

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

ELEVENTH EXHIBIT TO THE
DIRECT TESTIMONY OF NOEMI ORTIZ

March 29, 2024



Customer Outreach



In the Community to Serve®



CARES Bill Discount and Arrearage Relief Percentages



- Program is designed to provide the most assistance to customers most in need.
- Addresses both past (arrears relief) and future energy burden (monthly bill discount).
- Auto-enrollment and self-declaration of income/household size reduce barriers.

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



Outreach Highlights

- Utilize various outreach tactics to attempt to reach all customer segments.
- Some tactics intended for all customers while other tactics are designed to reach customers who Cascade data indicates may need assistance.
- All outreach in English and Spanish.
- Partnership with Community Action agencies is critical to successful outreach.



In the Community to Serve®

CNGC Website

- Audience is all customers utilizing the Internet
- Posted to main page for 60-90 days
- Permanently posted on Energy Assistance page
- Customers can apply for CARES from our website
- Started on 10/2/23

The image shows two overlapping screenshots of the Cascade Natural Gas website. The top screenshot displays the homepage with a banner for "GET SOME RELIEF. BILL ASSISTANCE IS A CLICK AWAY." and a "GET RELIEF NOW." button. The bottom screenshot shows the "CARES PROGRAM" page, which includes the following text:

Cascade Home » Customer Service » Low-Income Assistance Programs » CARES Program

CARES PROGRAM OFFERS FINANCIAL ASSISTANCE TO CASCADE CUSTOMERS IN NEED

CARES

Cascade Arrearage Relief and Energy Savings

If you are having difficulty paying your natural gas bill, Cascade Natural Gas and our Community Action agency partners are available to help with solutions provided through the new CARES bill payment assistance program.

Cascade Natural Gas understands that our customers occasionally experience financial difficulties. To serve our community, Cascade Natural Gas has established the CARES program. As a customer who currently has a past due balance, you may qualify for a one-time grant as well as a monthly discount on your bill. Cascade Natural Gas sincerely invites you to apply for this no-strings-attached help by contacting your local Community Action agency. You can find contact information for your local agency at www.cngc.com/help or by calling Cascade Customer Service at 888-522-1130. LIHEAP and other assistance types are also available through your local Community Action agency.

As a side note, Cascade's CARES program is not related to the recently implemented WA Cares Fund related to long-term care.

Bill Inserts

- Audience is all customers
- October bill cycles
- Started on 10/1/23

CARES
(Atrasos en Cascada alivio y energía ahorros)

Cascade Natural Gas anuncia el nuevo programa Cascade de alivio de atrasos y ahorro de energía (CARES).

Si tiene dificultades para pagar su factura de gas natural, Cascade Natural Gas y nuestras agencias asociadas de Acción Comunitaria están disponibles para ayudarlo con las soluciones proporcionadas a través del nuevo programa de asistencia para el pago de facturas CARES.

Cascade Natural Gas entiende que nuestros clientes ocasionalmente experimentan dificultades financieras. Para servir a nuestra comunidad, Cascade Natural Gas ha establecido el programa CARES. Los clientes que califiquen por ingresos pueden ser elegibles para un descuento en la factura mensual de hasta el 90%, así como asistencia con saldos vencidos, si corresponde. Cascade Natural Gas lo invita sinceramente a solicitar esta ayuda sin condiciones comunicándose con su agencia local de Acción Comunitaria. LIHEAP y otros tipos de asistencia también están disponibles a través de su agencia local de Acción Comunitaria.

FOR A LIST OF COMMUNITY ACTION AGENCY CONTACTS

- ▶ call Customer Service at **888-522-1130**
- ▶ or visit www.cngc.com/help
- ▶ or visit www.cngc.com/help

▶ Escanea el código QR con tu dispositivo móvil para abrir la página web.

▶ Scan the QR code with your mobile device to open the webpage.

CASCADE NATURAL GAS CORPORATION
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In the Community to Serve®

[f](https://www.facebook.com/cngc) [@](https://www.instagram.com/cngc) [in](https://www.linkedin.com/company/cngc) [v](https://www.youtube.com/cngc) www.cngc.com

Bill Onserts

- On bills of all customers with a past due balance over \$50 when white space is available.
- October bill cycle and ongoing until further notice.
- Started on 10/5/23

PAGE 1 of 2



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SERVICE FOR
YAKIMA, WA 98902-2037

www.cngc.com

ACCOUNT NUMBER
061 511 9933 5

BILL DATE
Sep 27, 2023

DATE DUE
Oct 19, 2023

AMOUNT DUE
\$68.75

ACCOUNT SUMMARY

Previous Balance	\$0.00
Miscellaneous Charges	63.43
Current Gas Charges	5.32
Amount Due on 10/19/23	\$68.75

Any unpaid delinquent balance not received by Oct 25, 2023, the bill cycle beginning date for the next month's bill, is subject to a late payment charge of 1.0% per bill cycle.

CUSTOMER SERVICE & EMERGENCY SERVICE

1-888-522-1130

Emergencies: 24 hours a day
Non-emergencies: Mon-Fri, 7:30 a.m - 6:30 p.m.

Email: customerservice@cngc.com
Mail: Cascade Natural Gas Corporation,
Attn: Customer Service, PO Box 7608, Boise, ID 83707-1608. Please include your account number.

CALL BEFORE YOU DIG 811

Payment Due ▲ See "Ways to Pay Your Bill" on the back of this page.

October

S	M	T	W	T	F	S
1	2	3	4	5	6	7
8	9	10	11	12	13	14
15	16	17	18	19	20	21
22	23	24	25	26	27	28
29	30	31				

Gas Charges

BILLING PERIOD 9/22/23 - 9/22/23
METER NUMBER 472170210
METER READ DATE 9/22/23
Next scheduled read 10/24/23

RATE 503 - Residential Service

USAGE HISTORY (Therms)

5	
4	
3	
2	
1	
0	

Sep '23

Average Daily Therms 0.00
Average regional temp 66
Days in billing period 1

CURRENT READING	PREVIOUS READING	DIFFERENCE (CCF)	ENERGY FACTOR	PRESSURE FACTOR	THERMS USED
3425	- 3425	= 0	x 1.054082	x 0.977572	= 0
Basic Service Charge \$5.00 per month					5.00
City Tax 6.383%					0.32
Total Gas Charges*					\$5.32
Balance Transfer					63.43
Ending Total Gas Charges					\$68.75

*The current billing amount includes 3.852% state utility tax 0.20.

Help with a past due balance is available.

► To apply online, scan the QR code with a smart device or visit www.cngc.com/help.

► Or call **888-522-1130**.

Asistencia financiera disponible en español.

CARES 

Cascade Arrearage Relief and Energy Savings

Social Media

- Audience is all customers utilizing Social Media
- Posted to Facebook, Instagram, and X twice a week for 60 days
- Future posting schedule TBD
- Started on 10/1/23



3rd Party Banner Ads

- Audience is all customers visiting targeted sites
- Posted 1-2 times a week for 60 days
- Started on 10/1/23

Financial assistance is just a click away.

CARES Cascade Arrearage Relief and Energy Savings

[▶ CLICK NOW TO APPLY](#)

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In the Community to Serve®

La asistencia financiera está a un clic de distancia.

CARES
Cascade Arrearage Relief and Energy Savings
(Atrasos en Cascada alivio y energía ahorros)

www.cngc.com/help

CASCADE NATURAL GAS CORPORATION
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En la comunidad para servir.®

Financial assistance is just a click away.

CARES
Cascade Arrearage Relief and Energy Savings

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[▶ CLICK NOW TO APPLY](#)

CARES
Cascade Arrearage Relief and Energy Savings

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Financial assistance is just a click away.

CARES

Cascade Arrearage Relief and Energy Savings
In the Community to Serve®

[▶ APPLY](#)

La asistencia financiera está a un clic de distancia.

CARES (Atrasos en Cascada alivio y energía ahorros)

Cascade Arrearage Relief and Energy Savings
En la comunidad para servir.®

[▶ Haga clic para aplicar](#)

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Google Ads

- Audience is all customers in target demographics across all Google Sites, including searches for key words
- Running in October, December, February and April
- Started on 10/1/23

Financial assistance is just a click away.

CARES
Cascade Arrearage Relief and Energy Savings

www.cngc.com/help

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Financial assistance is just a click away.

CARES
Cascade Arrearage Relief and Energy Savings

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HELP Financial assistance is just a click away.

CARES
Cascade Arrearage Relief and Energy Savings

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La asistencia financiera está a un clic de distancia.

CARES
(Atrasos en Cascada alivio y energía ahorros)

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Haga clic para aplicar.

