

Agenda Date: April 22, 2021  
Item Number: A3

**Docket:** UG-210193  
**Company:** Northwest Natural Gas

**Staff:** Hanna Navarro, Regulatory Analyst

### **Recommendation**

Take No Action, allowing Northwest Natural's new Tariff Schedule K to become effective April 23, 2021, by operation of law.

### **Filing**

On March 22, 2021 NW Natural Gas Corporation (NW Natural or company) filed with the Washington Utilities and Transportation Commission (commission) its tariff revisions to add natural gas Tariff Schedule K to implement a COVID-19 Assistance Program (CAP), in compliance with Order No. 01 in Docket No. U-200281.<sup>1</sup> On April 6, 2022, NW Natural filed revised tariff sheets to reflect commission staff (staff) input and discussions.

### **Background**

On April 17, 2020, Washington Governor Jay Inslee issued Proclamation 20-23.2, which prohibits all energy, water, and telecommunications providers from (1) disconnecting residential service due to nonpayment, (2) refusing to reconnect residential customers who were disconnected due to nonpayment, and (3) charging late fees or reconnection fees. On May 29, 2020, Governor Inslee issued Proclamation 20-23.4, which requires utilities to develop COVID-19 Customer Support Programs, consistent with state guidance from the Governor's office and that will address payment plan options for residential customers who are in arrears due to the COVID-19 pandemic.

The commission formed a COVID-19 response workgroup of stakeholders and conducted workshops to address the disconnection and customers' financial hardship. On October 20, 2020, the commission issued Order 01 in U-200281, adopting Staff's Revised Term Sheet with modifications. Among other things, Order 01 ordered investor-owned electric and natural gas utilities to continue a moratorium on disconnection for nonpayment by residential and small commercial customers until April 30, 2021.<sup>2</sup> Order 01 also directs the utilities to establish a temporary COVID-19 bill assistance program, using 1 percent of its retail revenue.<sup>3</sup> On February 18, 2021, the commission adopted Staff's Second Revised Term Sheet, which extends suspension of disconnection for nonpayment to July 31, 2021, and allows the utilities to

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<sup>1</sup> *In the Matter of Response to the COVID-19 Pandemic*, Docket U-200281, Order 01 (October 20, 2020) (hereinafter Order 01); *In the Matter of Response to the COVID-19 Pandemic*, Docket U-200281, Order 02 (February 18, 2021) (hereinafter Order 02) (collectively Order 01 and Order 02).

<sup>2</sup> Order 01, Appendix A, at 1.

<sup>3</sup> Order 01, Appendix A, at 3.

resume disconnection notice activities 60 days before that date.<sup>4</sup> The commission plans to reassess the status of the pandemic and its health and economic impacts in early May and revisit the possibility of extending the moratorium.<sup>5</sup> The commission expressed it will “be crucial to assessing how the Joint Utilities are addressing long-term and extensive arrearages, as well as customer outreach and engagement.”<sup>6</sup>

In February 2021 four regulated electric and natural gas entities filed tariff revisions to implement their covid debt relief programs. NW Natural’s filing represents the fifth and final entity to present a covid debt relief program. On March 25, the commission allowed these COVID-19 assistance programs to take effect.

<b>Company</b>	<b>Docket</b>	<b>Program Name</b>	<b>Effective Date</b>	<b>Funding Size</b>
PSE	UG-210137 UE-210138	Crisis Affected Customer Assistance Program (CACAP 2)	3/28/2021	\$27.7 million
Cascade	UG-210145	Big HEART Program	4/1/2021	\$2.5 million
PacifiCorp	UE-210131	Residential COVID-19 Bill Payment Assistance Program	4/1/2021	\$3.1 million
Avista	UE-210114 UG-210115	Debt Relief Program	4/1/2021	\$6.5 million
NW Natural	UG-210193	COVID-19 Assistance Program	4/23/2021	\$652,000

## **Discussion**

Consistent with the filings of the other companies, staff asked for changes to the tariff sheets that NWN agreed to. The changes which NWN agreed to include the removal of specific costs from the language on cost deferrals, and an extended expiration date. Staff also requested all utilities provide data in advance of the May Open Meeting on the Disconnection Moratorium tentatively scheduled for May 12.<sup>7</sup> NW Natural has agreed to provide this data by May 10.

