

January 10, 2022

VIA ELECTRONIC FILING

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

Re: UM 2211—NW Natural Comments

Northwest Natural Gas Company, dba NW Natural (NW Natural or Company), provides the enclosed comments on Public Utility Commission of Oregon (Commission) Staff's request for comments on baseline evaluation criteria included with Staff's Strategy Update and Interim Action Straw Proposal distributed in this docket on December 22, 2021.

Staff's proposed baseline evaluation criteria for interim rates or programs included key design elements within five categories: eligibility, level of relief, tracking and accounting, bundling and outreach and engagement as shown in Staff's table:

NW Natural provides the following comments on the key design elements by category:

Eligibility

Staff's key design elements seek to: 1) streamline eligibility and certification criteria such as self-certification or auto-enrollment for recipients of energy assistance; and 2) make eligibility income based.

NW Natural comments:

NW Natural agrees that streamlined eligibility and certification criteria and income-based eligibility are principles that should underpin utilities' interim rate programs. NW Natural encourages a streamlined approach that removes or eases any barriers to eligibility and envisions that a consistent approach among electric and gas utilities that share customers will help in this effort. In its interim rate program, NW Natural intends to establish eligibility criteria consistent with those of the electric utilities in its service territory and will work with those utilities to that end.

Staff provided the examples of self-certification and auto-enrollment that may meet the streamlining principle. NW Natural notes that each utility should have flexibility in demonstrating how it will streamline eligibility in their interim programs. NW Natural aims to balance the need for streamlined access with the need to ensure proper record-keeping, accounting, and participants' understanding of the terms and conditions of any program.

Level of Relief

Staff's key design elements seek to: 1) prioritize lowest income customers who have the highest energy burden; 2) demonstrate a focus on reducing energy burden to less than 6 percent; and 3) include an estimate of rate impacts on other customers and classes and an explanation of why the cost allocation across customer classes is reasonable.

NW Natural comments:

NW Natural agrees that prioritizing low-income customers with the highest energy burden and reducing energy burden should be principles of utilities' interim programs. Taking into consideration low-income criteria along with high energy burden is important for prioritizing assistance for the customers who need it most.

NW Natural has concerns with a demonstration of reducing energy burden to less than 6 percent. While the Company supports the outcome of reducing energy burden, we find that it is early in the UM 2211 work to set a specific target at this point when the data and awareness regarding current energy burden are not well known. Determination of energy burden considers all energy costs experienced by a customer, while an individual gas or electric utility would only have an understanding of their utility's impact on energy burden - thus a more complete identification of our customers' energy burden will require additional data that the individual utilities do not currently have.¹ Until the data regarding energy burden of Oregon customers are more developed, it would be more prudent to focus on reducing energy burden generally and work toward the target of the 6 percent affordability threshold.

Regarding Staff's element to include rate impacts and explain cost allocation, NW Natural notes that rate impacts are a required element of any tariff filing and an explanation of cost allocation within the tariff filing is also typically expected and reasonable.

Tracking and Accounting

Staff's key design elements seek to: 1) specify metrics to track impact and participation; including demographic data, assistance dollars per customer, historical and ongoing bill amounts for enrolled customers, participant payment behavior, historical and ongoing energy burden (customer level); 2) track costs (administrative and assistance dollars) in a deferral for review prior to recovery; and 3) provide monthly reporting on approved performance metrics by zip code.

NW Natural comments:

NW Natural agrees that a separate workshop or call to discuss reporting metrics would be helpful to ensure that data collected and reported will meet the need for the information being sought and confirm that customer privacy will be safeguarded. NW Natural reiterates that it currently does not collect the demographic and income data of its customers and has concerns about any future requirement to collect or report customer data that is not required for utility service.

NW Natural agrees that deferred accounting and use of a balancing account will be an effective means of tracking costs for utilities' interim programs.

Bundling

Staff's key design elements seek to: 1) include a complimentary energy efficiency component (e.g., auto referral for Energy Trust or weatherization service providers); 2) extend weatherization services within 60 days of enrollment; and 3) share information with Energy Trust of Oregon (ETO) regarding participation.

NW Natural comments:

NW Natural agrees that leveraging the work in UM 2211 programs to provide energy efficiency and/or weatherization opportunities provides a good opportunity to serve customers experiencing

¹ There are no dual-fuel investor-owned utilities in Oregon; Avista Utilities has only gas operations in Oregon.

high energy burden and to further reduce energy burden for these customers. NW Natural encourages further discussion of how this concept would work and highlights the need to safeguard customer data within this process. The Company notes it seems reasonable for utilities with existing low-income energy efficiency programs to provide referrals to their program providers but highlights that doing so is different than Staff's suggested element to share information with the ETO regarding participation, since not all utilities work with ETO for their low-income energy efficiency programs.

Outreach and Engagement

Staff's key design elements seek to: 1) make program marketing transparent and informative; 2) consider joint stakeholder engagement with overlapping utilities where practicable and useful; 3) demonstrate the utility has provided meaningful engagement in advance of filing; 4) provide information regarding feedback that was received but not incorporated; and 5) survey participating customers and CAP agencies at 3 months and 6 months after implementation.

NW Natural comments:

NW Natural agrees that opportunities for meaningful engagement and feedback are needed for the design and implementation of effective interim programs. The criteria provided by Staff is a thoughtful and reasonable proposal.

NW Natural appreciates the opportunity to provide comments and looks forward to actively participating in this docket. Please address correspondence on this matter to me with copies to the following:

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Sincerely,

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