La asistencia financiera está a un clic de distancia.

CARES
(Atrasos en Cascada alivio y energía ahorros)

Haga clic para aplicar.

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In the Community to Serve®

Streaming Audio Ads

- Audience is all customers utilizing targeted streaming audio services
- Running in October, December, February and April
- Started on 10/1/23



In the Community to Serve

Streaming Video Ads

- Audience is all customers utilizing targeted streaming video services
- Included with Google Ads
- Running in October, possibly longer based on results
- Started on 10/1/23



Email

- Audience is all customers opted in to receive email, not enrolled into the bill discount rate and with a past due balance greater than \$50.
- Wave 2 is customers with no past due balance, but in decile 1 or 2 on the Low-Income propensity model.
- One time initially, then evaluate for future dates
- Started in Mid-October



Cascade Natural Gas announces the new Cascade Arrearage Relief and Energy Savings (CARES) program



If you are having difficulty paying your natural gas bill, Cascade Natural Gas and our Community Action agency partners are available to help with solutions provided through the new CARES bill payment assistance program.

Cascade Natural Gas understands that our customers occasionally experience financial difficulties. To serve our community, Cascade Natural Gas has established the CARES program. As a customer who currently has a past due balance, you may qualify for a one-time grant as well as a monthly discount on your bill. Cascade Natural Gas sincerely invites you to apply for this no-strings-attached help by contacting your local Community Action agency. You can find contact information for your local agency at www.cngc.com/help or by calling Cascade Customer Service at 888-522-1130. LIHEAP and other assistance types are also available through your local Community Action agency.

Si tiene dificultades para pagar su factura de gas natural, Cascade Natural Gas y nuestras agencias asociadas de Acción Comunitaria están disponibles para ayudarlo con las soluciones proporcionadas a través del nuevo programa de asistencia para el pago de facturas CARES.

Cascade Natural Gas entiende que nuestros clientes ocasionalmente experimentan dificultades financieras. Para servir a nuestra comunidad, Cascade Natural Gas ha establecido el programa CARES. Como cliente que actualmente tiene un saldo vencido, puede calificar para una subvención única, así como un descuento mensual en su factura. Cascade Natural Gas lo invita sinceramente a solicitar esta ayuda sin condiciones comunicándose con su agencia local de Acción Comunitaria. Puede encontrar información de contacto de su agencia local en www.cngc.com/help o llamando al Servicio al Cliente de Cascade al 888-522-1130. LIHEAP y otros tipos de asistencia también están disponibles a través de su agencia local de Acción Comunitaria./span>



In the Community to Serve®

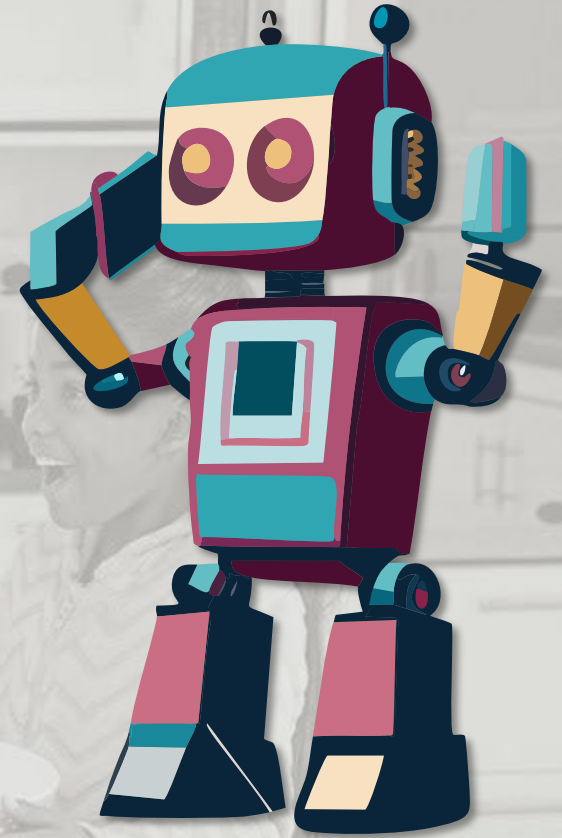
Customer Postcard

- Audience is all customers not enrolled into the bill discount rate with past due balance greater than \$50.
- Wave 2 is customers with no past due balance, but in decile 1 or 2 on the Low-Income propensity model.
- One time initially, then evaluate for future dates
- Started in Mid-October



Automated Calls

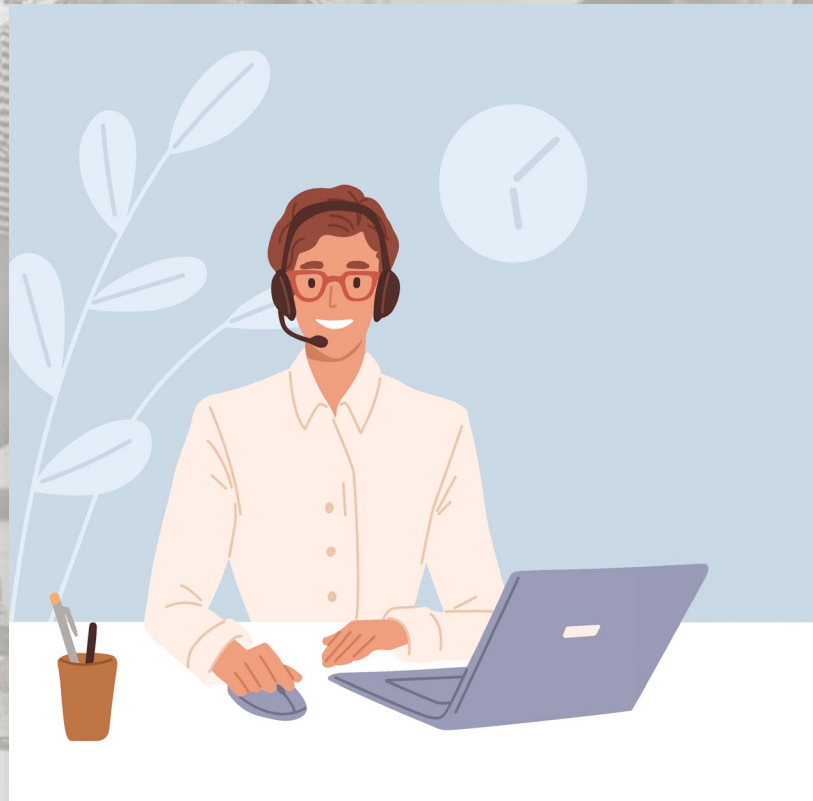
- Customers not on the bill discount rate with a past due balance greater than \$50. customers
- Wave 2 is customers with no past due balance, but in decile 1 or 2 on Low-Income propensity model.
- Scheduled to start in mid-November



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Manual Outbound Calls

- Same as automated calls except customers who have already applied, been denied, or opted-out of the bill discount.
- One time initially, evaluate for future dates.
- Scheduled to start in mid to late November.



Door Tags

- Customers not on the bill discount rate and in decile 1 or 2 on the Low-Income propensity model
- Duration to be determined
- Scheduled to start in early 2024

Important information regarding your Cascade Natural Gas account

CARES
Cascade Arrearage Relief and Energy Savings

Cascade Natural Gas understands that occasionally our customers experience financial difficulties. In an effort to serve our community, Cascade Natural Gas has established the Cascade Arrearage Relief and Energy Savings (CARES) program.


As a customer who currently has a past due balance, you may qualify for help with your past due balance as well as a monthly discount on your bill.

Cascade Natural Gas sincerely invites you to apply for this no-strings-attached help by contacting your local Community Action agency. You can find contact information for your local agency at www.cngc.com/help or by calling Cascade Customer Service at 888-522-1130.

Receiving CARES assistance does not disqualify you from receiving other assistance – e.g., from the Low-Income Home Energy Assistance Program (LIHEAP). Your local Community Action agency is available to assist with LIHEAP and other assistance programs.

Extended payment arrangements are also available through Cascade. Thank you for being a valued customer.

Customer Service
Monday-Friday
7:30 a.m. – 6:30 p.m.
888-522-1130
www.cngc.com

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Community Action Agencies

- Community Action Agencies are key partners for connecting with hard to reach and underserved communities.
- Community-Based Organization (CBO) pilot program initiated in early 2023.

