

February 25, 2021

OPUC Advice No. 21-02

VIA ELECTRONIC FILING

Public Utility Commission of Oregon
Attn: Filing Center
201 High Street SE, Suite 100
P.O. Box 1088
Salem, OR 97308-1088

Re: Schedule R – Residential Arrearage Management Program

NW Natural Gas Company, dba NW Natural (NW Natural or Company), files herewith the following revisions to its Tariff P.U.C. Or. 25, stated to become effective on May 3, 2021.

Original Sheet R-1	Schedule R	Arrearage Management Program
Original Sheet R-2	Schedule R	Arrearage Management Program
Seventh Revision of Sheet iv	Index	Tariff Index

Purpose

The purpose of this filing is to add Schedule R – residential Arrearage Management Program (AMP), to NW Natural's tariff. Schedule R is a result of discussions in docket UM 2114 – Investigation into the Effects of the COVID-19 Pandemic on Utility Customers. A Stipulated Agreement in UM 2114 (Public Utility Commission of Oregon (Commission) Order No. 20-401) states that an arrearage management program will be funded by at least one percent (1%) of each utility's Oregon retail revenues as a one-time funding amount.

Background

On June 9, 2020, the Commission conducted a Special Public Meeting on the topic of *"Impact to Utility Customers during the COVID-19 Pandemic and Future Economic Recovery."* During this public meeting, the Commission heard from investor-owned energy, water, and telecommunications utilities, as well as customer groups, and other stakeholders on the impacts of the COVID-19 pandemic, including actions taken by utilities and additional actions needed to protect customers during this pandemic. A stipulation was executed incorporating terms and conditions to assist customers and utilities during the current COVID-19 pandemic and the aftermath of the pandemic.

Paragraph 18 of the Stipulation states that prior to resuming disconnections, each utility will establish a program to identify and manage residential customer arrearages. The AMP would be funded through one percent (1%) of NW Natural's Oregon retail revenues as a one-time funding amount. NW Natural designed its AMP with input from Staff and stakeholders provided during Commission workshops in docket UM 2114. NW Natural shared the details of the proposed AMP at workshops with Commission Staff and other stakeholders on December 17, 2020 and February 1, 2021.

Proposed AMP for Residential Customers

The AMP identifies, manages and/or waives residential customer arrearage balances associated with the pandemic to prevent delinquent turn-offs and accumulation of bad debt. As mentioned above, the AMP will be funded one time by at least one percent (1%) of NW Natural's total 2019 retail revenues and is not to be increased without prior Commission approval.

Program Components

NW Natural designed the AMP to provide flexibility to meet residential customer needs and also consider individual account conditions without income eligibility verification up to a Program limit of \$1,200. The three flexible options are as follows:

- **Instant Grant Option**
An option that offers a one-time grant up to \$100 for the residential customer with a smaller past due or full account balance who expresses economic hardship.
- **50/50 Matching Grant Option**
A payment match option that offers up to a \$300 matching grant in the form of a credit applied to the account and eliminates a past due or full account balance.
- **Time Payment Arrangement (TPA) with Matching Grant Option**
An option that offers a TPA in which the residential customer makes a payment each month and receives a matching grant payment to reduce the balance at the time the customer's TPA payment posts. The grant under this option is equal to 50% of the total account balance with matching grant payments divided equally by the number of payments required by the TPA term. No down payment is required and a levelized payment arrangement can be made to bring the customer's account current in addition to a "current bill plus" payment plan.

Further details are provided in the proposed tariff, Schedule R.

NW Natural intends for these options to be used in concert with each other, individually or in any combination, depending on the circumstances and needs of each customer. In addition, NW Natural customer service representatives will be trained to discuss the customers' specific situation and assist them with the option(s) that work best for them. In exceptional situations when customers are unable to make any payment due to various forms of crisis (i.e., medical, death in the family, COVID-19 impacts), Instant Grants greater than \$100 may be considered.

Campaign Plan and Communications

NW Natural plans an extensive outreach campaign in 2021 to be conducted by e-mail, mail, and outbound telephone contacts prior to the resumption date of disconnections. NW Natural will initially prioritize its focus on customers that are in arrears >90 days but the Company will accommodate all customers that seek to participate in the AMP. In addition, NW Natural will place a special focus on identifying customers that would be more likely to qualify for energy assistance to ensure those customers are prioritized in our outreach efforts so that we can connect them with offerings that are most likely to help them.

Throughout the pandemic, we have been actively engaging our customers through diverse channels to inform them of bill payment arrangements, energy assistance availability and other resources regarding their gas service. Since March 2020, we have provided this information through online communications on our website with call-outs in four languages for bill payment options, detailed bill payment assistance and COVID-19 information; as well as through digital banner and social media advertising and ongoing social media posts on Twitter, Facebook and LinkedIn. In addition, NW Natural has provided this information through its Comfort Zone customer newsletter sent with bills and the electronic newsletter sent to paperless billing customers. Last summer we also issued public service announcements to the main English and Spanish radio and television stations in our service territory.

As the resumption date contemplated in docket UM 2114 approaches, NW Natural will launch an additional proactive outreach effort, known as our Healthy Account Campaigns (HAC). With the HAC, all customers will be notified by mail 30 days in advance of the moratorium on shut-offs for non-payment being lifted to advise of options for assistance. Past-due customers will be contacted by letter, e-mail and phone to advise them of all options to bring their accounts current, including how to acquire energy assistance through local community action agencies, time payment arrangements and the AMP. A specialized HAC Team within our Customer Contact Center will handle the outbound calls but all customer service representatives will receive

training, including suggested scripting and scenario-based training, to manage customer responses to voicemails left by the HAC Team that were unable to make customer contact.

