

**BEFORE THE
WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION**

WASHINGTON UTILITIES AND
TRANSPORTATION COMMISSION,

Complainant,

v.

CASCADE NATURAL GAS
CORPORATION,

Respondent.

DOCKET UG-240008

CASCADE NATURAL GAS CORPORATION

**SECOND EXHIBIT TO THE
DIRECT TESTIMONY OF DANIEL L. TILLIS**

March 29, 2024

CASCADE NATURAL GAS CORPORATION

WN U-3

Original Sheet No. 20

**RULE 20
CASCADE ARREARAGE RELIEF ENERGY SAVINGS (CARES) PROGRAM**

PURPOSE

The purpose of this rule is to define the parameters for applying an energy burden discount on a qualifying customer’s monthly gas bill and a one-time, up-front arrearage relief discount on a customer’s outstanding balance, if applicable.

AVAILABILITY

This rule applies to residential customers or household members of a dwelling served on Schedule 503, Residential Service Rate, who have declared that their household is low-income.

LOW-INCOME DEFINITION

A customer is considered low-income if their gross cumulative household income inclusive of deductions in alignment with the Low Income Home Energy Assistance Program (LIHEAP), for a specific timeframe within the last twelve months, extrapolated for twelve months, does not exceed 80% of the county’s area median income (AMI) or 200% Federal Poverty Level (FPL) for a household with the same number of occupants.

PROGRAM DELIVERY

The program will be administered by the designated Agencies listed in the table below that already administer LIHEAP funds to Cascade’s customers and have executed agreements for program delivery with the Company.

Agencies	
Blue Mountain Action Council	Kitsap Community Resources
Chelan-Douglas Community Action Council	Lower Columbia Community Action Program
Coastal Community Action Council	Northwest Community Action Program
Community Action Connections	Opportunities Industrialization Center of WA
Community Action Council of Lewis, Mason & Thurston Counties	Opportunity Council
Community Action of Skagit County	Snohomish County Human Services Department

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By: 

Lori A. Blattner

Director, Regulatory Affairs

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RULE 20

CASCADE ARREARAGE RELIEF ENERGY SAVINGS (CARES) PROGRAM

APPLICATION FOR CARES

Customers or household members may apply for the program by calling an Agency, meeting with an Agency, or completing the online application found on www.cngc.com, which can either be printed and mailed or submitted electronically. A customer may also ask the Company or an Agency to mail a hardcopy application to their residence. Applications submitted on the Company's website or received via mail will be provided to the Agencies for processing.

DECLARED INCOME VERIFICATION PROCESS

Customers may qualify for service under this rule by declaring that their household is low income. The Company may randomly select up to five percent (5%) of customers, who enrolled by declaring their low-income status, for post-enrollment verification of their declared income.

If a customer selected for income verification fails to provide timely documentation of income, they may be removed from the program but will not be required to reimburse the Company for any discounts received prior to removal.

If a customer who has been removed from CARES for failing to verify their household income provides the Agency documentation verifying income within 60 days after being removed from the program, the Company will reenroll the customer into CARES and will credit the customer's account for the discount the customer would have received had the customer not been removed from the program.

TERM

Qualifying customers are enrolled in CARES for twenty-four (24) months, after which time it is the customer's responsibility to reapply for continued service in this program by contacting an Agency or submitting a completed application form found on the Company's website. The twenty-four-month term restarts the full billing month after the complete expenditure of a newly applied federal or state credit (e.g., LIHEAP) on the customer's account or upon the application of a new Winter Help credit. The Company shall make sufficient effort to notify the customer prior to the end of their term of service in the CARES Program. Customers will be provided with a mailed notice 60 and 30 days prior to the end of the customer's CARES term of service. In addition, the utility must provide an electronic copy of the notice, if the utility has such contact information for the customer and the customer has consented to electronic delivery of notices from the utility, at the time the utility mails or delivers the paper copy of the notice. Upon sending the second notice, the Company will also make at least two attempts to contact the customer by telephone.

PROGRAM YEAR

The program year is a 12-month period starting October 1 of each year.

PROGRAM COSTS

Program costs, including discounted amounts, outstanding arrearage relief amounts, program delivery, and marketing, will be tracked for collection through Schedule 592, CARES Cost Recovery.

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**RULE 20
CASCADE ARREARAGE RELIEF ENERGY SAVINGS (CARES) PROGRAM**

AGENCY PAYMENT

The Company will annually compensate Agencies for the cost of CARES Program delivery by paying an amount equal to 25% of the benefits provided to customers in the prior program year. This total amount will be allocated to Agencies in the following manner: 25% of total program benefits paid in the prior program year will be divided by the total number of customers enrolled in the program in the prior program year thus determining an average benefit per enrollment. Each Agency will be paid the average benefit per enrollment multiplied by the number of customers they enrolled in the prior year. However, in the first program year, Agency payment will equal 25% of forecasted customer benefits in each county, assuming that 10% of customers identified as income-qualified in the "Cascade Natural Gas Corporation: Low-Income Rate Analysis for Washington Report" enroll in the program.

AUTO-ENROLLMENT

Upon program commencement, customers who received LIHEAP, Washington Energy Assistance Fund (WEAF), or Winter Help in the 2022-2023 program year will be automatically enrolled in the energy discount portion of CARES. The Company will utilize available information to place customers into the appropriate income tier for the energy discount. If income information is not available, the customer will be placed in Tier 4 of the program. If an auto-enrolled customer declares having a household income that qualifies them for a higher discount rate, the Company will enroll the customer in the appropriate tier at the next billing cycle.

PROGRAM MARKETING

The Company and Agencies will collaborate on a joint communications plan to market the CARES program using various channels. The Agencies will also engage Community Based Organizations (CBOs) for outreach to disadvantaged and hard-to-reach customer groups, per Commission Order No. 09 issued in Docket UG 210755.

