

**BEFORE THE WASHINGTON
UTILITIES AND TRANSPORTATION COMMISSION**

In the Matter of the Petition of

NORTHWEST NATURAL GAS
COMPANY d/b/a NW NATURAL,

Petitioner,

For a Revision to Northwest Natural Gas
Company's Tariff WN U-6, introducing
Schedule L and Schedule 231

DOCKET UG-230739

ORDER 01

APPROVING TARIFF REVISION
WITH CONDITIONS

BACKGROUND

- 1 On September 12, 2023, Northwest Natural Gas Company d/b/a NW Natural (NW Natural or Company) filed with the Washington Utilities and Transportation Commission (Commission) a revision to its Tariff WN U-6, introducing Schedule L and Schedule 231 to implement and fund its Bill Discount Rate (BDR) program.
- 2 NW Natural's BDR program provides energy assistance to customers with income at or below 200 percent of the Federal Poverty Level (FPL) or 80 percent Area Median Income (AMI) (whichever is greater). Commission Staff (Staff), as a member of NW Natural's Advisory Group (AG), has been involved in developing this program since March 2023. NW Natural works collaboratively with the AG to address issues related to low-income programs and topics.
- 3 On December 15, 2023, The Energy Project (TEP) filed comments that provided Staff with additional context regarding NW Natural's history with implementing an Arrearage Management Plan (AMP).
- 4 On December 16, 2023, Staff asked NW Natural about making a verbal commitment at the December 21, 2023, Open Meeting to work towards implementing an AMP. NW Natural said it could not commit to the AMP due to finite resources.
- 5 On April 1, 2021, in Docket UG-181053, NW Natural filed with the Commission an Action Plan which indicated the AMP was an item of critical importance.
- 6 Other regulated utilities, including Cascade Natural Gas Corporation, Puget Sound Energy, and Avista Corporation have all implemented some form of an AMP; opting for temporary solutions while a complete program can be developed by their respective AG's.

7 Staff recommends the Commission approve NW Natural's tariff revision with conditions. Staff submits that NW Natural consulted its AG to gain support from its members prior to submitting this filing; however, the Company did not have overall support at the time. NW Natural has maintained consistent communication and actively worked with its AG regarding the development of its BDR program being ready for implementation.

8 Staff submits that it is unreasonable for NW Natural to position itself as not having adequate Staffing or resources to develop an AMP. Staff's first six months on NW Natural's AG were largely unproductive, with most of the BDR program design being completed after the initial filing on September 12, 2023. Staff believes 10 months for NW Natural to develop and implement an AMP is ample and sufficient time.

9 Staff therefore recommends that the Commission approve NW Natural's tariff revisions subject to the following conditions:

1. NW Natural will continue to work with its Advisory Group to develop and implement an AMP;
2. NW Natural must file a tariff revision with the Commission to implement its AMP by October 1, 2024; and
3. NW Natural must have the support of its Advisory Group prior to making its filing upon the Commission.

10 The filing came before the Commission at its regularly scheduled open meeting on December 21, 2023. The Commission received written comments on the Petition from TEP. TEP expresses that the absence of a clear timeline for developing an AMP is concerning. Further, TEP reiterates that in the Action Plan, the long-term need for utility programs to help customers address arrearage issues is a critical step for the Company and the overall objective of an AMP.

11 At the open meeting, Staff maintained its recommendation. TEP again noted its concerns with NW Natural's lack of an AMP and the lack of a timeline requiring such a proposal. NW Natural responded, however, that the Company had met with its AG 30 times over the last year and that it had concerns with certain proposals for AMP and that committing to a specific timeline could lead to failure. The Company noted that it was also working on other steps, such as a BDR, which will require significant time and resources. The Company noted that customers generally ranked a BDR first, above an AMP. The Company offered to provide a status report on its development of low income programs as an alternative. NWECA also spoke in support of requiring the Company to propose an AMP by October 1, 2024. In response to questioning from the Commission, the Company, Staff, TEP, and NW Energy Coalition (NWECA) each indicated their support for requiring the Company to file a proposed AMP by December 31, 2024.

DISCUSSION

12 We agree with Staff that NW Natural's tariff revisions should be approved, subject to conditions. However, after considering the comments from the Company, Staff, TEP, and NWEC, we modify the conditions proposed by Staff. We allow the tariff revisions to take effective by operation of law subject to the following conditions:

1. NW Natural shall continue to work with its AG to develop an AMP;
2. NW Natural must file tariff revisions with the Commission by December 31, 2024 to implement the AMP;
3. NW Natural must provide an opportunity for its AG to review the AMP prior to filing it with the Commission; and
4. NW Natural will, as a compliance filing to this Docket, provide the Commission with monthly updates on progress in developing an AMP.

FINDINGS AND CONCLUSIONS

- 13 (1) The Commission is an agency of the State of Washington vested by statute with the authority to regulate the rates, rules, regulations, practices, accounts, securities, transfers of property, and affiliated interests of public service companies, including electric companies.
- 14 (2) NW Natural is a public service company subject to Commission jurisdiction, providing natural gas service.
- 15 (3) WAC 480-07-510(2) allows companies to file revised tariff sheets for which the company seeks approval.
- 16 (4) Staff has reviewed the filing in Docket UG-230739.
- 17 (5) Staff believes the proposed tariff revision is reasonable and is in the public interest to be approved subject to the conditions noted in paragraph 9 of this Order.
- 18 (6) This matter came before the Commission at its regularly scheduled meeting on December 21, 2023.
- 19 (7) After reviewing NW Natural's tariff revision filed in Docket UG-230739 on December 21, 2023, and giving due consideration to all relevant matters and for good cause shown, the Commission finds that the filing should be approved with conditions as noted in paragraph 12 of this Order.

ORDER

THE COMMISSION ORDERS:

- 20 (1) Northwest Natural Gas Company d/b/a NW Natural's Filing for Revision to Tariff WN U-6, introducing Schedules L and 231, effective January 1, 2024, is allowed to take effect by operation of law subject to the conditions noted in paragraph 12 of this Order.
- 21 (2) Northwest Natural Gas Company d/b/a NW Natural will, as a compliance filing to this Docket, provide the Commission with monthly updates on progress in developing an AMP.
- 22 (6) This Order shall not affect the Commission's authority over rates, services, accounts, valuations, estimates, or determination of costs, on any matters that may come before it. Nor shall this Order granting Petition be construed as an agreement to any estimate or determination of costs, or any valuation of property claimed or asserted.
- 23 (7) The Commission retains jurisdiction over the subject matter and Northwest Natural Gas Company d/b/a NW Natural to effectuate the provisions of this Order.

DATED at Lacey, Washington, and effective December 22, 2023.

WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

DAVID W. DANNER, Chair

ANN E. RENDAHL, Commissioner

MILTON H. DOUMIT, Commissione