WASHINGTON COMMUNITY ACTION AGENCY DIRECTORY *WASHINGTON DIRECTORIO DE AGENCIAS DE ACCIÓN COMUNITARIA*

COASTAL COMMUNITY ACTION PROGRAM
101 E Market St., Aberdeen, WA 98520-0304 — Grays Harbor County
800-828-4883 | 360-533-5100 | www.coastalcap.org

OPPORTUNITY COUNCIL
1111 Cornwall Avenue, Bellingham, WA 98225 — Whatcom County
360-255-2192 | www.oppco.org/energy-scheduling

KITSAP COMMUNITY RESOURCES
1201 Park Avenue, Bremerton, WA 98337 — Kitsap County
360-479-1507 | www.kcr.org/energy

SNOHOMISH COUNTY HUMAN SERVICE DEPARTMENT
3000 Rockefeller Avenue, Everett, WA 98201 — Snohomish County
425-388-3880 | snohomishcountywa.gov/552/Energy-Assistance

COMMUNITY ACTION COUNCIL OF LEWIS, MASON & THURSTON CO.
807 W Railroad Ave, Shelton, WA 98584 — Mason County
800-878-5235 | 360-426-9726 | www.cacmt.org

COMMUNITY ACTION CONNECTIONS (CAC)
720 W. Court Street, Pasco, WA 99301 — Franklin County
509-545-4042 | Prosser: 509-786-3379 | www.bfcac.org

LOWER COLUMBIA COMMUNITY ACTION PROGRAM
1526 Commerce Avenue, Longview, WA 98632 — Cowlitz County
800-383-2101 | 360-425-3430 | www.lowercolumbiacap.org

OIC OF WASHINGTON
309 5th Ave, Moses Lake, WA 98837 — Grant County
800-765-9206 | 509-765-9206 | www.yvoic.org

COMMUNITY ACTION AGENCY OF SKAGIT COUNTY
160 Cascade Place, Burlington, WA 98233 — Skagit County
360-428-1011 | www.communityactionskagit.org

OPPORTUNITY COUNCIL OF OAK HARBOR
231 SE Barrington Dr, Ste 100, Oak Harbor, WA 98277 — Island County
360-679-6577 | www.oppco.org/energy-scheduling

NORTHWEST COMMUNITY ACTION CENTER
706 Rentschler Lane, Toppenish, WA 98948 — South Yakima County
509-865-7630 | www.yvfwc.com/service/energy-assistance

BLUE MOUNTAIN ACTION COUNCIL
8 E Cherry Street, Walla Walla, WA 99362 — Walla Walla County
509-529-4980 | www.bmacww.org

CHELAN-DOUGLAS COMMUNITY ACTION COUNCIL
620 Lewis Street, Wenatchee, WA 98801 — Chelan County
509-662-6156 | www.cdac.org/energy-assistance

OIC OF WASHINGTON
815 Fruitvale Boulevard, Yakima, WA 98902 — North Yakima County
509-452-7145 | www.yvoic.org



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Thank you for
your
participation.



Climate Commitment Act

Washington State Department of Ecology's Plan for Greenhouse Gas Emission Reduction



Purpose

- The purpose of the Climate Commitment Act (CCA) is to reduce greenhouse gas (GHG) emissions from sources in the State of Washington that use or supply fossil fuels.
 - It covers the majority of GHG emission sources in Washington's economy
 - Sources include industrial and manufacturing facilities, electric generating facilities, petroleum fuel suppliers, and natural gas suppliers such as Cascade Natural Gas.
- Goal is for Washington to achieve its commitment to reduce GHG emissions by 95% by 2050 from an emissions baseline (average emissions from 2015-2019).
 - 7% reduction goal in first compliance period (2023-2026)
- Authorized by Washington Legislature in 2021 via SB5126,
- The CCA includes an emissions trading system
- Sets a cap on emissions and then distributes a portion of allowances to certain entities at no cost (including natural gas utilities)
- Modelled after California's Cap-and-Trade System.
- The program began on January 1, 2023.
- This link provides more information about the CCA on Ecology's website: [Climate Commitment Act - Washington State Department of Ecology](#)

Cascade's Emissions

- End-use customer combustion of natural gas
 - Cascade's compliance obligation includes residential, commercial and some smaller industrial customer use of natural gas
 - Compliance obligation estimated to be about 2 million metric tons of CO₂e for 2023
- Operational emissions in our distribution system
 - Smaller amount of our compliance from operational emissions
 - Compliance obligation estimated to be about 25,000 metric tons of CO₂e for 2023

Options for Reducing Emissions

- Renewable natural gas
 - Anaerobic digestors
 - Landfills
 - Wastewater treatment plants
- Hydrogen
 - Emerging option
 - Industrial use and system blending potential
- Energy efficiency and conservation measures
- Carbon capture technologies
 - Emerging option
- Offsets
 - Reforestation
 - Agricultural digestors
 - Urban planting
 - Carbon capture

Compliance Demonstrations

- Entities have a compliance obligation set by Ecology
 - Entities, such as Cascade, must submit to Ecology the number of compliance instruments equivalent to our emissions during a compliance period
- Yearly
 - Entities under the CCA must report their emissions annually to Ecology
 - Each year by November, an entity must submit enough compliance instruments to Ecology to cover at least 30% of its emissions from the previous year
- Compliance periods
 - There are 4-year compliance periods with the first period from 2023-2026
 - By November of the year following the final year of the compliance period (2027), entities under the CCA must have at least one compliance instrument for each metric ton of covered emissions for CO₂e emitted during the compliance period

Auctions

- Ecology holds quarterly auctions where allowances are put up for bid
- Participants place bids to acquire allowances
- If the auction settlement price is higher than a certain threshold stipulated by Ecology, an additional auction(s) is held at a specific price point with the intent to curb cost impacts
- This auction structure is mirrored after those held in California

Offsets



Offset credits are generated via environmental projects in the state of Washington that sequester carbon from the atmosphere (offset emissions).



Options

Reforestation, avoided conversion, and improved forest management projects

Planting and maintaining trees in urban areas

Capturing methane on dairy or swine farms by installing specialized digester tanks

Extracting and destroying certain GHGs that are no longer being produced because of their damaging nature such as hydrofluorocarbons



Entities can invest in these projects and receive credits in exchange

Offset credits can be used to cover 5% of obligation and additional 3% with credits generated from tribal lands

These percentages decrease to 4% and 2%, respectively, from 2027-2049.



These must provide environmental benefits to communities in Washington

No-Cost Allowances

- Ecology distributes no-cost allowances annually
- No-cost allowance distributions to Cascade decrease by 7% annually through 2030, and then between 1.8 and 2.6% annually through 2049
- Cascade received about 1.66 million no-cost allowances in 2023
- Cascade consigned 65% of 2023 no-cost allowances per CCA requirements.
 - 70% must be consigned to auction in 2024, 75% in 2025, 80% in 2026 and so forth until 100% of no-cost allowances are consigned to auctions each year in 2030 and thereafter.
- No-cost allowances and revenues generated from no-cost allowance consignment must be used for the benefit of ratepayers

Environmental Benefits

- These include activities that prevent or mitigate impacts to overburdened communities or vulnerable populations from the impacts of environmental harm and meet a community need formally identified to a covered agency by an overburdened community.
- Ecology's website has links with information on how the CCA focuses on equity and how CCA invests revenue from auctions: [Climate Commitment Act - Washington State Department of Ecology](#)

Impacts to Customers



All proceeds from the auction of allowances consigned by natural gas utilities shall be used for the benefit of customers, at a minimum eliminating any additional cost burden to low-income customers from the implementation of the CCA.



This includes minimizing impacts to residential and small business customers through conservation and efficiency actions.

Actions Forward

- Cascade remains committed to environmental compliance and serving its customers
 - We continue to participate in auctions
 - We are actively investigating offset projects and credit partnerships for the benefit of our customers
 - Purchase low carbon fuels for customers and explore potential for hydrogen opportunities
- Based on preliminary estimates, we have procured enough instruments to cover our 2023 emissions
- Ecology has proposed amendments for the WA Legislature to consider in amending the CCA in the 2024 session to allow future linkage with California

Impacts to Customers of CCA

- Cascade is currently deferring all costs related to CCA implementation
- The costs will be recovered from customers through
 - A new recovery mechanism
 - General rate case (base rates)
- Costs will be partially offset by revenues
- Next month we will share a draft of cost recovery plans and ask for feedback

Cascade Natural Gas Corporation

Equity Advisory Group

October 20, 2023

A-230217

- Commission proceeding to develop a policy statement to address the application of equity and justice in Commission and regulated company processes and decisions
- “...seeking to gain insight from, and collaborate with, those impacted by Commission decisions, including historically marginalized groups, external partners, consumer advocates...”

