

NW Natural
Gas Residential Energy Assistance Tariff (“GREAT”)
2024 Annual Report
January 31, 2025

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1. Introduction

NW Natural has updated the format of this year’s GREAT annual report; the Company hopes the report will better focus on the work that the Advisory Group has done over the past year, while maintaining our commitment to our customers and our agreements with the Washington Utility and Transportation Commission. It is NW Natural’s hope that this format will be especially informative with new reporting added, but just as easy to read.

2. GREAT Report

NW Natural provides financial assistance to low-income customers in Washington through three programs: GREAT, LIHEAP, and GAP. LIHEAP is federally funded while GREAT and GAP are customer/NW Natural funded programs. The GREAT program saw an increase of 48.7% of funds issued to customers since the last annual report, while LIHEAP funding was down slightly. This is primarily due to lifting the cap of \$500,000 on GREAT funds, which allowed the Company to serve more customers at higher average levels of assistance.

Sections (a) through (d) are reported in Table 1 below:

**Table 1
Allocation of GREAT Funds**

*Program Year	GREAT					LIHEAP		
	Number of Customers	Total Received \$	Avg Received \$	GREAT Admin Fees \$	Total Annual Expense \$	Number of Customers	Total Received \$	Avg Received \$
2019/20	706	332,965	471.62	66,593	399,558	499	88,628	177.61
2020/21	811	399,849	493.03	79,970	479,819	581	95,060	163.61
2021/22	794	383,232	482.66	76,646	459,878	600	103,182	171.97
2022/23	785	416,667	530.78	83,333	500,000	839	178,532	212.79
2023/24	916	619,435	676.24	123,887	743,322	653	175,939	269.43

* The Program Year for both the GREAT Program and LIHEAP is October 1 through September 30.

(e) The number of customers who received both GREAT and LIHEAP in the last five Program Years:

1,702 customers

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

In the 2023-2024 Program Year, known low-income customer accounts total 7,332, which reflects the Residential Bill Discount Program, which begin in January 2024. The Bill Discount Program has seen a successful first-year uptake in participation due to the Program’s auto-enrollment feature and the ability for customers to self-attest to their income and easily enroll on the NW Natural website and through the Company’s Customer Contact Center. For the 2023-2024 Program Year, the average monthly therm usage among known low-income customers was similar to that of non-low income customers. This may represent a natural average shift due to more than five times as many customers in the known low-income category this year.

**Table 2
Known Low-Income Average Usage and Average Bill**

WA Residential and Known Low-Income Statistics for Program Years 2020 to 2024					
Program Year	GREAT Count	LIHEAP Count	Known Low-Income Count	Average Monthly Bill * \$	Average Monthly Use Therms
2020	1,078	815	1,082	49.80	48.2
2021	1,099	829	1,106	53.12	47.4
2022	1,191	938	1,214	62.57	49.2
2023	1,184	1,069	1,321	76.43	50.8
2024**	1,231	1,066	7,332	62.96	50.1

* The amounts reported for average monthly bill is before energy assistance is applied.

** 2024 is the first year program year that data for the known low-income count, average monthly bill, and average monthly use include the Residential Bill Discount Program. This program began in January 2024.

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

WA Residential and Non-Low-Income Statistics for Program Years 2020 to 2024			
Program Year	Non-Low-Income Accounts Count	Average Monthly Bill \$	Average Monthly Use Therms
2020	91,407	53.71	54.8
2021	95,960	56.33	52.6
2022	99,043	66.52	54.1
2023	98,900	80.11	55.5
2024*	93,772	77.60	49.4

* 2024 is the first year that data for known low-income count reflected the Residential Bill Discount Program, which began in January 2024.

(g) Communication and outreach activities:

Community Equity & Advisory Group (CEAG) Activities in 2024

Activities and accomplishments of the CEAG, which includes members that represent areas in both Washington and Oregon and plays a key role in informing our outreach strategies, include:

- Drafting an 18-month internal strategy document that defined goals, recruitment and onboarding practices, and a timeline cadence leading up to quarterly meetings.
- Creating a dashboard template with high-level information on each meeting topic.
- Creating a formal intake form.
- Broadening how we collect feedback from CEAG members (in-meeting surveys, post-meeting surveys, direct emails, phone calls, etc.) to capture input from group members and stakeholders regarding communication effectiveness, responsiveness to inquiries, and clarity of messaging.
- Refined feedback and accountability practices with respect to CEAG input; at each CEAG meeting, NW Natural provides a detailed report to the CEAG on topics such as the concrete actions, deliverables, and milestones achieved that were undertaken or achieved since the last meeting and under the recommendations from CEAG members.
- Established new policies for topics spanning confidentiality, information security, data management, information sharing and disclosure and regulatory compliance.
- Sunsetting our engagement with our initial third-party facilitator; and onboarding a new facilitator.

