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May 22, 2014

Steven King, Executive Director & Secretary  
Washington Utilities and Transportation Commission  
1300 S Evergreen Park Drive SW  
Post Office Box 47250  
Olympia, Washington 98504-7250

**Re: U-140632– Low Income Assistance Program Design  
NW Natural’s Responses to WUTC Questions**

Dear Mr. King:

Northwest Natural Gas Company, dba NW Natural (“NW Natural” or the “Company”), hereby provides the attached responses to the Washington Utilities Transportation Commission’s questions related to low income assistance program design, issued in the Opportunity to File Written Comments, served April 23, 2014, in Docket No. U-140632.

The Company looks forward to participating in the Commission’s workshop scheduled May 29, 2014, for the purpose of discussing low income assistance program design.

If you have any questions, please call me at (503)226-4211, extension 3590.

Sincerely,

/s/ Jennifer Gross

Jennifer Gross

Enclosures

**1. A brief description of the company's low-income assistance program.**

NW Natural offers the GREAT (Gas Residential Energy Assistance Tariff) program as established in Schedule J. GREAT is a grant of no more than \$1000 per year, per household to customers who have household incomes less than or equal to 150% of federal poverty guidelines. GREAT is delivered through community action agencies operating with the Company's Washington service territory. Agencies receive 20% in administrative and program delivery costs. Program spending is capped at \$500,000 per year.

The Company's GREAT program is one of three funding sources dedicated to assisting customer pay their gas bills. The other two are the state administered and federally funded Low Income Heating Energy Assistance Program (LIHEAP) and the Company's Gas Assistance Program (GAP), which is a donation based assistance program.

**2. A description of how the company measures the success of its low-income assistance program.**

Since the Company does not know which of its customers' households qualify as low income from year to year, it is difficult to measure how successful the program is in meeting qualifying customers' needs or reducing arrearages or service disconnections. The Company generally views it as a measure of success that the money allotted the program is spent and that administrative costs are not rising.

**3. The total number of residential customers in the company's service territory, an estimate of the total number of low-income customers in the company's service territory, and the number of customers participating in the company's low-income assistance program for each of the last five program years.**

NW Natural has 66,242 residential customers in Washington. The Company does not collect income information and has no reliable means for knowing which of its customers qualify as being low income.

The table below shows the number of customer who have participated in the GREAT program over the last five years. (Note: One customer is included in the count for each year assistance was received. One customer may receive assistance multiple times in one year.)

<b>Program Year</b>	<b>Customers Served</b>
<b>2012-2013</b>	621
<b>2011-2012</b>	667
<b>2010-2011</b>	464
<b>2009-2010</b>	826
<b>2008-2009</b>	350

**4. The number of customers who receive low-income assistance two or more years in a row, and the distribution of the number of years that assistance was received by those customers in each of the last five program years.**

For the calendar years 2009 through 2014, 2746 Washington customers received some form of low income bill payment assistance (GAP, LIHEAP, or GREAT). 906 of these customers received GAP, LIHEAP, or GREAT two or more years in a row. 516 of these 906 customer received GAP, LIHEAP, or GREAT for no more than one consecutive two-year period. Only 14% of customers that have received GAP, LIHEAP, or GREAT received assistance for more than one two-year consecutive period.  $[(906-516)/2746= 14\%]$

The number of incidents where GAP, LIHEAP, or GREAT was received for a second year in a row is as follows: (For example: a customer who received assistance in 2010, 2011 & 2012 is included on the table in 2011 & 2012.)

<b>Consecutive GAP, LIHEAP, or GREAT Payments</b>					
<b>Year</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014 (YTD)</b>
<b>Second Consecutive Year payments</b>	369	412	334	321	183

For the same time period, 2063 Washington customers received bill payment assistance through GREAT in one or more years. 552 of these customers received GREAT for two or more years in a row. 354 of these 552 customers received GREAT for only one consecutive two-year period. 9.6% of customers that received GREAT received it for more than one two-year consecutive period.  $[(552-354)/2063 = 9.4\%]$ .

The number of incidents where GREAT was received for a second year in a row is as follows: (For example: a customer that received assistance in 2010, 2011 & 2012 is included on the table in 2011 & 2012)

Consecutive GREAT Payments					
Year	2010	2011	2012	2013	2014 (YTD)
Second Consecutive Year payments	105	195	151	253	154