In addition, our 2021 customer communications plan will be expanded to include:

- English and Spanish television and radio Public Service Announcements (PSAs) in January, February and October-December of 2021;
- Monthly digital and paper Comfort Zone information;
- Information in four languages on our website and digital banner about bill payment options, energy assistance and COVID-19;
- An expanded social media advertising and posting campaign on Twitter, Facebook and LinkedIn.

Furthermore, NW Natural will work with its community organization partners to ensure information about the availability of assistance options will reach those that need it most. We will communicate with our community organizations to provide detailed information about availability of bill assistance options, time payment arrangements and the AMP and how to access them.

Conclusion

NW Natural respectfully request the Commission approve this tariff change to become effective May 3, 2021.

This effective date reflects our estimated date of completion of the necessary programming changes required of our Customer Information System (CIS) to accommodate the AMP. Previously, the Company had planned to complete the necessary programming by April 1, 2021; however, the effort to implement the AMP has proven to be more complex than anticipated and additional time is needed to successfully program and test the AMP. NW Natural is now in the midst of implementing the robust communication and proactive outreach campaign described above, creating a long ramp for the Company and its customers to approach the moratorium end date, maximizing the effectiveness of the AMP when it is deployed in May.

In accordance with ORS 757.205, copies of this letter and the filing made herewith are available in the Company's main office in Portland, Oregon and on its website at www.nwnatural.com.

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

eFiling
NW Natural Rates & Regulatory Affairs
250 SW Taylor Street
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Respectfully submitted,

/s/ Natasha Siores

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SCHEDULE R
ARREARAGE MANAGEMENT PROGRAM

(N)

PURPOSE:

The purpose of this schedule is to implement the residential Arrearage Management Program (AMP) consistent with Commission Order No. 20-401. The Order directs Utilities to establish a program to identify and manage residential customer arrearages associated with the COVID-19 pandemic to proactively assist residential customers prior to resuming disconnections and prevent bad debt accumulating on utility accounts.

The Program may identify and waive residential arrearages at an initial total amount of \$6,167,000, not to be increased without prior Commission approval. This amount represents one percent (1%) of the Company's 2019 Oregon retail revenues.

APPLICABLE:

To all Residential Customers taking service under Rate Schedule 2 of this Tariff.

ENROLLMENT:

Eligible Residential Customers may enroll in an AMP option by calling the Customer Contact Center, Monday through Friday, 7 a.m. to 6 p.m. at 800-422-4012 or 503-226-4211.

AMP OPTIONS:

The AMP is intended to address long-term arrearage reduction and prevent turn-off due to non-payment and also serves as an additional resource to supplement various sources of low-income energy assistance for qualified customers. The following options are available as part of this residential Arrearage Management Program:

1. Instant Grant Option

- a. An option that offers a one-time grant up to \$100 for the residential customer with a smaller past due or full account balance who expresses economic hardship.
- b. Grant will appear on the customer's next bill as "Instant Grant."

2. 50/50 Matching Grant Option

- a. A payment match option that offers up to a \$300 matching grant in the form of a credit applied to the account and eliminates a past due or full account balance.
- b. Grant will appear on the customer's next bill as "50/50 Grant."

3. Time Payment Arrangement (TPA) with Matching Grant Option

- a. An option that offers a TPA in which the residential customer makes a payment each month and receives a matching grant payment to reduce the balance at the time the customer's TPA payment posts.
- b. The customer's grant is equal to 50% of the total account balance with matching grant payments divided up in a number equal to the number of TPA payments required by the TPA term.
 - i. Grant not to exceed the \$1,200 Program limit or the balance of that limit still available to the customer under the AMP, whichever is less.
- c. Eliminates a past due balance and brings the full account balance current when the plan is completed.
- d. Grant payments will appear on the customer's bill as "Arrearage Management Plan Grant."

(continue to Sheet R-2)

(N)

**SCHEDULE R
ARREARAGE MANAGEMENT PROGRAM**

(N)

SPECIAL CONDITIONS

1. Residential customers can participate in the AMP in any combination of options up to a maximum contribution from the Program limit of up to \$1,200.
2. Residential customers with no means to make payment(s) due to various forms of crisis, i.e. medical issues, death in the family, multiple forms of crisis, and COVID-19 impacts, etc., can receive Instant Grants larger than \$100 without a matching payment. Such customers may also exceed the \$1,200 Program limit in exceptional cases, at the Company's sole discretion.
3. The Company will defer and seek recovery of all associated program costs not otherwise included in rates in accordance with Commission Order No. 20-401 and Order No. 20-380.
4. In addition to the reporting requirements outlined in Commission Order No. 20-401, the Company will provide quarterly reporting on the amount of assistance that has been provided and the number of customers enrolled in the Program, and any additional reporting may be provided as determined by the Commission.

TERM

This program shall continue through October 1, 2022, or until the Company reaches the spending limit, or until the Commission closes the program.

GENERAL TERMS:

This Schedule is governed by its terms, the General Rules and Regulations contained in this Tariff, any other Schedules that by their terms or by the terms of this Schedule apply to service under this Schedule, and by all rules and regulations prescribed by regulatory authorities, as amended from time to time.

(N)

NORTHWEST NATURAL GAS COMPANY

P.U.C. Or. 25

Seventh Revision of Sheet iv
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(continued)

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Issued February 25, 2021
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Effective with service on
and after May 3, 2021