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<sup>4</sup> Order 02, Appendix A, at 1.

<sup>5</sup> Order 02, ¶19.

<sup>6</sup> Order 02, ¶22.

<sup>7</sup> The data request is provided in Attachment A and is based on the “List of Requested Data” in Order 01 of Docket U-200281.

## **CAP**

NWN's proposed CAP has two components.

1. An Automatic Grant to cover past-due accrued bills for customers who have received Energy Assistance (EA) since January 1, 2019. The annual maximum grant is \$2,500 per household. NW Natural plans to send customers receiving the automatic grant a letter informing them of the funds being added to their account and providing information on other energy assistance programs.
2. An application process for customers who have not received EA since January 2019 and with incomes at and below 200 percent FPL.

The company also proposed that CAP funds be available for "reconnection after a disconnection for non-payment or to an arrearage balance on an active account." Based on feedback from staff around restrictions on prior obligations, the company has clarified that "CAP grants can be applied to a past due or full account balance on an active account."

## **Staff Assessment**

NW Natural's CAP is consistent with other COVID-19 Assistance programs approved in March.

- The CAP fully complies with Order 01 and Order 02 of Docket U-200281.
- The company proposes to use 1percent of their Washington retail revenue to fund the program and directs program funds to customers with incomes below 200 percent FPL.
- The program was designed with input from the GREAT<sup>8</sup> Advisory Group and is compatible with existing low-income assistance programs.
- The company has proposed to provide quarterly reporting on the amount of assistance it has provided.

## **Conclusion**

There is an urgent need for utility bill assistance among low-income households in Washington. NW Natural's proposed CAP is appropriate, consistent with prior commission guidance, and in-line with programs at other utilities. Staff recommends the commission take no action and allow the tariff revisions to go into effect on April 23, 2021 by operation of law.

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<sup>8</sup> Gas Residential Energy Assistance

**Attachment A**

**Data Report for the Commission’s Open Meeting in May on Disconnection Moratorium**

1. Energy Assistance Disbursement in April 2021

	New COVID Bill Assistance Programs			LIHEAP	Utility's Current Permanent Bill Assistance Program
	Automatic Grants	New Applications	Total		
Total Benefits					
Number of accounts					
Average Benefits					

Please provide the electric and gas fund disbursement separately if applicable.

2. Past Due Balances as of April 30, 2021, (the same data as listed in Section J-8 of the Second Revised Staff Term Sheet approved in Order 02 in Docket U-200281) in a consistent format and at the same level of details with the report for the first quarter of 2021, and a calculation of the difference from data as of March 31, 2021.
  - a. The number of customers by customer class with past-due balances (arrearages);
  - b. The amount of past-due balances, by customer class, that are 30, 60, 90, and more than 90 days past due, and the total amount of arrearages;
  - c. The amount of past-due balances for known low-income households that are 30, 60, 90, and more than 90 days past due, and the total amount of these arrearages;
  - d. The amount of past-due balances classified as uncollectible;
  - e. If different than item d, the amount of past-due balances written off and classified as bad debt; and
  - f. The number of customer accounts referred to collection agencies, the total amount of debt referred for collection, and total revenue to the company from the collection process.
  
3. Long-term Payment Agreement, Arrearage Management Plans (AMPs), and debt relief in April 2021 (the same data as listed in Section J-4 of the Second Revised Staff Term Sheet approved in Order 02 in U-200281) in a consistent format and at the same level of details with the report for the first quarter of 2021, and a calculation of the difference from data as of March 31, 2021.
  - a. The number of customers, by customer class, taking service at the beginning of the month during the period under existing long-term payment agreements;

- b. The number of customers by customer class, completing long-term payment agreements in the month;
  - c. The number of customers, by customer class, enrolling in new long-term payment agreements in the month; and
  - d. The number of customers, by customer class, renegotiating long-term payment agreements in the month.
4. Outreach activities in April 2021, both a narrative and the specific number of contacts the company made by phone, mail, email, etc.