

NW Natural

Gas Residential Energy Assistance Tariff

2021 Annual Report

NW Natural's Gas Residential Energy Assistance Tariff (GREAT) provides energy assistance to customers with income at 200%¹ of the Federal Poverty Level. GREAT has been helping low-income customers since May 2009.

In NW Natural's general rate case, UG-181053, the Washington Utilities and Transportation Commission (WUTC), approved a settlement agreement which established the creation of an advisory group. The GREAT Advisory Group first met in October 2019. The settlement agreement also set out goals for the Advisory Group:

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's effectiveness.
5. Informing ongoing policy discussions.

NW Natural agreed to work with the Advisory Group to develop an action plan to improve the GREAT Program. The COVID-19 pandemic hit the country early in 2020 and therefore, most of 2020 was spent discussing COVID-19 impacts on NW Natural customers and especially those that are low-income. In consultation with the Advisory Group, NW Natural developed a new program, the COVID-19 Assistance Program (CAP) in Washington which targeted low-income households. Despite the pandemic challenges, we presented an action plan on April 1, 2021. The action plan consisted of the following initiatives:

1. Increase low-income eligibility for the GREAT Program from 150% to 200% of the Federal Poverty Level (FPL).
2. Design a Communications and Outreach Plan to increase communications in 2021 and to inform and notify customers about available energy assistance programs.
3. Establish a COVID-19 Assistance Program to provide eligible residential customers earning up to 200% of the FPL with annual maximum award amounts of \$2,500 per household.
4. Continue to evaluate for potential future development of an Arrearage Management Program.

¹ NW Natural petitioned to increase eligibility to 200% of FPL in September 2020 and became effective November 1, 2020.

5. Complete a Low-Income Needs Assessment.

In NW Natural's most recent general rate case, UG-200994, the parties also reached a settlement agreement. Part of that agreement is to produce an Annual Report of GREAT Program activity. The settlement agreement stated the Annual Report will include the following information:

- a. The amount of GREAT Program benefits disbursed to the Company's customers in Washington service areas as well as the amount of average GREAT Program benefits in the most recent five program years.
- b. The amounts of benefits from the federal Low-Income Home Energy Assistance Program (LIHEAP) received by the Company's customers in Washington service areas as well as the amount of average LIHEAP benefits in the most recent five program years.
- c. The number of customers who received GREAT Program benefits in the most recent five program years.
- d. The number of customers who received LIHEAP benefits in the most recent five program years.
- e. The number of customers who received both GREAT Program and LIHEAP benefits in the most recent five program years.
- f. The average natural gas usage and average bill for the Company's low-income customers and for the Company's non-low-income customers.
- g. The Company's communication and outreach activities in the last GREAT Program year and the plan for the current program year.
- h. Any GREAT Program changes in the last program year and a forward-looking program outlook for the current program year.

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The table below summarizes items (a) through (d) above:
 Please note that in both the GREAT Program and LIHEAP, a “program year” as indicated in the table below, is October 1 through September 30.

Table 1
Allocation of GREAT Funds – Prior 5 Years

Program Year	GREAT				LIHEAP		
	Number of Customers	Total Received*	Avg Received	GREAT Admin Fees*	Number of Cust	Total Received	\$ Avg Received
2016/17	666	\$288,877	\$433.75	\$ 57,775	485	\$79,755	\$164.44
2017/18	632	\$322,470	\$510.24	\$ 64,494	449	\$83,989	\$187.06
2018/19	583	\$233,869	\$401.15	\$ 46,774	438	\$71,070	\$162.26
2019/20	706	\$332,965	\$471.62	\$ 66,593	499	\$88,628	\$177.61
2020/21	811	\$399,849	\$493.03	\$ 79,970	581	\$95,060	\$163.61

* For GREAT, the difference between the Total Received plus GREAT Admin Fees less \$500,000 is room under the soft cap.