We continue to convene the CEAG on a quarterly basis. meetings center on concrete, actionable asks of the advisory group—an approach that demands clear expectations, thoughtful planning and ongoing dialogue. this year:

Meeting topics were:

- Q1: Resource Planning
- Q2: Workforce Development
- Q3: Energy Planning & Website Accessibility
- Q4: Celebrating Community

One highlight for the year was CEAG engagement on the Integrated Resource Plan (IRP). Our February 2024 meeting centered on energy planning and NW Natural's IRP public engagement process. Discussion and requests for feedback were focused on the proposed public engagement strategies for the upcoming 2025 IRP process. The discussion on the IRP engagement strategy endorsed utilization of community feedback, the use of simple language, and the prioritization of customer bill impacts. Emphasis was placed on ensuring clarity in meeting agendas and employing a targeted invitation approach. The importance of leveraging existing relationships with community organizations and implementing targeted strategies was noted. Participants underscored the importance of elevating the knowledge and experiences that diverse communities can bring to these discussions. From these conversations, our Winter Preparedness & Energy Planning Fair was borne.

The informal education and engagement event offered a one-stop shop to improve awareness of and access to services and resources that help households prepare for winter weather, lower energy bills, and engage in energy planning activities. The Fair covered a wide range of topics, including energy conservation methods, efficiency improvements, and weatherization options; bill affordability and discount assistance programs; winter preparedness tips and resources; workforce development in the energy sector; and how to get involved in utility resource planning.

NW Natural partnered with Community Services Network and the City of Portland Bureau of Planning and Sustainability (BPS) to bring the Winter Preparedness & Energy Planning Fair to the regional community on November 16, 2024. The event was held at Parkrose High School, which is close to the Washington state line. Nearly 50 community-based groups tabled at the event—offering resources like a vaccine clinic, meal services, cross-utility promotion, other income-based discounts, winter coats, weatherization kits and more. The Fair was attended by approximately 850 people and served nearly 2,000 household members.

2024 Washington Residential Bill Discount Program Outreach Activities

NW Natural collaborates extensively with a diverse array of community partners across its service territory, including community action agencies, community benefit organizations, housing networks, places of worship, food banks, culturally specific organizations, and healthcare networks. These strategic partnerships are invaluable, enabling us to connect with customers we might not otherwise reach and to disseminate bill discount program information through trusted and respected channels. We continue

to engage with partners throughout the Company's three counties in Washington. The Residential Bill Discount Program's solid participation rate (of those eligible) is the direct result of robust outreach activities and our meaningful partnerships in the community.

Pre-launch outreach, conducted in the fourth quarter of 2023, targeted institutions such as City and County agencies, Head Start Centers, neighborhood newsletter outlets, school districts, and childcare facilities to inform them of the upcoming program. Early outreach to these same partners occurred in January, once the program launched, and included the delivery of BDP materials and the toolkit. The list of outreach partners continues to expand a year into the program.

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

GREAT Program changes in the last Program Year include:

- Changed the income threshold for assistance to the greater of 80% AMI or 200% FPL. These changes were implemented for the 2024/2025 GREAT program year.
- GREAT funds reached a record level in the last program year of \$619,435, with a record number of customers served.
- The process created in 2023 to review GREAT funding levels regularly and increase spending over the \$500,000 soft cap in Advisory Group meetings was used successfully in 2024.

NW Natural intends to use its latest Energy Burden Assessment, along with Advisory Group and community feedback for future program refinements.

3. Bill Discount Program Report

On November 22, 2023, in Advice No. 23-05C, NW Natural filed an addendum to its Residential Bill Discount Program outlining Key Performance Indicators that were developed with the Advisory Group. At that time, the list reflected a working framework which has since been modified slightly while NW Natural develops additional reporting capabilities.

For items (a) through (f), please see Appendix A.

(a) Cumulative Enrollments by discount tier

(b) Cumulative Enrollments by type (auto-enroll or self-declaration by method) and by discount tier

(c) Arrearage analysis

(d) Cumulative and Monthly enrollments by zip code

(e) Discounted dollars by month and discount tier

(f) Other program costs - start-up, marketing, Agency funding, administrative, etc.

(g) Results of income verification:

This will be reported in the 2024/2025 annual report, but shared with the Advisory Group after the process begins in March 2025.

(h) Comparative of results to prior year – not applicable for this initial report.

The bill discount program launched in 2024, so this will be reported in the 2024/2025 program report.

(i) Disconnects among those on program(s)

Please see Appendix A.

(j) Participation in other programs and the bill discount program (LIHEAP, GREAT, GAP, TPAs)

Please see Appendix A.