A-230217 - Goals

- to gain insight from and collaborate with those impacted by Commission decisions
- to develop guidance on implementing equity using an energy justice framework
- to adapt the energy justice framework for application in the Transportation industries
- to discuss the incorporation of equity into Commission decisions
- to create equity action plans for the Commission and the companies it regulates
- to provide equity decision-making guidance for regulated companies

A-230217 Phase 1: Procedural Justice


- Comments due by 5 p.m., October 25, 2023
- The Commission requests written comments in response to the following questions. Commentors are welcome to provide additional written comments, beyond these specific questions, detailing their interpretations of procedural justice and how it should be implemented.
 - What Procedural Justice considerations would you like to see discussed?
 - What element(s) of Procedural Justice is most important to you?

Follow the Docket

The screenshot shows the top portion of the UTC website. At the top is a dark teal navigation bar with icons for Documents, Calendar, News, and Contact, along with social media icons for Facebook, Twitter, YouTube, and LinkedIn. Below this is the UTC logo, which consists of a stylized 'U' made of three overlapping shapes (orange, green, blue) and the text 'UTC Washington Utilities and Transportation Commission'. To the right of the logo is a search bar containing the number '230217' and a magnifying glass icon. Below the search bar are three radio buttons: 'Site Search', 'Companies Search', and 'Dockets Search', with 'Dockets Search' being selected. Below the search bar is a teal navigation menu with the following items: HOME, CONSUMERS, REGULATED INDUSTRIES, PUBLIC SAFETY, DOCUMENTS AND PROCEEDINGS, ABOUT US, CONTACT US, and RESOURCE PLANS BY COMPANY. Below the navigation menu is a large banner image with a dark sky and a red roof. The text '2021-2023 Grade Crossing Protective Funding now available' is overlaid on the left side of the banner.

<https://www.utc.wa.gov/>





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Home / Documents and Proceedings

Company Name
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 Status

Displaying 1 - 1 of 1

Docket	Company Name(s)	Type	Status	Last Order	Industry	Description
230217		Policy Statement	Pending	n/a	Commission General - Restricted	Commission Policy Statement to address the application of equity and justice in Commission and regulated companies' processes and decisions.

Commission

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UTC Case Docket Details

Docket Number 230217

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Case Docket Details Table

Docket Number	A-230217
Advice	
Company	
DBA	
Filing Type	Policy Statement
Industry (Code)	Commission General - Restricted (499)
Status	Pending
Lead Staff	Nyanwapolu, Jimmy (UTC)
Filed Date	03/31/2023
Effective Date	N/A
Summary	Commission Policy Statement to address the application of equity and justice in Commission and regulated companies' processes and decisions.

Event History

- 04/03/2023 -- Pending
- 04/03/2023 -- Open

- <https://www.utc.wa.gov/>
- Perform a docket search
- Click on the listed docket number to get to the case details

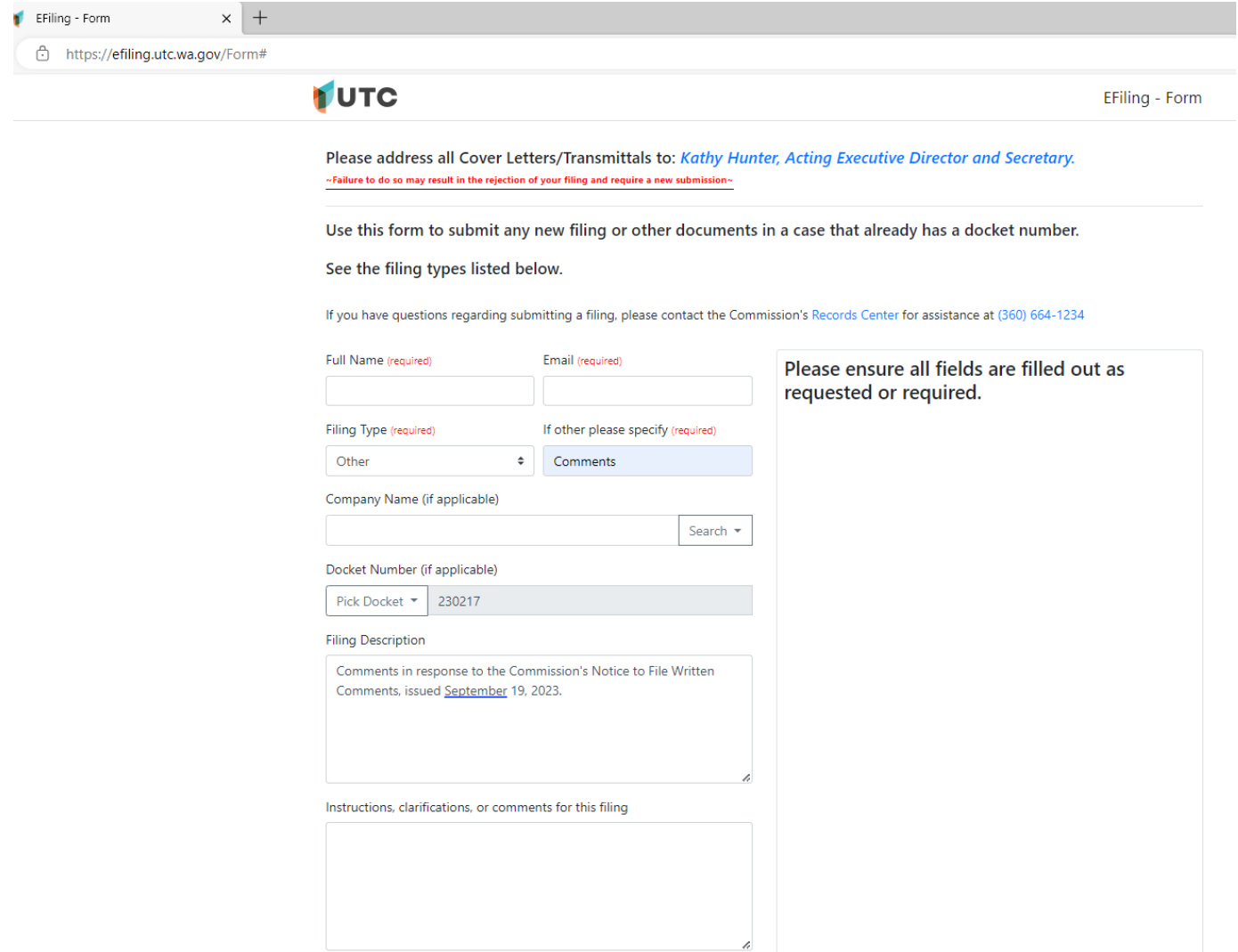


Need Help Filing?

<https://efiling.utc.wa.gov/Form>

For assistance, you may contact Jennifer Gross

- 509-975-9473
- jennifer.gross@cngc.com



Efiling - Form

https://efiling.utc.wa.gov/Form#

UTC

Efiling - Form

Please address all Cover Letters/Transmittals to: [Kathy Hunter, Acting Executive Director and Secretary](#).
-Failure to do so may result in the rejection of your filing and require a new submission-

Use this form to submit any new filing or other documents in a case that already has a docket number.
See the filing types listed below.

If you have questions regarding submitting a filing, please contact the Commission's [Records Center](#) for assistance at (360) 664-1234

Full Name (required) Email (required)

Filing Type (required) If other please specify (required)

Company Name (if applicable) Search

Docket Number (if applicable) 230217

Filing Description September 19, 2023."/>

Instructions, clarifications, or comments for this filing

Please ensure all fields are filled out as requested or required.

