

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

EIGHTH EXHIBIT TO THE
DIRECT TESTIMONY OF NOEMI ORTIZ

March 29, 2024

Cascade Natural Gas Corporation

Equity Advisory Group Charter

2023



In the Community to Serve®

Table of Contents

Definitions.....3

Introduction.....4

Purpose.....4

Goals and Objectives.....4

Cascade Natural Gas Commitments.....5

Equity Advisory Group Members.....5

Member Recruitment and Representation.....5

Term of Service.....6

Meetings.....6

Compensation.....7

Roles and Responsibilities.....7

Company Representatives.....7

Definitions

Highly Impacted Community: The Department of Health designates as a highly impacted community any census tract with a 9 or 10 overall rank on the Environmental Health Disparities (EHD) map, or any census tract with tribal lands.

Vulnerable Populations: Communities that are more likely to be at higher risk for poor health outcomes in response to environmental harms, due to: (i) Adverse socioeconomic factors, such as unemployment, high housing and transportation costs relative to income, limited access to nutritious food and adequate health care, linguistic isolation, and other factors that negatively affect health outcomes and increase vulnerability to the effects of environmental harms; and (ii) sensitivity factors, such as low birth weight and higher rates of hospitalization.

(b) "Vulnerable populations" includes, but is not limited to:

(i) Racial or ethnic minorities;

(ii) Low-income populations;

(iii) Populations disproportionately impacted by environmental harms; and

(iv) Populations of workers experiencing environmental harms.

Tribal Lands: "Indian country" as provided in 18 U.S.C. Sec. 1151, and also includes sacred sites, traditional cultural properties, burial grounds, and other tribal sites protected by federal or state law.

Overburden Community: geographic area where vulnerable populations face combined, multiple environmental harms and health impacts, and includes, but is not limited to, highly impacted communities.

Equitable distribution: Fair and just, but not necessarily equal, allocation intended to mitigate disparities in benefits and burdens that are based on current conditions, including existing legacy and cumulative impacts, that are informed by cumulative environmental health impact analysis.

Environmental impacts: Environmental benefits or environmental harms, or the combination of environmental benefits and harms, resulting or expected to result from a proposed action.

Environmental justice: Fair treatment and meaningful involvement of all people regardless of race, color, national origin, or income with respect to the development, implementation, and enforcement of environmental laws, rules, and policies. Environmental justice includes addressing disproportionate environmental and health impacts in all laws, rules, and policies with environmental impacts by prioritizing vulnerable populations and overburdened communities, the equitable distribution of resources and benefits, and eliminating harm.

Named Communities: Refers to Highly Impacted Community and Vulnerable Populations

Introduction

Cascade Natural Gas Corporation (Company or Cascade) a subsidiary of MDU Resources Group, Inc. firmly believes in contributing to the support of the communities we serve. Cascade customers span over 95 communities, where our commitment to support is represented in the form of conservation education, employee volunteerism, corporate giving, academic scholarships, matching funds for employee donations made to local non-profit organizations, environmental stewardship, and community environmental stewardships.

The Company is forming an Equity Advisory Group (EAG) that will provide a forum for individuals within the community and Community-Based Organizations (CBO) to inform the development of energy equity in some of the highest economically disadvantaged communities. Energy equity entails reducing barriers to highly impacted communities, increasing access to affordable energy for overburdened customers, and ensuring the energy future does not disproportionately impact marginalized populations and or communities.

Purpose

The EAG is designed to inform the development of the Company's energy equity processes and provide guidance on other company activities relevant, but not limited to, community engagement, energy efficiency, regulatory obligations, bill payment assistance programs, resource planning, decarbonization, expanding access and removal of barriers for underserved and overburdened customers.

The EAG will have representation from multiple communities across Washington working together to provide the Company a deeper understanding of historically underrepresented individuals and communities with lived experience, different perspectives, and voices that have habitually been unheard.

The Company's commitment to its customers is foundational to its business. The development of the EAG will bring forward important discussions to improve equitable distribution of energy benefits for Cascade customers and in doing so reduce burdens to highly impacted communities and vulnerable populations. Throughout this process and from a place of acceptance and understanding the Cascade team welcomes feedback, recommendations, and advice from its EAG members.

Goals & Objectives

In year one of the EAG, Cascade seeks to establish a clear understanding of the goals, outcomes, and objectives of the EAG. The process will begin with understanding the members' goals and objectives in addition to building a working relationship. The process may include recommendations for community engagement with individuals in named communities, direct feedback and review on equity issues to mitigate barriers in customer participation, and

evaluations of recommended strategies to improve energy equity. Initial areas of focus for the EAG will be in providing feedback in the development of Cascade’s Multi-Year Rate Plan and Integrated Resource Plan.

Cascade will leverage existing advisory groups such as the Conservation Advisory Group (CAG), Cascade Arrearage Relief Energy Savings (CARES) Advisory Group, and Technical Advisory Group (TAG) for input on EAG topics and will share updates from existing advisory groups with EAG members.

