



Media Release

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PUC APPROVES AGREEMENT TO INCREASE RATES FOR NW NATURAL CUSTOMERS STARTING NOVEMBER 1

Impact of rate increase reduced by lower natural gas costs

SALEM, Ore. – The Oregon Public Utility Commission (PUC) recently approved all-party stipulations between PUC Staff, consumer groups, and NW Natural agreeing to a general rate increase at a lower level than NW Natural originally requested.

The amount general rates will increase on November 1, 2024, differs based on customer type and energy usage. As an overall average across all customer types, general rates will increase under the approved stipulation combined with the commission decisions by approximately 9.98 percent, lower than the 16.7 percent NW Natural had originally requested. Mitigating the impact of the general rate increase, however, is the decrease the PUC approved in the annual cost of purchasing natural gas, also effective November 1. **The combined impact of the general rate increase and the natural gas cost decrease means a residential customer’s average bill is expected to be about 4.5 percent higher than the previous years’ bill.**

Drivers for the increase include capital investments, such as the construction of seismically resilient regional infrastructure, addressing capacity constraints to meet areas of demand growth, actions necessary to comply with federal pipeline and safety requirements, and investments to modernize metering and improve system communications. Reducing the overall impact is the PUC’s approval of an annual adjustment to reflect the changes in the actual cost of wholesale priced natural gas, which is a pass-through cost of purchasing gas to customers without a markup on the price. This adjustment represents a credit due to lower than anticipated costs to purchase fuel leading to an over-collection from customers last year, combined with a slight decrease in the forecasted cost of natural gas for next year.

“We appreciate the hard work of PUC staff and stakeholders as well as the flexibility of NW Natural to reach a compromise that significantly reduced the general rate case revenue requirement by nearly 40 percent from the original request,” said Megan Decker, Commission Chair. “We are fortunate that general rate increases are moderated this year by supply and demand conditions that lowered gas price projections.”

As part of this general rate case, Commissioners addressed other disputed issues, including:

1. Line Extension Allowances – These are the costs existing customers pay to connect new customers to the natural gas system. Commissioners upheld their decision from NW Natural’s 2023 rate case filing to phase

down line extension allowances until completely eliminated as of November 1, 2027, citing high levels of uncertainty about whether subsidies paid to new customers would end up benefitting existing customers over the long term.

2. Community and Government Affairs Costs – Commissioners reduced but did not eliminate NW Natural’s rate request for government affairs-related costs, recognizing that community and government affairs activities often serve the core interests of customers, but citing a need for better record-keeping to demonstrate that the core interests of customers are being served. The PUC recommended that NW Natural establish a system to track appropriate expenses for future consideration.
3. Oregon Citizens’ Utility Board (CUB) Rate Shock Proposal – The Commission did not adopt CUB’s proposed rate shock mechanism, which would cap all rate increases scheduled to go into effect on November 1 to less than 10 percent and delay any additional increase until April 1. The order reasons that parties had largely agreed on a specific revenue requirement that the Commission found just and reasonable, and combined with gas price reductions, would not have triggered the 10 percent threshold. The Commission found that this proposal would be better considered in a future case to develop these complex concepts.

Resources for Customers

To increase energy efficiency and save more on future bills, review Energy Trust of Oregon’s [current incentives and opportunities, including income-qualified offers](#) and learn more about [low-cost and no-cost tips](#) to reduce energy consumption. For information about bill payment assistance options, help with past due bills, available utility discount programs, weatherization, and the Budget Pay Program that equalizes bill payments across winter and summer months, 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.

NW Natural serves nearly 700,000 customers in northwest Oregon.

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The Oregon Public Utility Commission (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.