Multi-Year Rate Plan (MYRP) - Filing

- Planning to file in Q1 of 2024
- Regulated utilities cannot change prices without approval of the Commission
- A General Rate Case is the method used to change the base rates we discussed last meeting
- It is also an opportunity for the Company to propose new programs or initiatives that need Commission approval

Cascade Natural Gas Corp.
Washington Jurisdiction
Twelve-Months ended December 31, 2020
Results of Operations Summary Sheet

Line No	Description	Actual Results of Operations	Restating Adjustments	Restated Results of Operations	Proforma Adjustments	Adjusted Results of Operations	Revenue Change to Base Rates	After Base Rate Change
	A	B	C	D = B + C	E	F = D + E	G	H = F + G
1	Operating Revenues							
2	Natural Gas Sales	239,620,241	(146,456,949)	93,163,293	1,407,372	94,570,665	13,725,286	108,295,951
3	Gas Transportation Revenue	25,108,663	-	25,108,663	-	25,108,663		25,108,663
4	Other Operating Revenues	783,349	3,240,683	4,024,032	-	4,024,032		4,024,032
5	Total Operating Revenues	265,512,254	(143,216,266)	122,295,988	1,407,372	123,703,360	13,725,286	137,428,646
6								
7	Operating Expenses							
8	Nat. Gas/Production Costs	134,273,488	(134,273,488)	(0)	-	(0)		(0)
9	Revenue Taxes	22,359,047	(5,803,123)	16,555,924	57,027	16,612,950	556,149	17,169,099
10	Production	321,353	-	321,353	4,498	325,851		325,851
11	Distribution	20,522,671	66,959	20,589,630	822,634	21,412,263		21,412,263
12	Customer Accounts	5,675,689	(527,933)	5,147,755	41,101	5,188,856	50,871	5,239,727
13	Customer Service	6,424,242	(6,204,366)	219,876	22,907	242,783		242,783
14	Sales	19,846	(350)	19,496	-	19,496		19,496
15	Administrative and General	19,311,205	(1,878,384)	17,432,822	263,680	17,696,502		17,696,502
16	Depreciation & Amortization	26,511,110	5,559,171	32,070,282	-	32,070,282		32,070,282
17	Regulatory Debits	-	-	-	-	-		-
18	Taxes Other Than Income	4,379,802	2,857,988	7,237,789	54,429	7,292,218		7,292,218
19	State & Federal Income Taxes	1,029,886	(632,675)	397,211	216,992	614,203	2,754,836	3,369,039
20	Total Operating Expenses	240,828,339	(140,836,201)	99,992,138	1,483,267	101,475,405	3,361,856	104,837,260
21								
22	Net Operating Income	24,683,915	(2,380,065)	22,303,850	(75,895)	22,227,955	10,363,430	32,591,385
23								
24	Rate Base							
25	Total Plant in Service	891,929,191	61,305,895	953,235,086	-	953,235,086		953,235,086
26	Total Accumulated Depreciation	(403,973,529)	(11,176,310)	(415,149,839)	-	(415,149,839)		(415,149,839)
27	Customer Adv. For Construction	(3,317,763)	285,230	(3,032,534)	-	(3,032,534)		(3,032,534)
28	Deferred Accumulated Income Taxes	(77,188,638)	(336,677)	(77,525,315)	-	(77,525,315)		(77,525,315)
29	Working Capital Allowance	13,038,376	-	13,038,376	-	13,038,376		13,038,376
30	Total Rate Base	420,487,637	50,078,138	470,565,775	-	470,565,775		470,565,775
31								
32	Rate of Return		5.87%	4.74%		4.72%		6.93%

Pre-Filing

- EAG feedback on items we will be including in the case
- Some examples may include:
 - How revenues are spread to the various customer classes for recovery
 - Performance Based Ratemaking (PBR) metrics (Docket U-210590)
 - Potential new programs and services
 - Issues impacting traditionally under-represented populations
 - Energy burden

Post-Filing

- Official notice is given of the filing, an opportunity to intervene, and of the pre-hearing conference
- Other parties “intervene” in the case
- A conference is held to set the schedule
- A period of “Discovery” to allow parties to evaluate the Company’s case
- Settlement Conference(s)
- Public Comment Hearing

Post-Filing

- If the case is not settled, it will go to formal hearing in front of the Commissioners
- If the parties agree to a settlement, the settlement goes in front of the Commissioners
- Commissioners consider all the information included in the case and issue an order accepting, rejecting, or accepting with modifications



PUBLIC COUNSEL AND PUBLIC PARTICIPATION

Corey Dahl

Regulatory Analyst

Public Counsel Unit of the Washington Attorney General's Office

October 20, 2023

WHO IS PUBLIC COUNSEL?

- Public Counsel was created by the Washington State Legislature in 1983
- A unit within the Consumer Protection Division of the WA Attorney General's Office
 - Based in Seattle office
- Team
 - Attorneys, regulatory analysts, paralegal, and legal assistants
 - Currently 10 people

WHAT IS PUBLIC COUNSEL'S ROLE?

- Consumer/ratepayer advocate in proceedings before the Washington Utilities and Transportation Commission
 - Statutory party to represent residential and small business customer interests
 - Primary work in energy, but work across regulated industries
 - Energy, water, telecom, solid waste hauling, household movers, etc.
 - Example of work we do in General Rate Cases
 - Assess case related to rate request, cost of capital (utility profit and debt), rate design, and other issues
 - Example of work in advisory groups
 - Equity, Integrated Resource Plan, bill assistance, Clean Energy Implementation Plans, and more
 - Work with Cascade on Bill Discount Rate

PUBLIC PARTICIPATION

- Types of proceedings at the Utilities and Transportation Commission
 - Litigated matters
 - Party status versus individual customer
 - Open Meeting items
 - Policy dockets, rulemakings, and other types of proceedings
- Members have the ability to comment on any matter before the Commission
 - Commission likes to hear from the public
 - Can inform Commission decisions

LITIGATED MATTERS BEFORE THE UTC

- What is a litigated matter?
 - General rate case, complaint/penalty case, etc.
 - Some filings can become litigated matters, depending on Commission process
 - Utility often provides customer notices
- How to participate
 - [File written comments](#)
 - Email, Commission online comment form, standard postal mail
 - Verbal comments
 - Public comment hearing
 - Call UTC

OPEN MEETINGS

- What is an Open Meeting and what types of issues?
 - Regular business meeting of the Commission
 - Decisions on non-litigated matters
- Occur every-other Thursday at 9:30 am
 - Open to the public
 - Attend in-person at [Lacey office](#), via [Zoom](#), or via phone
- Agendas available [online](#)
 - Public can comment on any item
- Verbal and written comments accepted

OTHER PROCEEDINGS

- What are rulemakings and policy statements?
 - Rulemakings: Public process to amend the rules that have the force of law and apply to regulated companies
 - Policy statements: The result of public process to provide guidance on major matters to regulated companies
 - Examples (Clean Energy Transformation Act Rules, Credit and Collections, and Equity Docket)
- Written and verbal comments accepted
 - Workshops – Include public comment period

CHALLENGES TO PARTICIPATION

- Filings are often complex and can be difficult for laypeople to comprehend
- Public meetings are at fixed times
- Language access
 - Available when calling the UTC or Public Counsel
 - Info sheets for public comment hearings translated by Public Counsel

REFERENCE FOR COMMENTS

Submit Comment to the UTC

- Email: comments@utc.wa.gov
- Complete [online comment form](#)
- Call 888-333-9882 (WUTC)
- Send by U.S. Mail (include return address and description of filing):
 - Washington Utilities and Transportation Commission
P.O. Box 42750
Olympia, WA 98504-7250

Submit Comment to Public Counsel

- Email: utility@atg.wa.gov
- Send by U.S. Mail (include return address and description of filing):
 - Public Counsel Unit, Attorney General's Office
800 5th Ave.
Suite 2000
Seattle, WA 98104
- Public Counsel cannot provide legal advice or represent individual customers

QUESTIONS?

Integrated Resource Plan

BRIAN ROBERTSON

SUPERVISOR, RESOURCE PLANNING

Purpose of IRP



Washington

- IRP Guidelines from WUTC WAC 480-90-238.

Oregon

- IRP Guidelines under Order No. 07-002 as set forth in the Oregon Administrative Rule (OAR) 860-027-0400.

Cascade's Basic Philosophy

IRP Guidelines and Content

How to get involved?

- Who is eligible to join?
 - Everyone
 - Public meeting so public participation is encouraged.
- Visit [Washington Integrated Resource Plan - Cascade Natural Gas Corporation \(cngc.com\)](http://cngc.com) to get more information on Cascade's IRP.
 - IRP timeline
 - Stakeholder Engagement Document
 - Presentation, Minutes, and a video recording of each meeting
 - IRP Feedback Report
- Contact us at irp@cngc.com with any questions or any feedback.

Integrated Resource Plan

Demand Forecast

Supply Side Resources

Avoided Cost

Demand Side Management (Energy Efficiency)

Environmental Policy

Distribution System Planning

Resource Integration

Demand Forecast

- Demand Forecast comprises of a combination of two forecasts
 - Customer Count Forecast and Use Per Customer Forecast
- Customer Count Forecast
 - Capture trends based on population and employment growth.
 - Future challenges include price competitiveness. As natural gas bills increase due to carbon compliance, customers may seek electrification.
- Use Per Customer
 - Forecasted at the class and citygate level for upstream optimization modeling. Captures trends through an ARIMA model.
 - Near future challenges include building code changes. Building code changes will have an impact on use per customer as appliances are phased out through new construction.

