

April 29, 2022



ADV 1390 Advice No. 22-02, Docket Schedule

Northwest Natural Gas Company proposal for a Residential Low-Income Bill Discount Program.

Context

On April 18, 2022, Northwest Natural Gas Company (NW Natural or Company) filed a request to offer an income-qualified bill discount program for residential customers and a corresponding cost recovery mechanism. In the filing, NW Natural submitted proposed tariff sheets for the new Schedule 330, detailing the terms and conditions of the discount program proposal, and the new Schedule 335, which specifies the adjustment rates (i.e. bill impacts) by applicable customer schedule for NW Natural's cost recovery associated with the program. The Company has requested an effective date of July 15, 2022, with a target of November 2022 to begin customer enrollments in the program. In its filing, the Company stated that the time between the effective date for final terms of the program and customer enrollments is necessary for updates to NW Natural's Customer Information System (CIS) and website, and internal process development related to enrollment, surveys, and communications.

The proposal is the Company's near-term differential rate offering in advance of the Oregon Public Utility Commission's (PUC or Commission) Staff led, longer-term investigation into statewide bill affordability, energy burden, and implementation of House Bill (HB) 2475, the [Energy Affordability Act](#).¹ It is also a secondary and subsequent interim relief measure that comes after NW Natural's Residential Arrearage Management Program (AMP) extension² that was approved at the Commission's March 22, 2022 Regular Public Meeting, and effective March 23, 2022.

On January 31, 2022, Staff issued [Reply Comments](#) under UM 2211 providing updated guidance to the utilities regarding interim action. Included in the comments were baseline evaluation criteria ([Appendix A](#)) that are intended to inform utility filings on:

- Eligibility,
- Level of Relief,
- Tracking and Accounting,
- Bundling, and
- Outreach and Engagement.

NW Natural conducted a pre-filing engagement session on March 31, 2022, where the Company presented its intended proposal terms to interested stakeholders and relayed its plan to file in early April 2022.

¹ The Energy Affordability Act, House Bill 2475 (2021 regular session) became effective January 1, 2022, and, in part, provides the Commission authority to consider energy burden and other economic, social equity, or environmental justice factors in rate design.

² See Docket No. ADV 1373, <https://apps.puc.state.or.us/edockets/DocketNoLayout.asp?DocketID=23195>.

NW Natural states that it intends for post-filing engagement to include several rounds of discussion with community advocates, environmental justice groups, and other stakeholders in advance of the public meeting before the Commission, which is expected to occur on July 12, 2022.

Scope

In its initial filing, NW Natural included a proposed process timeline that incorporates a series of three technical workshops through June and provides some high level milestones over a broad June-October timeline. Staff appreciates and acknowledges the Company's intentions to engage with Staff and interested parties on the terms of its proposal; however, stakeholders have expressed concern over the lack of "engagement in advance of filing" as intended by Staff per the Baseline Evaluation Criteria for HB 2475 interim proposals published in Docket No. UM 2211. Specific concerns center on whether or not a published proposal will impact the Company's ability or willingness to work collaboratively on program design. In an effort to mitigate concerns related to NW Natural's differential rate engagement thus far, Staff has developed a docket schedule that considers both the Company's proposed timeline and endeavors to build in Staff and stakeholder needs and specificities.

Technical Workshop

The first workshop in the series should provide NW Natural an opportunity to present its proposal to a broad stakeholder group and answer any clarifying questions related to the content presented and what was initially filed. Additionally, Staff will facilitate the discussion after NW Natural's initial presentation and provide virtual tools where participants can suggest and emphasize topical issues and concerns related to the filing that should be addressed in subsequent workshops.

Stakeholder Comments

Stakeholder comments are not required, but help provide insight on community priorities and concerns. We have heard from several groups, particularly those that operate using a coalition model that integrates and unites multiple organizations who have shared goals that sufficient time should be afforded where comments are requested. Staff has included two opportunities for Stakeholder comments that provide two-week windows. The first is following the technical workshop and the second is in advance of the public meeting, with enough time for Staff to incorporate feedback into its final recommendations to the Commission. As always, interested parties may submit comments to this docket all the way up to the date of the public meeting.

Workshop Series

Topical Workshops #2 and #3 will be clarified based on the discussions and comments following the May 10, 2022, technical workshop. Staff hopes to identify key issues for dedicated discussion and maximize the efficacy of our collaboration. Isolating topics for the workshop series may be as simple as tackling the proposal in terms of Staff's baseline evaluation criteria, or it can be nuanced to the priorities revealed during the course of engagement.

Final Roundtable

The final roundtable will be held as time where parties can come together to discuss any remaining outstanding issues in advance of the public meeting and potentially provide clarification and transparency with regard to utility, Staff, and stakeholder perspectives before we go before the Commission.

Schedule

Staff has identified the following schedule to facilitate the review of NW Natural's Docket No. ADV 1390 proposal.