(k) Other

- **The Washington Low-Income Energy-Efficiency Program** data is included with the Company's Annual and Biennial Energy Efficiency Reports. The latest report that included data for 2023 was filed in on June 14, 2024 in docket UG-210831. A link to that report is provided here: <https://apiproxy.utc.wa.gov/cases/GetDocument?docID=34&year=2021&docketNumber=210831>
- **Data on first-time participation in other programs because of participation in bill discount program.** The Company will not be able to provide this information due to customer information system limitations at this time.
- **Demographic information.** The bill discount program survey asks six optional questions on demographics. Since the first survey was sent in September 2024, it is too early to provide an analysis of the data other than it resembles Clark County 2020 US census data. The survey report is included in Appendix B. In general, NW Natural's customer information system does not have the capability to collect, store, and report on this type of data and will not in the near-term.

4. Gas Assistance Program

NW Natural's Gas Assistance Program has raised more than \$6.6 million on behalf of customers who face financial challenges since the program started over forty years ago. These funds have been distributed to more than 60,000 households in Oregon and Washington. NW Natural customers, employees and shareholders donate to the program, and a network of community action groups distribute the funds directly to low-income customers. NW Natural pays for the program's administrative costs, and 100% of the funds are donated to the recipients. NW Natural distributed \$133,016 in GAP assistance for the 2023/2024 program year, which helped over 1,100 households Oregon and Washington.

For Washington specifically, NW Natural allocated \$3,000 to Clark Public Utilities, its largest energy assistance agency. From that amount, Clark Public Utilities distributed \$300 during the program year. The low utilization of GAP funds was discussed within the GREAT Advisory Group, including the higher cap set on GREAT grants in Washington (\$1,000) vs. OLGA grants in Oregon, and how the necessity for GAP funds as a resource can vary between the two states. GAP is used as a supplemental energy assistance program after LIHEAP and GREAT. In Washington, customers receiving funds from both those programs frequently have enough assistance to cover an entire year's worth of gas bills. As a result, the lower utilization of GAP by Washington customers is not unexpected or concerning to the Company or the GREAT Advisory Group at this time. GAP is available as an additional resource though if conditions change going forward.

5. GREAT Advisory Group 2024 Highlights and 2025 Outlook

NW Natural continues to be committed members of the GREAT Advisory Group and is pleased with everything that we achieved as the result of our twenty meetings in 2024.¹ We look forward to continuing to work collaboratively to assist NW Natural's customers in Washington.

Highlights of the year include:

- Developed an Arrearage Management Program ("AMP") to complement existing energy assistance programs that is expected to launch in April 2025.
- Refined the bill discount program to include longer enrollment periods for fixed-income customers, and prioritization of LIHEAP funds before bill discounts when calculating customer bills.
- Launched a survey to bill discount program participants to solicit feedback about the program.

¹ January 26; February 9, 23; March 8, 22; April 19; May 3, 17, 31; June 14, 28; July 12; August 16; September 6, 20; October 4, 18; November 1; December 13

- NW Natural completed its second Energy Burden Assessment which was shared with the GREAT Advisory Group. The Company is currently evaluating the recommendations in the assessment. The complete study can be found at this link: [um2211hah331407120.pdf \(state.or.us\)](https://um2211hah331407120.pdf(state.or.us)).

For the upcoming program year, NW Natural expects to complete the following, with the collaboration of GREAT Advisory Group:

- The completion of the information sharing process with the Washington Department of Commerce by the end of the second quarter of 2025. This primarily involves the exchange of premise usage history.
- An income verification process for bill discount program participants who have self-certified their eligibility for the program. This is expected to be in place by March 2025.
- The launch of Arrearage Management Program, which has been collaboratively developed with the Advisory Group, expected to launch in April 2025.

Longer term work for the GREAT Advisory Group to discuss includes:

- An information sharing program with NW Natural's agencies in Washington. NW Natural has spoken with its agencies in Washington on multiple occasions about executing an information sharing program to optimize assistance to customers in need. The goal is for eligible customers to receive all the benefits that are available to them. It is the Company's understanding that the agencies currently lack the bandwidth to do this work at this time. NW Natural has developed a report for this opportunity that can be refreshed and run with little notice, so it is ready to collaborate with its agencies on this work when time allows in the future.
- Expanding NW Natural's ability to communicate with its customers in their preferred language. This work is included in the Company's technology priorities. NW Natural is always looking for ways to effectively communicate with its customers; a website upgrade is currently being analyzed to improve our performance in this area.
- Additionally, as the Bill Discount Program was being developed, the GREAT Advisory Group discussed providing NW Natural's agencies with additional funding for program co-administration. NW Natural had conversations with its agencies on this topic and all parties are satisfied with the current funding structure and level of support provided for the Bill Discount Program. As such, NW Natural does not intend to provide additional funding to its agencies for program co-administration at this time, but will inform the Advisory Group if this changes.