Annual vs Peak Day Planning

Annual load is in reference to the load Cascade serves throughout the entire year. Understanding this load can help the Company with aspects such as storage optimization, hedging, and decarbonization planning.

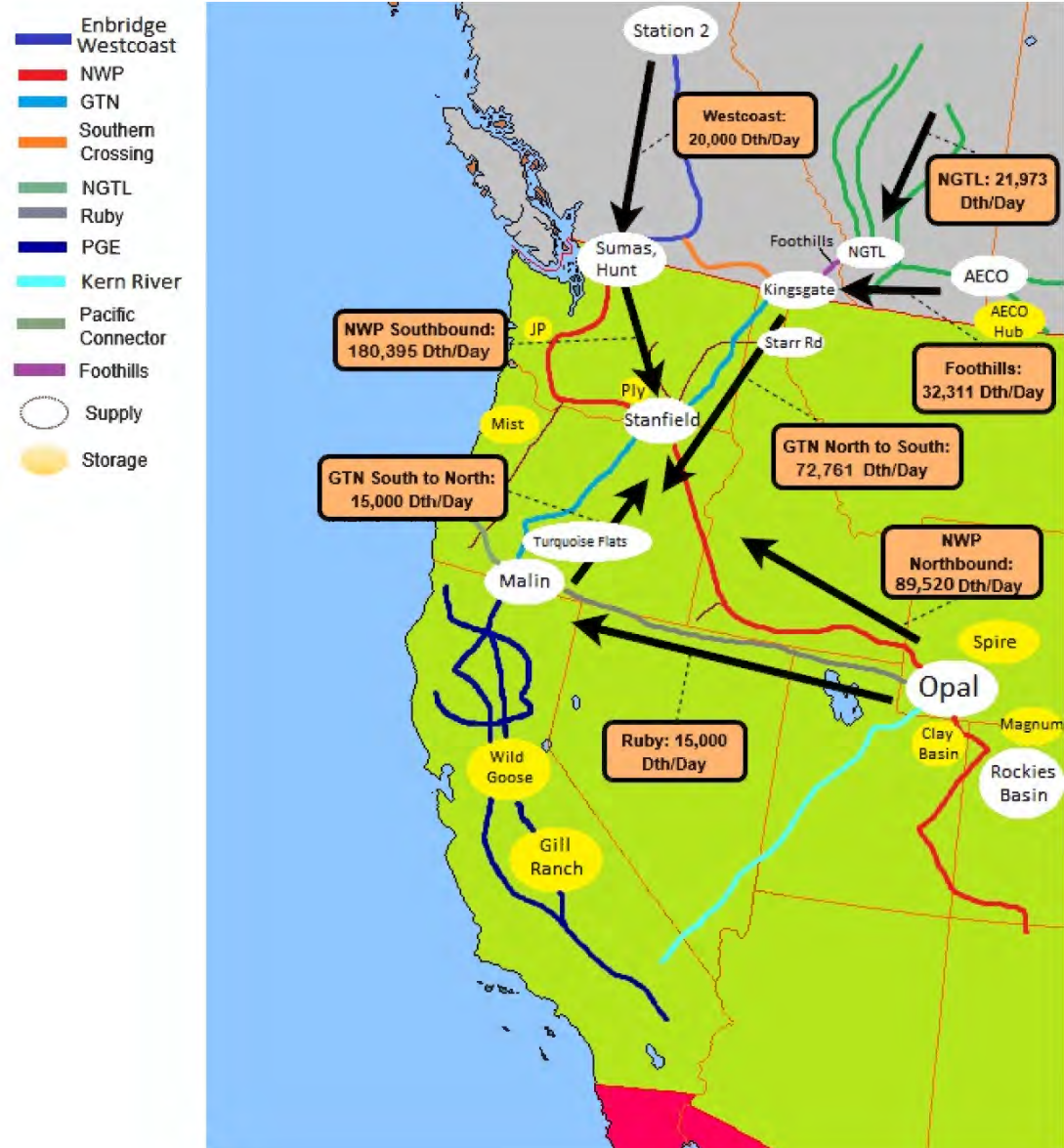
Peak Day planning is planning for an extremely high usage day, likely on an extremely cold day, to ensure reliability and that Customers keep gas on in their homes or businesses.

- Important for upstream modeling as pipeline contracts are based on daily values. This is important for storage optimization and hedging as well.
- Distribution System Planning team models for peak hour in order to ensure Cascade's distribution pipelines can handle a high usage day.

Supply Side Resources

Traditionally, Supply Side Resources include traditional natural gas, pipeline transportation, storage.

Recently, other Supply Side options include renewable natural gas and hydrogen, among others.



Avoided Cost Overview

As part of the IRP process, Cascade produces a 28-year price forecast and 45 years of avoided costs.

The avoided cost is an estimated cost to serve the next unit of demand with a supply side resource option at a point in time. This incremental cost to serve represents the cost that could be avoided through energy conservation.

The avoided cost forecast can be used as a guideline for comparing energy conservation with the cost of acquiring and transporting natural gas to meet demand.

Energy Efficiency

Energy efficiency is the use of less energy to perform the same task or produce the same result. Energy-efficient homes and buildings use less energy to heat, cool, and run appliances and electronics, and energy-efficient manufacturing facilities use less energy to produce goods.

Cascade has an in-house energy efficiency team that handles the analysis and programs for Washington customers.

Cascade' produces an Energy Efficiency Forecast based on the avoided cost calculation, cost effectiveness, and uptake.

