

August 12, 2024

VIA ELECTRONIC FILING

Public Utility Commission of Oregon
Attn: Filing Center
201 High Street SE, Suite 100
Post Office Box 1088
Salem, Oregon 97308-1088

**Re: UG 490 – Application of NW Natural for a General Rate Revision
Joint Brief in Support of the Third Partial Stipulation**

Attached for filing in the above-mentioned proceeding is the Joint Brief in Support of the Third Partial Stipulation on behalf of Northwest Natural Gas Company, dba NW Natural (“NW Natural” or the “Company”), the Coalition of Communities of Color, Climate Solutions, Verde, Columbia Riverkeeper, Oregon Environmental Council, Community Energy Project, and Sierra Club (“Coalition”), and the Oregon Citizens’ Utility Board (“CUB”).

Please address correspondence on this matter to me with copies to the following:

Eric Nelsen
NW Natural
Senior Regulatory Attorney
250 SW Taylor Street
Portland, Oregon 97204
Telephone: (503) 610-7618
eric.nelsen@nwnatural.com
OSB #192566

eFiling
NW Natural
Rates and Regulatory Affairs
250 SW Taylor Street
Portland, Oregon 97204
Telephone: (503) 610-7330
eFiling@nwnatural.com

Jocelyn Pease
McDowell Rackner & Gibson PC
419 SW 11th Ave, Ste. 400
Portland, OR 97205
Telephone: (503) 595-3620
dockets@mrg-law.com
OSB #102065

Public Utility Commission of Oregon
UG 490; Joint Brief in Support of the Third Partial Stipulation
August 12, 2024; Page 2

Respectfully submitted,

NW Natural

/s/ Ryan Sigurdson

Ryan Sigurdson
Regulatory Attorney (OSB #201722)
250 SW Taylor Street
Portland, Oregon 97204
Telephone: (503) 610-7570
ryan.sigurdson@nwnatural.com

Enclosure

1 demonstrate the income eligibility they self-attested. To date, NW Natural has not
2 implemented post-enrollment income verification and no customer has been removed
3 from the bill discount program for failing to verify income.²

4 In Opening Testimony, the Coalition argued that NW Natural should not conduct
5 post-enrollment income verification, stating that it “deters low-income households from
6 getting the assistance they need.”³ Specifically, the Coalition was concerned that “low-
7 income customers who might not have income verification forms readily available,” and
8 “customers may not understand why they are being audited, why the process is so
9 invasive, and the consequences of not participating,” leading to “distrust between a utility
10 and its customers.”⁴ No other party took a position on post-enrollment income verification
11 in Opening Testimony.

12 In Reply Testimony, NW Natural responded to the Coalition, arguing that
13 “[c]onducting income verification for a small pool of program participants safeguards
14 program integrity, strengthens public trust and demonstrates prudent management of
15 customer funds,” citing guidance from the federal government.⁵ Regarding the Coalition’s
16 specific recommendation that the Commission prohibit NW Natural from suspending bill
17 discounts for households that cannot or do not verify their income, NW Natural clarified
18 that it is not yet conducting post-enrollment verification and that the Coalition’s

² NW Natural/2300, Tanaka/25.

³ Coalition/300, Fain-Segovia Rodriguez-Daryanani/27.

⁴ *Id.* at 28.

⁵ NW Natural/2300, Tanaka/23.

1 recommendation is premature because “any details of the verification process have yet
2 to be determined.”⁶

3 In Rebuttal Testimony, the Coalition took issue with the Company’s assertion that
4 its post-enrollment verification process was still in development, citing language in
5 Schedule 330 of NW Natural’s tariff that permitted the Company to conduct these types
6 of verification.⁷ The Coalition asserted that such tariff language is confusing for
7 community members and requested that the Commission require NW Natural to remove
8 it from the tariff “until the Company implements its post-enrollment verification policy to
9 prevent further confusion for community advocates.”⁸ No other party filed Rebuttal
10 Testimony on post-enrollment income verification.

11 After Rebuttal Testimony, the parties to this proceeding entered into the Second
12 Partial Stipulation, which resolved many of the contested issues, including setting
13 discount levels for the bill discount program, as well as how those costs would be
14 recovered in rates and a process for ongoing review of that program.⁹ However, several
15 issues remained to be litigated, including contested issues related to post-enrollment
16 verification in the Company’s bill discount program.¹⁰

17 Finally, in Surrebuttal Testimony, NW Natural responded to the Coalition’s Rebuttal
18 Testimony on this issue, arguing that the post-enrollment income verification tariff
19 provision in Schedule 330 “was intentionally used, as developed during the collaborative
20 process in docket ADV 1390 [Commission docket that established Schedule 330], in

⁶ NW Natural/2300, Tanaka/25.

⁷ Coalition/600, Fain-Segovia Rodriguez-Daryanani/19-21.

⁸ Coalition/600, Fain-Segovia Rodriguez-Daryanani/21.

⁹ Second Partial Stipulation, para. 4,5, & 7 (available at:
<https://edocs.puc.state.or.us/efdocs/HAR/ug490har330256116.pdf>).

¹⁰ *Id.* at para. 10(f).

1 recognition that NW Natural would not begin the post-enrollment income verification
2 process until the second year of the program and to allow for flexibility in developing,
3 implementing, and adjusting the process.”¹¹ Therefore, “[i]t would be inappropriate to
4 remove language describing the post-enrollment income verification program element
5 from the Schedule 330 tariff” because “[t]he Company will be conducting such verification
6 as part of the program.”¹²

7 **B. Resolution of Post-Enrollment Income Verification in the Third Stipulation**

8 In the Third Stipulation, the Stipulating Parties agree that NW Natural bill discount
9 program's post-enrollment verification will begin no earlier than March 2025, and that NW
10 Natural will hold workshops on its verification process with interested stakeholders to
11 receive feedback before starting the process. Workshops will begin after the rate effective
12 date of this proceeding—November 1, 2024.¹³ The Third Stipulation also provides that
13 the Company must include Verde, Community Energy Project, and Coalition of
14 Communities of Color in the workshops.¹⁴ As a practical matter, NW Natural intends to
15 invite those specific organizations, as well as all other entities that are participating in
16 Commission docket UM 2211, which is an ongoing docket concerning the implementation
17 of HB 2475.¹⁵ The Third Stipulation resolves all contested issues related to post-
18 enrollment income verification in the Company’s bill discount program for the purposes of
19 this case.

¹¹ NW Natural/4500, Tanaka/18.

¹² NW Natural/4500, Tanaka/17-18.

¹³ Third Stipulation, para. 1.

¹⁴ *Id.*

¹⁵ HB 2475 authorizes the Commission to consider differential energy burden and other inequities of affordability in ratemaking, including authorizing the establishment of utilities’ bill discount programs for low-income customers.

- 1 respectfully request that the Commission approve the Third Stipulation in its entirety and
- 2 without modification.
- 3 Respectfully submitted this 12th day of August 2024.

NW NATURAL COMPANY D/B/A NW
NATURAL

By: /s/ Ryan Sigurdson

Date: August 12, 2024

OREGON CITIZENS' UTILITY BOARD

By: /s/ Claire Valentine-Fossum

Date: August 12, 2024

COALITION OF COMMUNITIES OF COLOR,
CLIMATE SOLUTIONS, VERDE, COLUMBIA
RIVERKEEPER, OREGON
ENVIRONMENTAL COUNCIL, COMMUNITY
ENERGY PROJECT, AND SIERRA CLUB

By: /s/ Noorulanne Jan

Date: August 12, 2024