

**NW Natural’s  
 GREAT Advisory Group Action Plan  
 April 1, 2021**

**Purpose**

The purpose of this report is to present an action plan to improve NW Natural’s Gas Residential Energy Assistance Tariff (GREAT) Program as recommended by the GREAT Advisory Group (“the Advisory Group”) in compliance with Order 07 in docket UG-181053.

**GREAT Advisory Group Action Plan**

| No. | Action Items  | Description   |
|-----|---|---|
| 1   | <b>Increase Low-Income Eligibility for GREAT Program</b> from 150% to 200% of the Federal Poverty Level (FPL).  | <ul style="list-style-type: none"> <li>• Approved and effective Nov. 1, 2020 NW Natural Advice No. 20-11, Schedule J, filed Sept. 30, 2020</li> <li>• Administered through Clark PUD and WGAP</li> <li>• \$500,000 annually</li> </ul>  |
| 2   | <b>Communications and Outreach Plan</b><br>Increase communications in 2021 to notify all customers of energy assistance programs and bill assistance options. | <ul style="list-style-type: none"> <li>• Mail, email, and outbound calling campaigns.</li> <li>• Social media: Twitter, Facebook, LinkedIn</li> <li>• Monthly Comfort Zone message (electronic and printed edition in bills)</li> <li>• Television and radio PSAs</li> <li>• Target customers with &gt;90 days past due</li> <li>• Expand outreach to the Spanish-speaking community in our service territory via radio and television PSAs, social media advertising and the Spanish version of the new NW Natural website.</li> </ul> |
| 3   | <b>Establish a COVID-19 Assistance Program (CAP)</b>  | <ul style="list-style-type: none"> <li>• Funded by 1% of retail revenues (\$652,000)</li> <li>• Eligible customers - received LIHEAP or GREAT since January 1, 2019</li> <li>• Maximum award of \$2,500 per household</li> <li>• Other energy assistance programs should also be considered</li> <li>• Administered by NW Natural</li> </ul>  |
| 4   | <b>Arrearage Management Program</b><br>Continue to evaluate for future program development  | <ul style="list-style-type: none"> <li>• Continue to learn from other utilities and evaluate with the GREAT Advisory Group</li> </ul>   |
| 5   | <b>Low-Income Evaluation Study</b>  | <ul style="list-style-type: none"> <li>• Work with GREAT Advisory Group to plan and develop the study</li> </ul>  |

**GREAT Program History**

The GREAT Program is offered to qualify low-income customers in Washington (through tariff Schedule J) for bill payment assistance. The Program was first established in 2009. In December 2008, the

Commission approved a settlement agreement in docket UG-080546 requiring NW Natural to develop a low-income bill assistance program in consultation with its newly formed Low-Income Rate Assistance Working Group. NW Natural introduced Schedule J on March 31, 2009.

The Program is delivered through designated agencies that screen applicants for eligibility and approve bill payment assistance grants. The designated agencies currently administering the GREAT Program are Clark Public Utilities District (CPUD) and Washington Gorge Action Programs (WGAP). In compliance with Schedule J, these agencies follow the established protocols for the qualification of and disbursement to eligible participants in accordance with the guidelines established by the Washington Department of Commerce for disbursement of federal Low-Income Home Energy Assistance Program (LIHEAP) funds. Program guidelines for the GREAT Program are the same as those for LIHEAP except that, for the GREAT Program, income eligibility is all customers earning up to 200% of the Federal Poverty Level (FPL), as discussed below.

The Program distributes up to \$500,000 per year in low-income bill assistance funds. The Program year runs from October 1 through September 30 in alignment with LIHEAP. The Company recovers the monies distributed in its annual PGA filing. The table below summarizes the last three years of assistance provided to customers via the Program.

|                          | <b>Oct 2017-Sept 2018</b> | <b>Oct 2018-Sept 2019</b> | <b>Oct 2019-Sept 2020</b> |
|--------------------------|---------------------------|---------------------------|---------------------------|
| <b>Funds Granted</b>     | \$322,470                 | \$233,869                 | \$332,965                 |
| <b>Administrative</b>    | \$64,494                  | \$46,774                  | \$66,593                  |
| <b>No. of households</b> | 632                       | 583                       | 706                       |
| <b>Average grant</b>     | \$510                     | \$401                     | \$472                     |

### **GREAT Advisory Group Background**

As part of a joint settlement agreement approved in Order 06 in NW Natural’s general rate case in docket UG-181053, NW Natural agreed to the establishment of the GREAT Advisory Group. In compliance with the settlement agreement, the Advisory Group was established in August 2019 and met for the first time on October 25, 2019. The settlement agreement set out goals for the Advisory Group including:

1. Keeping customers connected to natural gas service;
2. Providing energy assistance to more customers than are currently served;
3. Lowering the energy burden of GREAT Program participants;
4. Collecting data necessary to assess the GREAT Program effectiveness; and
5. Informing ongoing policy discussions.