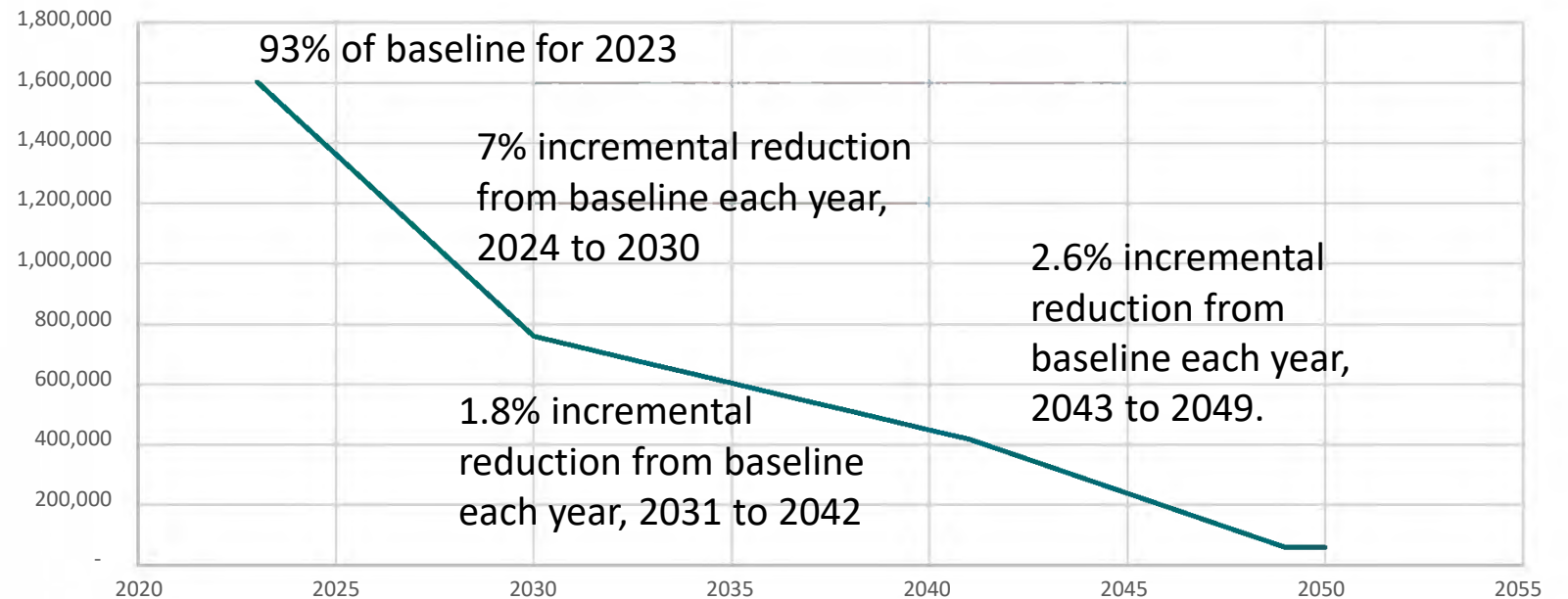
Energy Efficiency Programs

- Commercial and Industrial
- Residential
- Portfolio

Environmental Policy Climate Commitment Act

- 2015-2019 average

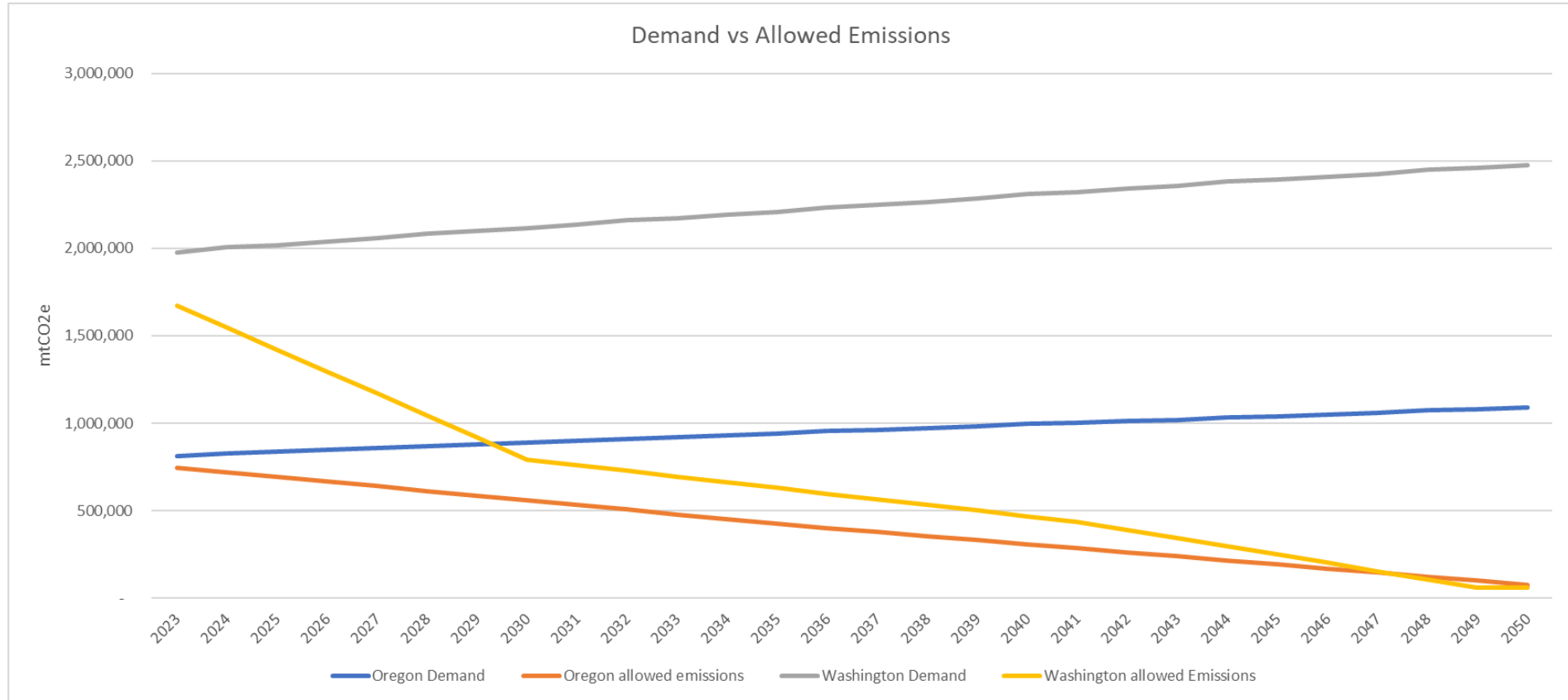
Cascade's Projected Trajectory of No Cost Allowance Allocations
(Metric Tons)



- See chart

- 2023 – proposed allocation by September 1, 2023
- 2024 and thereafter, allocations made in October of prior year

Demand to Emissions



CCA Compliance Options

Renewable Natural Gas (Renewable Thermal Credit)

- One for one replacement of traditional natural gas.

Allowances

- Bid for allowances in quarterly auction (CCA Only)

Offsets (CCA Only)

- Limit use to 8% of compliance obligation in first compliance period, 6% thereafter.

Energy Efficiency and Conservation/Demand-side Management

Hydrogen

- Future option

Other

Distribution System Planning

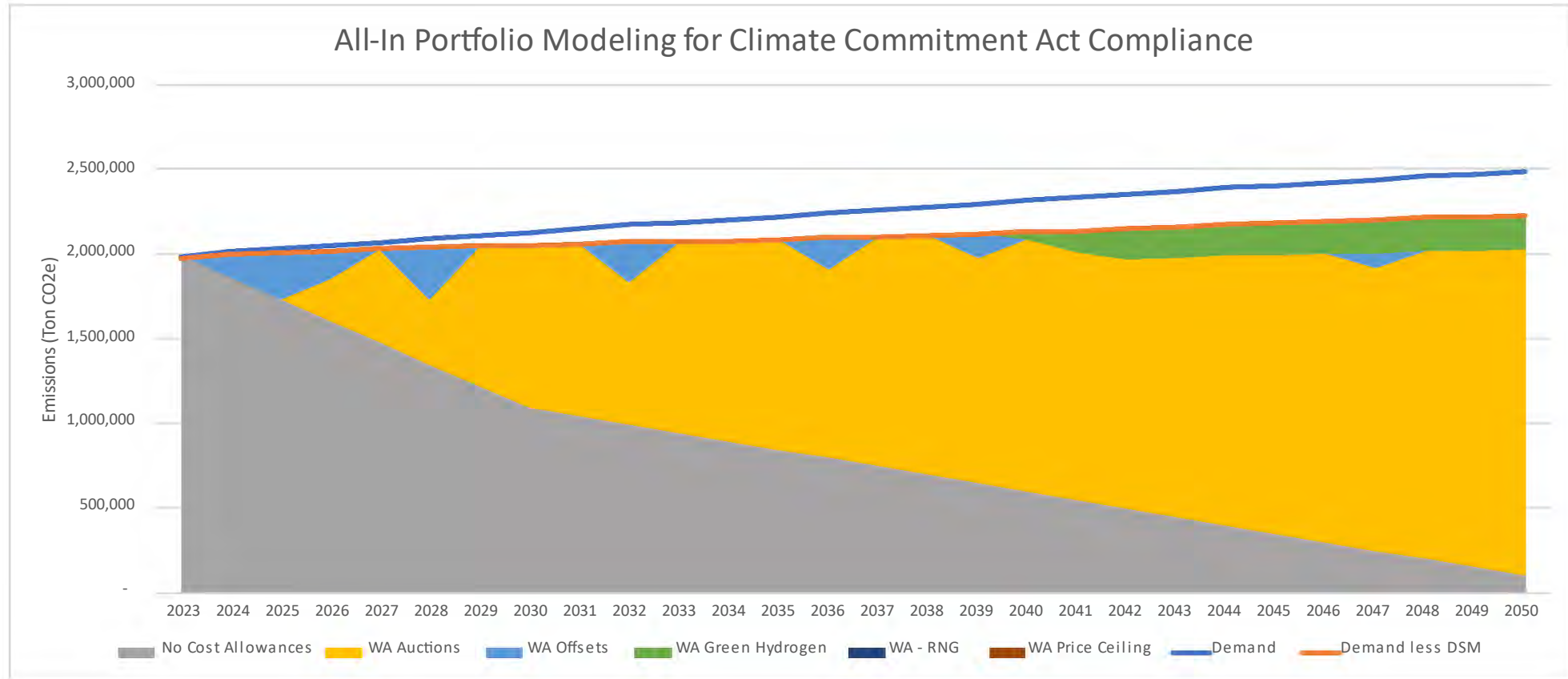
Distribution System Planning team models for peak hour in order to ensure Cascade's distribution pipelines can handle a high usage day.

In the IRP, the Company is focused on distribution system projects related to growth. Cascade has a system integrity group that focuses on pipeline upgrades related to other issues outside of customer growth.

Distribution System Planning includes:

- Identification of system deficits/constraints
- Distribution enhancements/reinforcements options to address deficits
- Enhancement review and selection process to capital budget

Climate Commitment Act Decarbonization Plan



Questions?

