

# Oregon Citizens' Utility Board

610 SW Broadway, Suite 400  
Portland, OR 97205

(503) 227-1984  
[www.oregoncub.org](http://www.oregoncub.org)

**For Immediate Release:**  
October 25, 2022

**For More Information:**  
Bob Jenks, 503-753-4190  
[bob@oregoncub.org](mailto:bob@oregoncub.org)

Charlotte Shuff, 503-719-8744  
[charlotte@oregoncub.org](mailto:charlotte@oregoncub.org)

## **Oregon Utility Regulators Approve Rate Increase for NW Natural**

*As the cost of natural gas continues to increase, Oregon advocates and regulators move to protect NW Natural customers from unnecessary costs and steep bill increases.*

**Portland, OR** - Natural gas rates will go up 25 percent for NW Natural customers over the next year, primarily due to increases in gas commodity costs. At the same time, Oregon's utility regulators rejected the utility's most contentious requests, which consumer and climate advocates opposed.

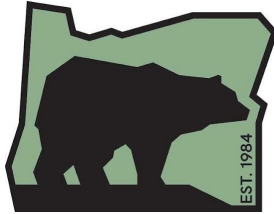
This increase is a result of two rate hikes requested by NW Natural and approved by the Public Utility Commission this week. As Oregon moves to reduce climate pollution and methane gas prices continue to skyrocket globally, natural gas customers in Oregon face increasing financial risk.

Beginning November 1, Oregon customers will see their NW Natural bills raise by 14 percent. The utility will roll out additional increases after the winter heating season. This staggered increase is thanks to an agreement between NW Natural and state consumer advocate Oregon Citizens' Utility Board (Oregon CUB).

On Monday, October 24, the Oregon Public Utility Commission released the first of the two bill hikes for NW Natural customers. Earlier this year, NW Natural asked regulators to raise customer rates by nearly \$82 million. The Commission approved \$62.7 million, or an 8.46 percent increase. Commissioners partially rejected the original request, siding with consumer and climate activists on a number of issues.

Of the issues rejected, Oregon CUB pushed back against increase in profit margins, bonuses for top executives, increased advertising dollars, and customer-funded subsidies for expanding the gas system. A group of climate, environmental justice, and community led organizations additionally successfully opposed funds for political lobbying and costs for a pro-gas activity book targeted at school-aged children.

"The biggest victory for NW Natural customers is the reduction of subsidies for expanding the gas system," said Bob Jenks, Executive Director of Oregon Citizens' Utility Board. "Our analysis showed that these subsidies benefit shareholders but are harmful to existing customers. As Oregon commits to reducing climate pollution, NW Natural's expansion of the gas system places a real risk on Oregon households."



# Oregon Citizens' Utility Board

610 SW Broadway, Suite 400  
Portland, OR 97205

(503) 227-1984  
[www.oregoncub.org](http://www.oregoncub.org)

Of the \$62.7 million increase that regulators approved on Monday, the majority will go toward capital investments. NW Natural customers will pay to replace a gas main in Salem (\$21.3 million), an important safety repair. Additionally, customers will pay for costs related to improving service. These costs include three new repair dispatch centers (\$36.5 million) and replacing NW Natural's outdated accounting system (\$63.7 million).

On Tuesday, October 25, the Commission also approved the second bill increase for NW Natural, \$83 million. This increase was related to the increasing cost of methane gas on the market.

Oregon CUB was concerned that this increase, combined with Monday's decision, would be a financial shock to customers, leading to more shutoffs. The consumer advocate reached an agreement with NW Natural to limit the bill increase for the 2022 winter heating season. The utility will provide a temporary bill credit through the winter.

"This agreement will hedge monthly natural gas bills for residential customers if the upcoming winter is colder than expected," CUB's economist, William Gehrke said. "It is our hope that this will help reduce the likelihood of shutoffs for Oregon households."

Customers of Oregon's other natural gas utilities will also face rising bills this fall. Cascade Gas customers will see a 25% increase. Avista Utilities customers will see an 18% increase. These rate hikes are also the result of the rising cost of methane gas. These customers will see bills go up starting November 1.

## **About the Oregon Citizens' Utility Board (Oregon CUB):**

Oregon CUB is an independent 501(c)3 nonprofit established by initiative process to represent the interests of Oregon's residential utility customers. CUB advocates for customers by working to develop energy systems that are affordable, accessible, reliable, and clean, and ensure telecommunications policies that support universal access to Broadband.

###