The Advisory Group met a total of 12 times (once in 2019, eight times in 2020, and three times in 2021).

|               |               |                  |
|---------------|---------------|------------------|
| Oct. 25, 2019 | Sept 27, 2020 | Dec 11, 2020     |
| Feb 27, 2020  | Oct 12, 2020  | January 8, 2021  |
| Mar 25, 2020  | Oct 29, 2020  | February 5, 2021 |
| May 27, 2020  | Nov 20, 2020  | March 4, 2021    |

Some of the topics discussed at the meetings include NW Natural’s COVID-19 response, GREAT Program data and ongoing status, as well as the development of a topics list to be discussed as a means of

developing this Action Plan. These key topics included Arrearage Management Plans, COVID-19 bill payment assistance, benefit calculations, two-year certification, categorical eligibility, and communication outreach and awareness planning. The Advisory Group held dedicated meetings to ensure a thorough discussion and exploration of each of these topics. NW Natural will continue to work with the Advisory Group to identify ways to improve the GREAT program in the next few Program years.

Attendance at the Advisory Group meetings was represented by WUTC Staff, Department of Commerce, The Energy Project, CPUD, WGAP, Public Counsel, and NW Natural Staff.

### **COVID-19 and U-200281 Impacts**

The COVID-19 public health emergency and economic crisis presented challenging times for all Washingtonians and impacted all utilities and their customers. All Washington investor-owned utilities immediately responded by voluntarily suspending disconnections for nonpayment, as well as all late fees and fees related to reconnections. The WUTC convened docket U-200281 through which community stakeholders, the WUTC, Public Counsel and all utilities crafted a comprehensive solution to address the disconnection moratorium and growing arrearage balances, provide for additional options and programs for customers, and provide guidance for utility cost recovery. Through several workshops over several months, this work culminated in a comprehensive Term Sheet approved by the WUTC in Order 01 issued October 20, 2020, in docket U-200281, as updated in Order 02 issued February 18, 2021.

The U-200281 Term Sheet included provisions for utilities to work with their Advisory Groups to develop and explore customer programs, including the development of a COVID-19 Assistance Program (CAP) and the exploration of an Arrearage Management Program (AMP). NW Natural discussed these programs with the Advisory Group as detailed in the Action Items listed below.

### **Action Items**

#### **1. Increase Eligibility for GREAT Program**

After consulting with the GREAT Advisory Group, on September 30, 2020, NW Natural proposed a modification to Schedule J to allow income eligibility up to 200% of the Federal Poverty Level (FPL). Increasing the eligibility threshold serves to cast a wider net with the GREAT Program and allows more residential customers in NW Natural's service territory to qualify to receive energy assistance. The GREAT Advisory Group members support the change. The tariff change, docket UG-200837, was approved at the October 29, 2020 Open Meeting and became effective November 1, 2020.

#### **2. Communications**

To ensure visibility of the availability of the GREAT Program and in response to customer impacts of the COVID-19 pandemic, the Advisory Group and NW Natural discussed enhancing existing communication plans to optimize the awareness of low-income programs, flexible payment plan and bill assistance options. In response to the COVID-19 pandemic, NW Natural had already enhanced its existing communications and outreach plan and presented this to the Advisory Group. The enhanced calendar year 2021 Communications Plan regarding energy assistance and bill assistance options consists of four channels: Customer Communications, Advertising, Public Relations, and NW Natural's Website. Exhibit A to this report is a calendar of the Communications Plan. Exhibit B to this report provides samples of the customer outreach described below.

### ***Customer Communications***

NW Natural has a Comfort Zone publication that it sends customers as a bill insert and provides as an electronic newsletter for paperless customers. In 2020 and in prior years, Comfort Zone is included in bills during the months November through February for the winter heating season. During calendar year 2021, NW Natural will increase the electronic Comfort Zone publication and circulate it in every month of the year and circulate it every other month in the printed version as well. NW Natural has been featuring the availability of flexible payment plans and energy assistance in all Comfort Zones since the pandemic began. In addition, NW Natural features its Gas Assistance Program (GAP) prominently during the winter heating months. GAP is funded by voluntary donations from customers, NW Natural employees, retirees and shareholders.

### ***Advertising***

In 2020 and prior years, NW Natural advertised monthly in digital channels and via social media during the months of October through January. In 2020, NW Natural aired Public Service Announcements (PSAs) during the months of September through November in both English and Spanish. In calendar year 2021, NW Natural will air PSAs during the months of October through February in both English and Spanish. NW Natural's advertising messages focused on the availability of energy assistance and flexible payment plans throughout the pandemic. In addition, messages about GAP were posted during the winter heating months.

