

November 1, 2021

VIA ELECTRONIC FILING

Public Utility Commission of Oregon
Attention: Filing Center
201 High Street SE, Suite 100
Salem, Oregon 97301-3398

RE: UM 2114 – NW Natural’s Response to Staff’s Request for Comments

Northwest Natural Gas Company, dba NW Natural (NW Natural or Company), provides the following response to the Public Utility Commission of Oregon Staff’s September 29, 2021 email requesting comments on considerations regarding disconnection customer protections.

Staff’s suggestions included in the September 29, 2021 email are repeated below in italic font, with NW Natural’s responses indicated in plain font.

Customers on Energy Assistance

General response: NW Natural notes that a more accurate description to use here is “Customers that have received Energy Assistance,” as Energy Assistance grants are typically not ongoing transactions. For any of the following suggestions, NW Natural suggests that customers eligible for these protections would be those that have received Energy Assistance within a specified period – for example, in the last 24 months.

- *45-day notice in lieu of a 15-day notice (860-021-0405) to allow time to obtain necessary funding.*
 - **Response:** The existing credit process currently provides more than 45 days for customers to seek Energy Assistance or otherwise identify necessary funding. The current credit process typically includes 48-55 days from the initial bill to a potential disconnection for non-payment and includes two written notices and potentially two phone calls. Once NW Natural is notified that a customer is in the process of seeking Energy Assistance, the credit process is stopped. The customer then receives the next bill, which starts a new 48-55 credit process before possible disconnection for non-payment and only if there is an unpaid, past-due balance. Thus, under the existing process, a customer new to seeking Energy Assistance funding would have two full credit cycles - or 96-110 days - to arrange for Energy Assistance or another funding source.

As a reminder of our previous comments regarding the credit process, a customer may make payment arrangements, seek energy assistance or otherwise contact our Customer Contact Center for all available options at any time; any of these actions would stop the credit process and prevent disconnection for non-payment.

- *TPAs extended to 24 months (860–021-0415).*
 - **Response:** NW Natural can support this proposal; providing additional time may help customers find affordable ways to stay current on their chosen TPA and utility account.
- *Waive reconnect fee and field visit charge (once, maybe twice per year) (860-021-0330 and 0420).*
 - **Response:** NW Natural notes that both the reconnection fee and field visit charge exist to recover the incremental cost of sending field resources to service addresses to perform disconnection and reconnection activities. These fees exemplify the ratemaking principle of cost causation, wherein the cost of an activity is borne by the customers that create the cost or benefit from the cost. Waiving these fees has the effect of creating a subsidy borne by all customers. It should also be noted that Energy Assistance funds are used for reconnection fees when customers are reconnecting after disconnection for non-payment. In this case, waivers of the reconnection fees would result in additional Energy Assistance dollars being available. If the Commission chooses to implement a waiver of reconnection fees and field collection charges for customers receiving Energy Assistance, NW Natural would suggest these fees be waived entirely and not just for once or twice a year – this would relieve the administrative burden on our customer service representatives who would have to manually research and track the fee waiver status of each customer in this situation. In addition, any change in charging reconnection fees and field collection charges or eliminating them permanently, should be done with a holistic view that considers how the incremental costs associated with these activities will be recovered.
- *Waive deposit payments (860-021-0205).*
 - **Response:** NW Natural notes that requiring deposits for all customers unable to meet credit criteria results in a lower bad debt experience, which translates into lower rates for all customers. During the current pandemic, the Company has found that early application of deposits has been a useful tool for customers, helping to relieve arrearages where applicable. NW Natural continues to believe requiring deposits from all customers that do not meet credit criteria provides value in keeping overall costs low for all customers. Any change in this practice should consider the impact on other areas, such as bad debt expense.
- *Allow equal payment when there is a balance on the account (860-021-0414).*
 - **Response:** This condition currently exists. In addition to the Equal Payment Plan NW Natural offers to customers that are current on their accounts (as described in tariff Schedule B), NW Natural offers (as described in tariff Rule 9) the choice of a Level Payment Plan or a Current Bill Plus Plan to customers with past-due accounts. The Level Payment Plan is an equal payment plan that includes the past-due balance.