The EAG will operate within the Company’s eight core values: Integrity, Safety, Respect, Excellence, Diversity, Inclusion, Innovation and Stewardship.

Cascade Natural Gas Commitments

The Company is committed to an inclusive environment that respects the differences and embraces the strengths of its diverse community to further its corporate vision. The Company views diversity through a broad lens. Diversity is who we are as individuals, including the differences that make each person unique.

If diversity is who we are, then inclusion is what we do. The Company respects individuals’ differences and supports an inclusive culture where all feel valued and are treated equally.

Cascade makes the following commitments to its EAG Members:

- Foster an environment which respects and values diversity and inclusiveness
 - Utilize a third-party facilitator to establish the beginning of the charter, processes, methods of communication, and as needed for meeting facilitation, etc.
- Understand and acknowledge the history in which current systems such as energy regulation were formed
- Provide clear parameters regarding the decision-making power and/or role of the EAG throughout the formation and implementation process
- Provide resources to EAG members to enable understanding of topics as needed
- Commit to a continuous learning process
- Remain open to new ideas, and diverse experiences and opinions of all
- Respect and understand the role of the facilitator
- Be accountable for EAG feedback and recommendations
 - In each meeting, Cascade shall bring back to the EAG an update on actions items, deliverables that were discussed in the prior month and recommendations from the EAG members
- Welcome collaboration and joint efforts to create topics for discussion

Equity Advisory Group Members

Recruitment and Representation

Prioritizing traditionally underserved and highly impacted communities with lived experiences, the Company led multiple outreach conversations with partners, individuals, and CBO's with the intention of recruiting Equity Advisory Group members. In addition, the Company held an email campaign in both Spanish and English to target some of the most highly impacted communities, ensuring Cascade's EAG held proper representation in communities which have been underrepresented in the past.

The EAG members participating currently serve or identify as vulnerable population within Cascade service territory who do not currently have representation within the utility industry. EAG members are intended to represent a historically underrepresented community including, but not limited to

- Tribes;
- Representatives from highly impacted communities and vulnerable populations, that may include seniors, veterans, Black, Indigenous and People of Color (BIPOC), low-income and individuals living with disability;
- Public Health Advocates;
- Environmental Justice Advocates; represent diversity in race, ethnicity, age, and gender, urban and rural areas; and
- Additional individuals/organizations that may be identified by the group members

Cascade will begin recruitment for new EAG members in May of every year in preparation for any vacancies the EAG may have at the start of a new year.

Term of Service

Initial term for EAG members will run for a length of two (2) years with the option to continue beyond the said years. The term is to run January to December. Recruitment for EAG members will take place as needed to ensure Cascade has members to replace any EAG who may drop off throughout the year.

Year 1: January 2024- December 2024

Year 2: January 2025- December 2025

The official kick-off of the initial EAG will be September 2023

Meetings

Meetings will be held in a virtual setting to accommodate all members across multiple counties in the State of Washington. EAG meeting details are outlined below.

- EAG meets once (1) a month for twelve (12) months

- Time commitment two and half (2.5) hours per month
 - Thirty (30) minutes reserved for EAG meeting prep (i.e., review agenda items, recommendation, discussion topics and slide deck review.)
 - Two (2) hours reserved for virtual EAG meeting

Meeting dates and times to be defined during the EAG introductory meeting in collaboration with its members and Cascade staff.

All meetings will be recorded and available to EAG members and Company representatives upon request.

Compensation

Individuals and CBOs who serve on the EAG are provided a stipend for their participation per meeting. The stipend is intended to reduce barriers that may otherwise keep individuals from joining Cascade's efforts to address energy equity issues surrounding vulnerable populations and highly impacted communities.

Stipend: \$200

Members must be in attendance to receive stipend for each meeting, Compensation will not be provided for missed meetings.

EAG meetings are held on Fridays, payment request for stipends will be processed the following business day, on Monday. To allow time for proper routing process, approvals and accounts payable final review, members should expect payment anywhere between 7 to 10 business days from the date of each EAG meeting.

Roles and Responsibilities

Participating members must commit to;

- Attend meetings
- Provide recommendations for community engagement with individuals in named communities
- Provide feedback and review on equity issues to mitigate barriers in customer participation
- Actively participate in discussions regarding the Company's programs, evaluations of recommended strategies to improve energy equity, and other topics related to the operations of the Company
- Provide advice, experience, lived experience, and perspectives from the communities of which members serve and/or live. This may include social, economic, racial, tribal, and environmental
- Assist in identifying best practices solutions for improving and expanding energy equity

- Understand the regulatory process and policy environment in which Cascade must operate
- Be committed to engaging in an ongoing learning process, have an openness to new ideas, and respect others' opinions and experiences

Company Representatives

Representation for the Company's internal group includes:

Facilitator: Noemi Ortiz

Cascade Advisors:

- Regulatory Affairs: Jennifer Gross
- Energy Efficiency: Caleb Reimer
- Integrated Resource Planning: Brian Robertson
- Customer Experience: Daniel Tillis
- Other Guest: TBD