### ***Public Relations***

In November, NW Natural issues a press release about GAP. NW Natural will continue this practice in calendar year 2021.

### ***Website (NW Natural's Digital Portal)***

Throughout the pandemic, NW Natural touted the availability of energy assistance programs and flexible payment plans on its marquee. In calendar year 2021, this same information will be advertised on these channels every month of the year. NW Natural's new Digital Portal (website) was launched in October of 2020, including a Spanish-language version, with the same marquee language for Spanish-speaking customers.

### ***Community Outreach***

See ***COVID-19 Assistance Program*** section for details on NW Natural's community outreach efforts.

### **3. COVID-19 Assistance Program (CAP)**

The CAP identifies, manages and eliminates arrearage balances associated with the pandemic for low-income residential customers to prevent disconnection for non-payment and accumulation of bad debt. The CAP will be funded at a level of one percent (1%) of NW Natural's 2019 retail revenues in Washington, which is approximately \$652,000.

NW Natural worked with the GREAT Advisory Group to develop and finalize the CAP and will make a tariff filing for the CAP in March of 2021.

The CAP is responsive to the Term Sheet in docket U-200281 - Response to the COVID-19 Pandemic, which recommends:

1. *Each Utility establish a temporary COVID-19 assistance program, subject to cost recovery under Section 8.e. below, to provide eligible residential customers to include customer*

*earning up to 200 percent of the Federal Poverty Level (FPL) with annual maximum award amount of \$2500 per household. COVID-19 assistance programs may include provisions for bill assistance and arrearage assistance.*

2. *Establish the funding level at 1 percent of Washington retail revenues, and that no increase to that funding level occur without prior Commission approval.*
3. *Each Utility work with its Low-Income or Energy Assistance Advisory Group to implement its COVID-19 assistance program, which may include direct utility assistance, but not require existing program modification or require fund administration by the community action agencies unless the Utility believes that is the more efficient strategy.*

Consistent with the GREAT Program, an eligible customer is considered “low-income” if they are a residential customer earning up to 200% of the Federal Poverty Level (FPL). Customers who have received energy assistance since January 1, 2019 will be automatically eligible for the CAP. Customers who have not received energy assistance since that date will need to apply at CPUD or WGAP to determine eligibility. If the customer is eligible for the CAP, NW Natural will provide CAP grants directly to the customer’s account up to a maximum award of \$2,500 per household. CAP grants can be applied to quotes for reconnection after a disconnection for non-payment or to an arrearage balance on an active account.

NW Natural will partner with Community Action Partnership agencies and other organizations to reach low-income customers who are eligible for assistance via the CAP and other energy assistance programs to ensure they are aware these Programs are available. New print and digital materials are being drafted for distribution in English and several other languages and NW Natural will make outreach efforts to key organizations during our current Outreach Campaign and prior to the moratorium being lifted later in the summer of 2021. Auto-enrollment of eligible customers is also being planned to eliminate arrearage balances without customers being required to pursue CAP enrollment.

#### **4. Arrearage Management Plan (AMP)**

Consistent with the U-200281 Term Sheet, NW Natural and the GREAT Advisory Group have been discussing the development of a potential program to address long-term solutions for customers’ energy burden beyond payment plans and energy assistance programs. The economic impact of the pandemic in addition to the growing energy burden experienced by customers create a long-term need for utility programs to help customers address arrearage issues.

NW Natural continues to work with the GREAT Advisory Group to develop an AMP and are looking at other Washington utilities’ AMPs, as well as NW Natural’s proposed AMP in its Oregon jurisdiction as part of this process of development. The CAP will also serve as the starting point for a future program option that could be expanded and re-implemented as an AMP, to be funded on a long-term basis as an ongoing arrearage management tool for Washington customers.

#### **5. Low-Income Evaluation Study**

As part of the settlement agreement in UG-181053, NW Natural will work in consultation with the GREAT Advisory Group to produce a Low-Income Evaluation Study to assess the need for additional low-income assistance among the Company’s Washington customers, including low-income weatherization programs, and to identify ways to improve the GREAT Program to better align with the five goals of the GREAT Advisory Group. NW Natural and the GREAT Advisory Group spent the majority of 2020 focused

on an immediate response to COVID-19 and arrearage management issues, as well as the crafting this Action Plan.

In discussing the required Low-Income Evaluation Study with the GREAT Advisory Group, it was agreed that after implementing the other Action Plan items, we will assess the GREAT Program and work together with the Advisory Group on the plan and production of the Low-Income Evaluation Study.