- *Notify Energy Trust of Oregon of customers placed on Energy Assistance. Share customer information, including energy usage and billing data.*
 - **Response:** NW Natural would like further clarification and description of the intent of this proposal. NW Natural currently offers an energy efficiency program for its low-income customers. Since 2002, NW Natural's Oregon Low-Income Energy Efficiency (OLIEE) program, which is funded through a portion of the Company's Schedule 301 Public Purposes Funding Surcharge, assists NW Natural's low-income customers by reducing their natural gas needs through the installation of high-efficiency gas equipment, home weatherization and providing energy education.

In addition, NW Natural notes that the sharing of customer information with the Energy Trust of Oregon is governed by OAR 860-086. Specifically, OAR 860-086-0040(2) prohibits the sharing of certain customer information, including billing and payment history.
- *Require Energy Trust to track Energy Assistance customer activities and report on energy usage (Energy Usage Index) pre-/post-interaction.*
 - **Response:** Please see response above for NW Natural's concerns with providing Energy Trust of Oregon with prohibited data.

Medical Certificates

- *Maintain two-month self-certification (860-021-0410).*
 - **Response:** The current practice of providing customers a longer time-period in which to provide the certification required by OAR 860-021-0410 was the result of the impact of the pandemic before vaccines when the activity of daily life was confined to one's home. Now that vaccines are available and vaccination rates continue to rise, the population is moving about more freely, and medical appointments can occur. In addition, the increased availability and use of tele-health services offers another opportunity to obtain the required certification. Given these improvements since the waiver for certification was enacted, it may no longer be appropriate to extend the period for certification.
- *Maintain not required to enter a TPA (860-021-0415).*
 - **Response:** The existing rules under OAR 860-021-410(5) clearly indicate an emphasis that a medical certificate should be linked with a requirement to pay. NW Natural believes this linkage should continue to be part of the medical certificate process. NW Natural notes that our customers with medical certificates receive an individualized level of customer service through our dedicated team that handles all medical certificate cases. This team assists customers with medical certificates in establishing time payment arrangements (TPAs), renegotiating TPAs whenever necessary, connecting these customers with Energy Assistance, individualized notices and call-aheads and obtaining permission from Staff prior to disconnection for non-payment. This individualized attention given to medical certificate customers ensures a higher level of assistance in preventing the conditions that would result in a disconnection for non-payment.

Severe Weather Moratorium (860-021-0407)

- *Add AQI (100 and above (or 150 and above)) to the rule.*
 - **Response:** NW Natural has implemented a process to enable compliance with Order No. 21-236 in docket UM 2114, such that disconnections for non-payment do not occur on days when the AQI is 100 or higher. For future rulemakings, NW Natural would encourage setting this threshold consistent with proposed Oregon OSHA rules (currently proposed at 150 AQI). NW Natural suggests that any rule should reference the Oregon OSHA rule without specifying an exact AQI level to promote consistency between the rules and avoid confusion for utility operations.
- *Add wildfire displacement (no disconnects during an evacuation order; or the day of and day after the order has been lifted) to the rule.*
 - **Response:** NW Natural is supportive of exploring this rule change.

Any rule to be considered should provide detail on the duration and under what conditions the protections would remain in place.
 - *Potentially adding a reconnection rule for customers impacted by wildfires and recently disconnected, i.e., last 72 hours.*
 - **Response:** NW Natural notes that in these situations, it is difficult to implement requirements on reconnections due to safety concerns and if a high volume of reconnections is needed. Conditions will be unpredictable after a natural disaster event, especially when evacuations of the area have occurred. Even after emergency conditions subside, there may still be safety concerns that prevent reconnection of service and are beyond the control of the utilities. In the case of wildfires, it may also be that many disconnections for safety considerations have occurred, which will complicate the ability to reconnect all customers within a pre-set time. This is even further complicated by the requirement for a customer to have either returned to the premise or to make appropriate access arrangements with the Company for the reconnection, which will include a safety inspection of all appliances and the thermostat before a relight can occur.
- *Add the 3 days before and after a 32 degree weather event.*
 - **Response:** NW Natural notes that this condition will be difficult to monitor and plan for, given the availability of reliable weather forecasts 3 days ahead. Existing rules provide protection for customers such that disconnections do not occur on Fridays or any day where a next-day reconnection is not possible due to holidays.
 - *Potentially adding a reconnection rule for customers recently disconnected.*
 - **Response:** As indicated above, NW Natural notes that it is difficult to implement requirements on reconnections within a pre-set timeframe due to the unpredictability of coordinating a customer's availability and access to the customer's equipment.