(e) The number of customers who received both GREAT and LIHEAP in the last five program years: 1,430 customers

(f) Average natural gas usage and average bill for both low-income and non-low-income:

Table 2
Low-Income Average Usage and Average Bill

WA Residential and Low-Income Statistics for Energy Assistance Plan Years 2017 to 2021						
Energy Assistance Plan Year	Low-Income	Distinct Accounts	GREAT Count	LIHEAP Count	Average Bill	Average Usage
2017	Yes	624	620	478	\$ 51.41	50.4
2018	Yes	743	739	570	\$ 46.71	46.8
2019	Yes	895	893	684	\$ 44.46	47.7
2020	Yes	1,082	1,078	815	\$ 49.80	48.2
2021	Yes	1,106	1,099	829	\$ 53.12	47.4

**Table 3
Non-Low-Income Average Usage and Average Bill**

WA Residential and Low-Income Statistics for Energy Assistance Plan Years 2017 to 2021						
Energy Assistance Plan Year	Low-Income	Distinct Account	GREAT Count	LIHEAP Count	Average Bill	Average Usage
2017	No	84,870	-	-	\$ 58.58	59.4
2018	No	87,071	-	-	\$ 53.07	54.7
2019	No	89,310	-	-	\$ 49.78	55.1
2020	No	91,407	-	-	\$ 53.71	54.8
2021	No	95,960	-	-	\$ 56.33	52.6

(g) Communication and outreach activities:

NW Natural has combined outreach efforts for CAP, GREAT, payment options and energy assistance. To reach a broader set of customers, NW Natural piloted an enhanced outreach plan that was informed by community partners and prioritized the hardest to reach populations. NW Natural was able to establish and strengthen its presence in nonprofit communities and provide a meaningful foundation on which to further develop partnerships and support communities. Outreach was conducted directly over the phone or in an email (addressed to a single recipient and not a mass distribution). We were able to discuss customized opportunities for engagement unique to an organization and its client base.

NW Natural produced new outreach material that consisted of a physical brochure,² condensed messaging for social media and newsletters, and talking points for in-person/phone conversations. Early feedback on our outreach material was positive and specifically related to size, presentation, and the various languages.

STRATEGY/APPROACH

- Designed strategy and worked with partners to ensure that outreach materials were integrated into existing channels of communication to not overburden nonprofits; the goal was for customers to see/receive information multiple times to spur action.
- Outreach directly either by phone or email, which allows NW Natural to highlight specific opportunities for engagement unique to each organization’s client base.
- Several partners offered to push out information to their own nonprofit networks yielding amplified impact and reach.

² The CAP brochure, Attachment 1 to this report, is a single accordion pamphlet translated into Simplified Chinese, Russian, Vietnamese, Spanish and English.

OUTREACH HIGHLIGHTS

- On the community outreach front, our nonprofit partners have reached customers and shared information through a variety of channels, such as food bags for students, meal deliveries to seniors, social media, newsletters, etc.
- An important part of the outreach strategy is presenting information in multiple formats through multiple partners frequently enough for information to be absorbed and spur action or inquiry.
- The Evergreen School District shared CAP information with the Family & Community Resource Centers.³

APPROACH AND HOW PARTNERS WERE IDENTIFIED

- NW Natural focused and prioritized intentional engagement with large network partners who have close ties to priority populations and the trust of community.
- Grantmakers of Oregon and SW Washington, Southwest Washington Regional Health Alliance, and Meals on Wheels, among others, have large, statewide networks.
- Emphasized the importance of culturally specific organizations, (local housing groups may not have as wide of a reach) as they offer direct high-touch engagement to community members and, importantly, hard to reach populations (houses of worship, United Negro College Fund, YWCAs, local food pantries).

(h) Any GREAT Program changes in the last program year and a forward-looking Program outlook:

The only change to the GREAT Program in the last program year was to increase the eligibility for funds from 150% to 200% of the FPL, which became effective November 1, 2020.

Looking forward to 2022, NW Natural has issued an RFP for conducting a Low-Income Needs Assessment that will be conducted in 2022. The Assessment will compile relevant data and perform and summarize analyses to inform the low-income programs that serve NW Natural's low-income customers in both Oregon and Washington. Some of the broad topics we will be studying are eligibility/participation, penetration rate, characteristics of communities, and housing. The current schedule calls for proposals due on January 6, 2022, and final selection of the bidders on February 4, 2022. We are hoping to have results before the end of the second quarter of 2022. NW Natural will keep the GREAT Advisory Group apprised as we go through this process.

³ An information hub in the Evergreen School District that helps families meet basic needs and provides direct referrals to other community resources