

Agenda Date: June 30, 2022  
Item Number: A2

**Docket:** UG-220358  
**Company:** Northwest Natural Gas Company d/b/a NW Natural

**Staff:** Hanna Navarro, Regulatory Analyst  
Natalie Roberts, Regulatory Analyst

### **Recommendation**

Take no action, allowing Northwest Natural's revision to WN U-6 Tariff, Schedule K, COVID-19 Assistance Program (CAP) to become effective July 1, 2022, by operation of law.

### **Overview**

On May 20, 2022, Northwest Natural Gas Company d/b/a NW Natural (NW Natural or Company) submitted to the Washington Utilities and Transportation Commission (Commission) a tariff revision to Schedule K, COVID-19 Assistance Program (CAP). This revision allows NW Natural to auto-enroll customers in arrears who the Company estimates to be low-income, but who have not applied for low-income assistance in the past.

### **Background**

On March 22, 2021, NW Natural filed in Docket UG-210193 to introduce the CAP, consistent with Order 02 in Docket U-200281 (Order 02). Order 02 directed all the regulated energy utilities to establish temporary COVID-19 assistance programs for income-eligible customers. Eligible customers include customers who earn up to 200 percent of the Federal Poverty Level (FPL), and funding was set at 1 percent of each utility's retail revenue and eligibility. Order 02 also included a \$2,500 annual maximum award amount per household. The CAP was established with funding of 1 percent of the Company's 2019 Washington retail revenues, or \$652,000. The CAP is set to expire when funding is exhausted or September 30, 2022, whichever comes first.

### **Current State**

Currently the CAP allows for auto-enrollment of past-due customers who have received energy assistance since January 1, 2019. As of May 2022, NW Natural has provided or committed \$95,379 in CAP grants, resulting in a remaining CAP fund balance of \$556,621 or 85 percent of the original balance.<sup>1</sup> The table below summarizes the current state of Residential accounts.

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<sup>1</sup> NW Natural, Docket UG-220358, Cover letter.

<b>Past Due Residential Accounts</b>		
	<b>Customers</b>	<b>Amount</b>
30 Days	6,356	\$1,023,336
60 Days	4,861	\$667,073
90 + Days	3,869	\$1,093,962
<b>Total</b>	<b>15,086</b>	<b>\$2,784,371</b>

As of late May, NW Natural’s remaining CAP fund balance is \$507,508.51, or 77.8 percent of the original balance remaining.<sup>2</sup>

<b>Program to Date</b>	<b>Automatic Grants</b>	<b>New Applications</b>	<b>Total</b>
CAP Grants	191	152	343
Average CAP Grant	\$396.17	\$282.39	\$345.75
CAP Funds Expended through May 2022	\$75,669.03	\$42,923.87	\$118,592.90
CAP Funds Committed as of June 15, 2022			\$25,898.59
Subtotal CAP Funds Expended and Committed			\$144,491.49
CAP Funds Authorized			\$652,000.00
CAP Funds Remaining			\$507,508.51
Percent Remaining			77.8%

**Proposed Changes**

NW Natural proposes to use their data combined with third-party data to identify additional customers with income below 200 percent of the federal poverty level.<sup>3</sup> Using this estimate, the Company has identified approximately 400 customers in arrears that are eligible for the expanded CAP assistance. The total combined gas arrearage of these additional low-income customers is approximately \$100,000.

If the tariff revision is approved, NW Natural will automatically distribute CAP funding to fully eliminate any existing arrearage for these customers up to the \$2,500 household cap. NW Natural also plans distribute CAP funding using this method again, at a later time, pending the availability of funds and customer availability per the existing language in the tariff.

<sup>2</sup> U-200281 to be filed monthly data report for May 2022 for NW Natural.

<sup>3</sup> NW Natural has acquired Total Source Plus data from a third-party, Epsilon, and uses this data to estimate household size and income.

Customers who are auto-enrolled will receive a letter explaining that CAP funds have been applied to their account and information about other energy assistance programs. NW Natural will also manually review each auto-grant to confirm the NW Natural account aligns to the low-income customer and check the income data before the grants are applied to that account.

### **Staff Assessment**

This program is in the public interest because it will help avoid disconnections and benefit eligible customers. The Company has available funds to help low-income customers. Public Counsel submitted comments to the docket in support of this filing, and The Energy Project supports this new approach to distributing CAP funding.

Recently, the Commission approved a similar approach proposed by Puget Sound Energy in Docket UE-210792. This tariff revision allowed PSE to distribute low-income funding to customers the Company estimated to be eligible for the program. The data has not been thoroughly analyzed yet, but preliminary results show accuracy in identifying eligible customers.<sup>4</sup>

### **Conclusion**

Staff supports the efforts by NW Natural to expand the eligibility of its energy assistance program and to relieve the energy burden of qualifying individuals. Based on the information provided, we recommend the Commission take no action, allowing NW Natural's revision to WN U-6 Tariff, Schedule K, COVID-19 Assistance Program (CAP) to become effective July 1, 2022, by operation of law.

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<sup>4</sup> PSE's tariff revision in Docket UE-210792 became effective by operation of law on November 15, 2021. This data will be further reviewed and presented in the next Gas Residential Energy Assistance Tariff.