
32 CSF	Block 1	\$0.00000	32 CTI	Block 1	\$0.00000
	Block 2	\$0.00000		Block 2	\$0.00000
	Block 3	\$0.00000		Block 3	\$0.00000
	Block 4	\$0.00000		Block 4	\$0.00000
	Block 5	\$0.00000		Block 5	\$0.00000
	Block 6	\$0.00000		Block 6	\$0.00000
32 ISF	Block 1	\$0.00000	32 ITI	Block 1	\$0.00000
	Block 2	\$0.00000		Block 2	\$0.00000
	Block 3	\$0.00000		Block 3	\$0.00000
	Block 4	\$0.00000		Block 4	\$0.00000
	Block 5	\$0.00000		Block 5	\$0.00000
	Block 6	\$0.00000		Block 6	\$0.00000
32 CTF	Block 1	\$0.00000	33 (all)		\$0.00000
	Block 2	\$0.00000			
	Block 3	\$0.00000			
	Block 4	\$0.00000			
	Block 5	\$0.00000			
	Block 6	\$0.00000			
32 ITF	Block 1	\$0.00000			
	Block 2	\$0.00000			
	Block 3	\$0.00000			
	Block 4	\$0.00000			
	Block 5	\$0.00000			
	Block 6	\$0.00001			

GENERAL TERMS:

This Schedule is governed by the terms of this Schedule, 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)

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