

August 13, 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 Comments

Northwest Natural Gas Company, dba NW Natural (NW Natural), provides the following comments in response to questions posed by Commission Staff in the July 22, 2021 workshop and in the survey provided at the following link - NW Natural has also provided these responses through the survey. <https://survey123.arcgis.com/share/78b010de26be4676a8fa7cb8a9ba057c>

- 1. *Considering the current process for disconnections for non-payment, how would you assess or evaluate the manner in which utilities currently handle those procedures? Are there policy updates that you might recommend? Is proper notification given? The window of time in which a disconnection can occur – is it small enough, large enough, etc.? (The goal for this question is process improvement.)***

As a utility, we follow the disconnection process that is outlined in Oregon Administrative Rule 860-021-0405 and memorialized in our tariff Rule 11. After sending a customer's monthly bill, our process generally includes two written disconnection notices, and up to two phone calls before a disconnection would occur. Additionally, when our field service technician is in the field for the disconnection, they will knock on the door and attempt to make personal contact with the customer. In total this process spans 48-55 days from the initial bill. At any time during this process, a customer may make payment arrangements, seek energy assistance or otherwise contact our customer contact center for other available options; any of these actions would stop the disconnection process.

As discussed further below, we think the best use of these workshops will be to focus on abating the need for disconnections versus focusing on the last step of disconnection process. Nonetheless, we are open to exploring improvements in the current process and note that some changes may require changes to the OAR and the utility tariffs, in addition to changing the utilities' processes.

- 2. *Arrearage Management:***

- a. *Please describe an arrearage management program or arrearage management best practices you believe would cost effectively:***
 - i. *Reduce residential arrearages***
 - ii. *Prevent additional past due balances from re-accumulating/facilitate on-time payment behaviors.***
- b. *Where possible, please point to data sources and/or real-world examples that serve to evidence your response.***

Although we are still learning from our Arrearage Management Program that launched in May, we believe that an arrearage management plan that includes a matching grant to provide arrearage forgiveness for customers who pay a portion of their arrearage each month, could provide a durable framework moving forward. As we gather data from our program and other utilities' programs, we can better understand the effectiveness of this framework and carefully consider and extrapolate the rate impacts of the program at a larger scale.

We think that enrollment through a NW Natural customer service representative is a valuable touchpoint that can help us assist customers in finding all available options, including time-payment arrangements and energy assistance.

We would be interested in hearing about other best practices and effective methods for preventing additional past due balances from accumulating and facilitating on-time payment behaviors.

3. Alternatives to Disconnection:

- a. Please describe alternatives to disconnection for non-payment. Alternatives should, at a minimum:**
 - i. Be practicable and cost effective,**
 - ii. Incentivize resumption of timely payment,**
 - iii. Discourage habitual non-payment behaviors.**
- b. Where possible, please point to data sources and/or real-world examples that serve to evidence your response.**

NW Natural posits a better framing of this discussion (and indeed, of this workshop series) would be to characterize it as "Solutions for Non-Payment" versus Alternatives to Disconnection. In both regulated and non-regulated commercial business, non-payment of account balances necessarily results in ceasing the service provided. In the regulated utility environment, this paradigm is especially true in keeping with the regulatory compact and fundamental regulatory principles such as cost causation. At the same time, utilities have an obligation to provide service, and again it is the regulatory compact that acts to balance this obligation with the needs of a business entity. By framing the discussion to address non-payment, we can focus on solutions for customers that will ultimately prevent the need for disconnection. These solutions may include additional bill assistance programs, innovative new tariff rate schedules for vulnerable customers and low-income weatherization/energy efficiency programs.

We would be interested in exploring such solutions, how costs of these programs would be recovered and who would bear these costs.

We appreciate the opportunity to provide these comments and look forward to continuing to actively participate in this workshop series.

Sincerely,

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