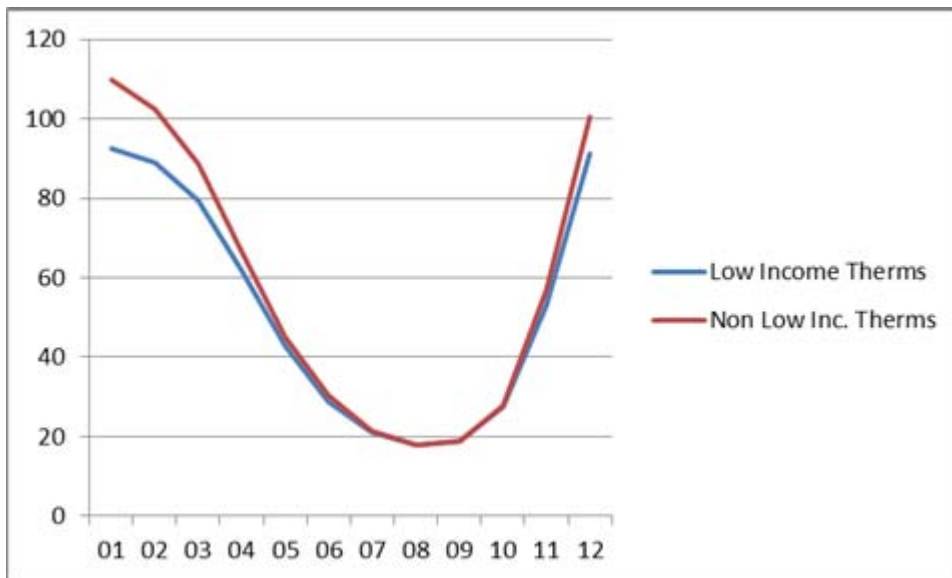
**5. The number and proportion of low-income assistance customers who also receive low-income weatherization, and the total number of customers who received low-income weatherization in each of the last five program years.**

The table below provides the number of customers who received GREAT and Washington Low Income Energy Efficiency (WALIEE) program since 2009, and the number and percentage of customers who received both in that same time period.

Customers who Received:	2009	2010	2011	2012	2013	2014
GREAT*	350	826	464	667	621	-
WALIEE*	-	19	11	8	20	8
GREAT, GAP, LIHEAP within 2009-2014 timeframe and WALIEE (counted in year WALIEE was received)	2	11	5	8	18	4
Percentage of Low Income Assistance Recipients that also received WALIEE	0.57%	1.3%	1.07%	1.19%	2.89%	-
*Participation for GREAT and WALIEE is provided on a program year basis whereas count and percentage of participation in both programs is provided on a calendar year basis.						

**6. A spreadsheet or distribution curve of the monthly energy usage of low-income assistance recipients.**

The table below shows the average monthly usage of customers who received low income bill payment assistance and compares it to the average monthly usage of customer who have not received low income bill payment assistance.



**7. Disconnection ratios for the past three years comparing total customer population with low-income assistance recipients. Please indicate the percentage of disconnected low-income assistance recipients whose service was restored because of low-income programs.**

The table below provides the count of residential customers in Washington who were disconnected for credit reason, the number of those disconnected customers who received some form of energy assistance (LIHEAP, GAP, or GREAT) either six months prior or six months after their credit related service disconnection, the percentage of energy assistance recipients who were disconnected due to bad credit, and the count and percentage of customers who were reconnected using energy assistance.

**WA Credit Disconnects with Credit Turn On and Energy Assistance (E/A)**

Disconnect Month	Credit Disconnects	E/A Eligible	% of E/A Recipients		% of Reconnects using E/A
			Disconnected for Credit	Connected with E/A	
Jan-11	222	24	10.81%	5	2.25%
Feb-11	230	17	7.39%	2	0.87%
Mar-11	272	18	6.62%	4	1.47%
Apr-11	264	15	5.68%	4	1.52%
May-11	268	28	10.45%	6	2.24%
Jun-11	288	31	10.76%	7	2.43%
Jul-11	225	21	9.33%	4	1.78%
Aug-11	194	16	8.25%	1	0.52%
Sep-11	143	5	3.50%		0.00%
Oct-11	109	11	10.09%		0.00%
Nov-11	91	10	10.99%		0.00%
Dec-11	119	18	15.13%	5	4.20%
Jan-12	226	27	11.95%	5	2.21%
Feb-12	248	19	7.66%	3	1.21%
Mar-12	225	19	8.44%	2	0.89%
Apr-12	251	26	10.36%	2	0.80%
May-12	287	23	8.01%	6	2.09%
Jun-12	205	24	11.71%	6	2.93%
Jul-12	166	13	7.83%		0.00%
Aug-12	133	9	6.77%		0.00%
Sep-12	116	11	9.48%	2	1.72%
Oct-12	102	10	9.80%		0.00%
Nov-12	91	10	10.99%		0.00%
Dec-12	106	10	9.43%	4	3.77%
Jan-13	198	11	5.56%	3	1.52%
Feb-13	176	17	9.66%	1	0.57%
Mar-13	216	18	8.33%	1	0.46%
Apr-13	249	19	7.63%	3	1.20%
May-13	266	11	4.14%	1	0.38%

Disconnect Month	Credit Disconnects	E/A Eligible	% of E/A Recipients Disconnected for Credit	Connected with E/A	% of Reconnects using E/A
Jun-13	210	13	6.19%	1	0.48%
Jul-13	204	14	6.86%		0.00%
Aug-13	115	8	6.96%	1	0.87%
Sep-13	123	9	7.32%		0.00%
Oct-13	92	5	5.43%		0.00%
Nov-13	57	5	8.77%		0.00%
Dec-13	122	14	11.48%	2	1.64%
Jan-14	262	20	7.63%	6	2.29%
Feb-14	193	16	8.29%	6	3.11%
Mar-14	279	15	5.38%	1	0.36%
Apr-14	300	18	6.00%	3	1.00%