Date	Event	Notes
May 13, 2022	Technical Workshop (10:00-11:30 AM)	<i>See description above</i>
May 27, 2022	Stakeholder Comments	<i>See description above</i>
May 31, 2022	Staff issues topical Workshop agendas	In the event the breadth of issues identified in the technical workshop require more discussion than this timeline allows, Staff will announce its intent to suspend and investigate.
June 2, 2022	Workshop #2 (10:00-11:30 AM)	<i>See description above</i>
June 6, 2022	Workshop #3 (3:00-4:30 PM)	<i>See description above</i>
June 22, 2022	Stakeholder Comments Round 2	<i>See description above</i>
July 1, 2022	NW Natural Reply Comments	Staff's expectation is for NW Natural to incorporate and/or respond to any issues highlighted by parties in the workshop series and published comments.
July 5, 2022	Final Roundtable <i>(if needed)</i>	<i>See description above</i>
July 12, 2022	Commission decision at Regular Public Meeting	
July 15, 2022	NW Natural Schedule 330 Effective Date	

Unfamiliar with this process?

Refer to [Appendix B](#) for some information on terms and references used within this document as well as other PUC resources that may be helpful to you.

Please direct questions to:

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Appendix A:

Final Baseline Evaluation Criteria for Interim Action

At minimum, Staff will review utility interim rate or program filings for inclusion of the following:					
KEY DESIGN ELEMENTS	Eligibility	Level of relief	Tracking and accounting	Bundling	Outreach and engagement
	<p>Low-barrier enrollment component(s) should be included (e.g. self-certification; categorical eligibility; etc.)</p> <p>Auto-enrollment for energy assistance recipients should be included</p> <p>Options for CBOs to submit eligible customers to the utility should be included</p>	<p>Prioritizes lowest income with the highest energy burden</p>	<p>Monthly zip code level reporting on enrollments for first 12 months, quarterly thereafter unless guidance is updated following the broader investigation. Monthly data should include, but not be limited to:</p> <ul style="list-style-type: none"> • Assistance dollars per customer; • Total and average arrears of participants (by 30, 60, 90+ days aged buckets); • Percentage of EA recipients; • Difference in average bill of participating versus non-participating customer. 	<p>Information sharing with ETO and energy efficiency and weatherization administrating agencies about interim rate and program participants</p>	<p>Transparent and informative</p>
	<p>Eligibility criteria should be income-based in the interim (the broad investigation can explore other criteria)</p>	<p>Utility proposal should explain how the interim rate was designed to provide a meaningful reduction of energy burden (e.g., Staff will look at how the utility considered a target energy burden ceiling (6%) when identifying the income tiers and discount levels provided by the proposed rate)</p>	<p>Program costs are tracked and reported quarterly in a deferral with sufficient detail for ongoing Staff review and discussion</p>	<p>Collaborates with energy efficiency and weatherization partnering agencies on complementary services and potential cross referrals</p>	<p>Regularly scheduled (monthly or quarterly) discussions and consultations with partnering agencies representing or servicing target communities; consolidating with peer utilities where possible</p>
		<p>Allows flexibility or direct engagement opportunities in program design to accommodate enrollments reasonably outside specific eligibility terms</p>	<p>Continued workshops with Staff and Stakeholders on right-sizing data collection and leveraging work done by other agencies; specific attention to more granular reporting of demographic and income data.</p>	<p>Makes energy efficiency or weatherization information and program resources available to participating customers</p>	<p>Demonstrates the Company provided meaningful engagement in advance of filing</p>
					<p>Surveys participating customers and CAP agencies at 3, 6, and 12 months of implementation</p>

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Appendix B:

HB 2475 is a 2021 legislative measure that took effect January 1, 2022, and allows the PUC to consider customer characteristics that affect affordability when approving programs and energy rates charged by regulated utilities.

ADV 1390 is the docket number assignment for NW Natural's interim differential rate proposal to offer income-qualified customers discounts on their monthly bills. Docket No. ADV 1390 can be considered one of the "off-shoots" of Docket No. UM 2211, where Staff is working across a diverse group of utilities and stakeholders to implement HB 2475.

Tariff sheets are documents that can detail terms and conditions for utility programs offered to customers and/or pricing structures that a utility provider charges a customer for energy usage based on the customers class (e.g. residential, commercial, industrial) and/or election preferences (e.g. time-of-use rates). Tariff sheets applicable to customers of an Oregon regulated utility (such as NW Natural) must be approved by the Commission.

Cost recovery mechanism is the term used to describe how the utility will make back the costs associated with the Company's offering or role in an authorized program, service, or policy. In the case of NW Natural's differential rate proposal, the Company seeks to recover the costs of discounting customer bills by spreading total (forecasted) costs of the discounts across all utility customers.

Docket Schedule is the engagement timing and framework for PUC Staff, utilities, and other interested parties to collaborate on PUC proceedings. It can include workshops, comment deadlines, and other events that provide dedicated space for engagement.

Other PUC resources that are not specific to any one process, but may help new and interested participants in our processes can be found here:

- <https://www.oregon.gov/puc/news-events/Pages/Trainings.aspx>
- <https://www.oregon.gov/puc/news-events/Pages/Get-Involved.aspx>