



Media Release

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COMBINED PUC DECISIONS INCREASE RATES FOR NW NATURAL CUSTOMERS STARTING NOVEMBER 1

Program approved to reduce the impact November 2022 through mid-March 2023

SALEM, Ore. – The Oregon Public Utility Commission (PUC) recently approved an increase in natural gas rates for NW Natural customers effective November 1, 2022. The increase stems from decisions in two proceedings—an annual adjustment to reflect changes in the price of purchased gas, which is markedly higher this year due to global supply issues, and a proposal by NW Natural to increase its non-gas costs in a general rate proceeding. The combined decisions result in an average overall rate increase of 24.4 percent.

To help minimize the impact of this significant increase to customer bills during the heating season when bills are typically higher, the PUC approved a program proposed by the residential utility customer advocate, Oregon Citizens' Utility Board (CUB), and NW Natural. This delayed payment program implements a smaller rate increase for residential customers starting November 1, 2022 through mid-March 2023, and shifts some of the increased costs to warmer months when customer bills are typically lower.

As a result, rate changes for residential customers will occur in three phases. Commercial and industrial customers will see the full effects of the rate increases beginning November 1, 2022. Below is an explanation of the rate changes the three customer types can expect moving forward.

Residential Customers

A typical residential customer will experience a 14.4 percent increase in monthly bills on average over the next year.

- From November 1, 2022 through March 14, 2023, with NW Natural's delayed payment program in effect, the monthly bill of an average customer using about 82 therms per month during the colder months will increase by about \$7.08, from \$100.21 to \$107.24. Without the delayed payment program, average bills would have increased to about \$117.30.
- From March 15, 2023 through October 2023, the deferred portion of the rate increase will be collected in customer bills after the conclusion of the delayed payment program on March 14. During this time, the monthly bill for an average residential customer using 29 therms during the warmer months will be about \$52.11.

Non-Residential Customers

Commercial and industrial customers are not eligible for the delayed payment program. These customers can expect the following effective November 1, 2022:

- **Commercial Customers** - The monthly bill of a typical customer using an average of 237 therms per month will increase by \$55.67, or 23.2 percent, from \$240.31 to \$295.98.
- **Industrial Customers** - The monthly bill of a typical customer using an average of 5,185 therms per month will increase by \$1,038.84, or 39.6 percent, from \$3,303.91 to \$4,612.75.

“We recognize that increasing rates at a time when Oregonians are already dealing with high inflation presents challenges for many customers,” said Megan Decker, PUC Chair. “Unfortunately, global events drive the price for utilities to purchase natural gas. There’s simply no way to avoid these higher prices impacting customers, although we were able to defer some of impacts for residential customers. In addition, there may be other options available to residential customers to help reduce the bottom line impact.”

To increase energy efficiency and save on future bills, customers are encouraged to view [Energy Trust of Oregon’s low-cost and no-cost tips](#). For information about bill payment assistance, newly available income-qualified utility discounts, and the Equal Pay program that equalizes bill payments across winter and summer months, contact NW Natural at 800-422-4012 or view information [online](#). Customers may also contact their local Community Action agency to request information on what assistance programs they may be eligible for and how to enroll.

Below is a breakdown of the separate decisions made by the PUC that led to the increase in overall customer rates.

Purchased Gas Adjustment

The PUC approves annual adjustments to the rates of the three regulated natural gas companies, including NW Natural, Avista Utilities and Cascade Natural Gas, to reflect changes in the actual cost of wholesale priced natural gas, known as the Purchased Gas Adjustment (PGA). This allows companies to pass through their actual cost of purchasing gas to customers without a markup on the price. This year, the PUC approved an overall increase in revenues of \$86 million, or approximately 12.2 percent for NW Natural customers, when compared to 2021 company gross revenues.

Rate Revision

The PUC recently approved a \$62.7 million, or 8.48 percent increase for non-gas costs in a general rate proceeding. NW Natural’s increase in costs is largely driven by the implementation of phase one of the Horizon project to upgrade to a cloud-based technology infrastructure, construction of seismically secure resource centers, upgrading the distribution system and storage operations, complying with a Transportation Security Administration cybersecurity directive, and costs related to the Lexington renewable natural gas project.

NW Natural serves approximately 680,000 customers in northwest Oregon.

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The PUC regulates customer rates and services of the state’s investor-owned electric and natural gas utilities, including Portland General Electric, Idaho Power, Pacific Power, Avista, Cascade Natural, and NW Natural. The PUC also regulates landline telephone providers and select water companies. The PUC’s mission is to ensure Oregonians have access to safe, reliable, and fairly priced utility services that advance state policy and promote the public interest. We use an inclusive process to evaluate differing viewpoints and visions of the public interest and arrive at balanced, well-reasoned, independent decisions supported by fact and law. For more information about the PUC, visit oregon.gov/puc.