- *Add 3 days day before and after a heat advisory.*
 - **Response:** NW Natural believes this proposal should not apply to gas utilities.
 - *Potentially adding a reconnection rule for customers recently disconnected.*
 - **Response:** NW Natural believes this proposal should not apply to gas utilities.
- *Add an incentive for utility to have a winter protection program, potentially incentivizing a program that would ban disconnections from Dec 1st – March 1st for customers receiving Energy Assistance, any customer having difficulty paying their bill if the household has children under 18 years old, people 62 years or older, or people whose health would be threatened by the loss of service. (This would be in lieu of the 32-degree weather event protection listed above)*
 - **Response:** NW Natural appreciates Staff bringing forward innovative approaches for consideration. Commission Staff should expand on their vision of this potential program and further clarify how it could work. NW Natural notes that such a program should also include a time payment arrangement, like the medical certificate process.

Basic Energy Allotment when customers are disconnected

- *Customers essentially wouldn't lose all access, but still retain access to a minimal (lifeline) amount of energy for a given period as they obtain funding to be reconnected.*
 - *Funded through a blend of tariff/voluntary-giving programs.*
 - *May require investments in smart/net meters or other infrastructure investments.*

Response: While this particular concept is unable to be implemented utilizing our existing gas service technology, we look forward to more discussions on innovative approaches to support our customers.

Voluntary Programs

- *We would like to introduce a procedure for allowing customers to donate money to a fund for disconnection abatement. This fund will be included on every customer bill and will allow for rounding up or making a specific donation amount. Those funds would be disbursed to customers facing disconnection, i.e., to defray costs associated with disconnection. These funds should be disbursed to customers, with minimal administrative costs (>10% of total funds being spent on administrative costs).*
 - **Response:** NW Natural's Gas Assistance Program (GAP) provides supplemental assistance to low-income households, particularly those with young children and disabled, medically compromised, and elderly customers.¹ GAP is a donation-based program with contributions made annually by NW Natural customers, employees,

¹ NW Natural provided an overview of GAP at the September 30, 2021 workshop held in UM 2114. Please see presentation at this link: <https://www.oregon.gov/puc/utilities/Documents/COVID-19-NWN-Slides-for-9-30-21-OPUC-UM-2114-workshop.pdf>

retirees, and some large donors. Each year the first \$60,000 in donations are matched by NW Natural shareholders. All administrative costs are covered by NW Natural such that 100% of donor contributions go to those in need. Since 1982, more than \$6.6 million in GAP funds have been donated and distributed to assist customers in need.

Currently, the donation process is managed through an agreement with the United Way, a 501(c)(3) organization, so all GAP contributions are tax-deductible for donors. Although NW Natural annually sends out a GAP informational insert and GAP donation envelope in customer bills, we currently do not have the ability to include donations on a customer's bill. Adding this capability would require Customer Information System (CIS) programming costs and raise questions about taxability and fund transfers that will need to be resolved.

NW Natural supports the adoption of adding a Round-up program to GAP but notes that this would require upgrades to our Customer Information System (CIS) to enable the program. Currently the Company's CIS resources are significantly strained due to a large Information Technology and Services project that is ongoing through much of 2022. In addition, the Company's CIS is anticipated to be replaced in the near-term. As such, NW Natural will need to evaluate whether it is in customers' interest to expend resources upgrading the old CIS system or wait to include this update in a new CIS system.

NW Natural appreciates the opportunity to provide these comments and looks forward to continuing to actively participate in the Paragraph 28 workshops.

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