The use of CBOs will be piloted for three years (October 1, 2022, through September 30, 2025). The annual budget authorized for CBO activities will be between \$73,000 and 5% of the program budget. At the end of the pilot period, the Advisory Group will assess the CBOs' work and determine if any refinements are needed.

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Director, Regulatory Affairs

BY AUTHORIZATION OR ORDER OF WASH. UTILITIES & TRANSPORTATION COMM. DOCKET NO. UG-230551

CASCADE NATURAL GAS CORPORATION

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RULE 20

CASCADE ARREARAGE RELIEF ENERGY SAVINGS (CARES) PROGRAM

ADVISORY GROUP

An Advisory Group consisting of key stakeholders, including Public Counsel, Commission Staff, the Energy Project, NW Energy Coalition, Cascade, and representatives from each of the Agencies, will discuss and provide advice to the Company on program-related matters. This includes identifying and reviewing data necessary to design the program and meet the following goals: reduce customers' energy burden, keep customers connected to energy service, provide energy assistance to more customers than are currently served, collect data necessary to assess program effectiveness and inform ongoing policy discussions, and maximize the use of funding for energy assistance from government sources, e.g., LIHEAP. The advisory group will hold meetings at least twice a year via teleconference or in person. While the advisory group can offer guidance and suggestions, the Company is not bound to follow their recommendations when submitting proposals or tariff changes to the Commission.

ENERGY DISCOUNT TERMS AND CONDITIONS

1. The energy discount offered under CARES will not be prorated upon initiation of service but will begin at the start of the first full billing month after the customer has qualified for the program.
2. A customer receiving a bill discount may still be eligible to apply for other available financial assistance programs, such as LIHEAP and Winter Help. However, when state or federal financial assistance is applied (e.g., LIHEAP), the customer's enrollment in CARES will be paused. After state or federal assistance is applied, customer's enrollment in CARES will resume for a 24-month term. These provisions are not applicable to non-governmental, third-party payments such as those from friends, relatives, or churches.

ARREARAGE RELIEF TERMS AND CONDITIONS

1. The arrearage relief percentage is an upfront, irrevocable credit applied to the customer's bill within a few business days of qualifying for the program.
2. A customer who receives partial arrearage relief may be placed on a time payment arrangement (TPA) for up to 24 months to pay their remaining past due balance. The unpaid balance will be billed in equal amounts over the term of the TPA.
3. A customer may receive up to \$1,000 of arrearage relief once every twenty-four (24) months.
4. Payment credits or grants received, such as those from LIHEAP or Winter Help, will be applied to a full, non-discounted arrearage before any benefits from this program are applied.

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RULE 20
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GENERAL TERMS AND CONDITIONS

1. Energy discounts and arrearage relief rates for service on the CARES Program are established in Schedule 302, Cascade Arrearage Relief Energy Savings (CARES) Discount Rates.
2. A customer may only apply for service under this rule by declaring their household income once per program year. Customers seeking to requalify for additional energy assistance more than once per program year must provide income documentation to an Agency.
3. A customer receiving CARES service is not obligated to report a change in income during the enrollment term but may choose to do so, in which case, the bill assistance tier will be modified to reflect the customer's most recent income data.
4. Service under this rule is governed by the terms of this schedule, the rules contained in this Tariff, any other schedules that apply to service under this schedule, and all rules and regulations prescribed by regulatory authorities, as amended from time to time.

ANNUAL REPORT

By January 15, the Company will file an annual report with the Commission regarding the performance of the program. The report will provide information on the total dollars spent, dollars discounted from energy bills, dollars allocated for arrearage relief, program delivery costs incurred by the Agencies, the number of households served per each Agency, program expenditures on marketing, an overview of CBO activities, and a comparison of program results with the previous program year. The Advisory Group may specify additional content for the report.

By evaluating key metrics and comparing them to previous years, the report will be used to facilitate an informed assessment of the program's impact on eligible customers and to identify areas for improvement.

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**SCHEDULE 302
CASCADE ARREARAGE RELIEF ENERGY SAVINGS (CARES) DISCOUNT RATES**

PURPOSE

The purpose of this schedule is to define the discount assistance for customers who have qualified for low-income bill payment assistance and arrearage relief, if applicable, as established in Rule 20, Cascade Arrearage Relief Energy Savings (CARES) Program.

APPLICABILITY

This schedule is for residential customers served on Schedule 503 who have qualified for CARES Program service per the parameters established in Rule 20.

BILL ASSISTANCE

The following energy discount and arrearage relief discounts are available to Customers receiving service on the CARES Program. The discount tier for which a customer qualifies corresponds to the customer's cumulative household income and the number of household occupants at the time the customer enrolled in the CARES Program.

Service on this schedule is available on and after October 1, 2023.

Tier	Income Tier Level		Energy Discount	Arrearage Relief (if applicable) *
	FPL	AMI		
1	0-20%	0-4%	90%	100%
2	21-50%	5-12%	71%	100%
3	51-100%	13-24%	40%	90%
4	101-150%	25-36%	15%	70%
5	151-200%	37-80%	8%	50%

*Arrearage relief may be limited to \$1,000 per 24-month term of service in CARES.

The tiers are designed to reduce the customer's gas energy burden to a target percentage of three percent (3%) to three and a half percent (3.5%) of their total income, which aligns with the required six percent (6%) total gas and electric burden established in the Clean Energy Transformation Act and codified in RCW 19.405.120.

GENERAL TERMS

Service under this adjustment schedule is governed by the terms and conditions outlined in this schedule, the Rules contained in this Tariff, any other applicable schedules, and all rules and regulations prescribed by regulatory authorities, subject to amendments from time to time.

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