Multiyear Rate Plan

Only changes the base rates

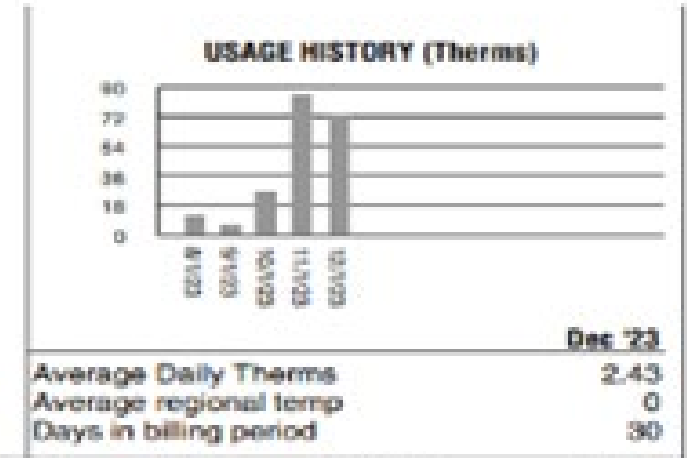
Gas Charges

BILLING PERIOD **DAYS**
11/2/23 - 12/1/23 30

METER NUMBER
1234567890

METER READ DATE
12/1/23
Next scheduled read 12/5/23

RATE
503 - Residential Service



	Dec '23
Average Daily Therms	2.43
Average regional temp	0
Days in billing period	30

CURRENT READING	PREVIOUS READING	DIFFERENCE (CCF)	ENERGY FACTOR	PRESSURE FACTOR	THERMS USED
193	- 127	= 66	x 1.098058	x 1.002072	= 73
Basic Service Charge \$5.00 per month					5.00
Delivery Charge 73 Therms x \$0.33951					24.78
Average Cost of Gas 73 Therms x \$0.73214					53.45
Temp. Gas Cost Amortization 73 Therms x \$0.17021					12.43
Energy Assistance Fund 73 Therms x \$0.00406					0.30
Pipeline Replacement 73 Therms x \$0.00844					0.62
Decoupling Mechanism 73 Therms x \$0.01905					1.39

Itemized Bill Charges

- **Basic Service Charge:** The Basic Service Charge covers a portion of the fixed costs associated with meter reading and billing. This charge is the same each month regardless of the amount of natural gas used.
- **Delivery Charge:** The Delivery Charge recovers the cost to deliver natural gas from the interstate supply pipeline to a customer meter.
- **Average Cost of Gas:** The Average Cost of Gas is the sum of the commodity cost (or the forecasted cost to buy natural gas) and the demand cost (or the forecasted cost to transport the gas to Cascade's distribution system). (See Schedule 590, Gas Cost Rate Adjustment.)
- **Temp. Gas Cost Adjustment:** This price is the adjusted cost between forecasted gas costs and actual gas costs. This rate is generally updated on a 12-month cycle. (See Schedule 590, Gas Cost Rate Adjustment.)
- **Energy Assistance Fund:** This charge recovers the cost of bill payment assistance to low-income customers as offered per Schedule 303, Washington Energy Assistance Fund (WEAF) Program. (See 593, WEAF Program Cost Recovery.)
- **Pipeline Replacement:** This charge recovers the cost of Cascades' pipeline safety program that repairs pipeline leaks and damage. (See Schedule 597, Cost Recovery Mechanism.)
- **Decoupling Mechanism:** This charge is updated every 12 months to either credit or collect the difference in forecasted and actual costs to serve customers. The variance is generally attributable to changes in the volume of natural gas sold due to increases in energy efficiency or extreme weather. (See Rule 21, Decoupling Mechanism.)
- **Conservation:** This charge recovers the costs for the conservation program. (See Schedule 596, Conservation Program Adjustment.)
- **Unprotected EDIT:** This is a customer refund for excess taxes collected on "non-plant" items. These refunds will benefit customers until approximately October 31, 2028. (See Schedule 582, Unprotected Excess Deferred Income Tax (EDIT) Reversals.)
- **CARES Cost Recovery:** This charge recovers the cost for the Company's Cascade Arrearage Relief Energy Savings Program offered per Rule 20 and Schedule 303. (See Schedule 592).
- **City Tax:** Municipalities may charge a fee (City Tax) for the services we provide in their area. By law, Cascade must pass these charges through to you. This fee only applies if you live in the area with an added tax. (Schedule 500, Municipal Taxes.)

Multiyear Rate Plan

- Only changes the base rates
- RCW 80.28.425
- Beginning 1/1/2022 every rate case must include a multiyear proposal
- The law also expands the items the Commission may consider

*The commission's consideration of a proposal for a multiyear rate plan is subject to the same standards applicable to other rate filings made under this title, including the **public interest and fair, just, reasonable, and sufficient rates**. In determining the public interest, the commission **may consider** such factors including, but not limited to, **environmental health and greenhouse gas emissions reductions, health and safety concerns, economic development, and equity, to the extent such factors affect the rates, services, and practices of a gas or electrical company regulated by the commission**.*

Cascade MYRP



FILE IN 2024



WE WILL BE BRINGING PIECES OF THE
PLAN TO THIS COMMITTEE AS IT IS
DEVELOPED FOR FEEDBACK

Low-Income Weatherization Incentive Program (WIP)

What is Weatherization?

- Insulation
- Sealing cracks
- Reducing heat loss
- Saving money on heating bills
- Healthier and more comfortable home

Weatherization Incentive Program

- **Rebate Program**
 - Primary Heat Source: Natural Gas
 - Household Must be Qualified as Low-Income
- **Community Action Agencies**
 - Washington State Department of Commerce

PEOPLE IN HOUSEHOLD	60% of SMI	200% FPL
1	\$33,411	\$27,180
2	\$43,691	\$36,620
3	\$53,971	\$46,060
4	\$64,251	\$55,500
5	\$74,531	\$64,940
6	\$84,811	\$74,380
7	\$86,739	\$83,820
8	\$88,666	\$93,260

Weatherization Incentive Program Offerings

- Ceiling insulation
- Wall insulation
- Floor insulation
- Water heater insulation
- Duct sealing
- Duct insulation
- Infiltration reduction
- Low - flow faucet aerators
- Low - flow showerheads
- Natural gas furnaces
- Furnace tune - up and filter replacement
- Direct vent space heater
- Natural gas water heaters

Weatherization Incentive Program Installation/Rebate

- Energy Audit
 - Scope of Work
- Subcontractor Work Orders
- Quality Control Inspections
- Rebate Application

Outreach

- Community Action Agencies
- Sandwich boards

Weatherization Works!

No cost home energy improvements provided by:

Kitsap Community Resources & Cascade Natural Gas

Learn more:
360-473-2045

The pamphlet features an illustration of a person placing a puzzle piece into a house silhouette. The house has the Cascade Natural Gas logo and the slogan "In the Community to Serve".

WE NEED YOUR HELP

Do you have friends, family or neighbors who may qualify for this program? If so, please show them this pamphlet.

For an appointment or more information, please contact:

Blue Mountain Action Council
Walla Walla: 509- 529-4980

Chelan-Douglas Community Action Council
Wenatchee: 509- 662-6156

Coastal Community Action Program
Aberdeen (Grays Harbor County):
800- 828-4883 or 360-533-5100
www.coastalcap.org

Community Action Connections
Pasco (Benton/Franklin Counties): 509- 545-4042
Prosser: 509-786-3379
www.bfcac.org

Community Action Council
Shelton (Mason County):
360-426-9726 or 800-878-5235
www.caclmt.org

Community Action of Skagit County
Mount Vernon (Skagit County): 360-428-1011

Kitsap Community Resources
Bremerton (Kitsap County): 360-479-1507
www.kcr.org

Lower Columbia Community Action Council
Longview (Cowlitz/Wahkiakum Counties):
360-425-3430 or 800-383-2101

NW Community Action Center
South Yakima Counties: 509- 865-7630
www.ncactopp.org

OIC of Washington
Yakima (Upper Yakima County): 509-452-7145
Grant/Adams Counties: 509-765-9206

The Opportunity Council
Bellingham (Whatcom County): 360- 255-2192
Oak Harbor (Island County): 360-679-6577

Snohomish County Human Services Department
Everett (Snohomish County): 425-388-3880



In the Community to Serve®

[f](#) [@](#) [t](#) [in](#) [v](#) [www.cngc.com](#)



Outreach (Continued)



Keep your home warm and cozy this winter.

Relieve the burden of managing energy costs.
Cascade Natural Gas is proud to partner with local weatherization agencies to deliver whole home energy upgrades to income qualified households.



www.cngc.com



- Bill Inserts
- Cascade Referrals
- Cascade Website

Weatherization for income qualified households involves a range of services

- ▶ Heating equipment replacement and repair
- ▶ Duct sealing
- ▶ Insulation



To get connected with the weatherization agency serving your community, please call Cascade at **888-522-1130** or email to conserve@cngc.com

Washington State Low Income Weatherization Program
Income Eligibility Guidelines
Income levels must be no more than the greater of 60% State median income (SMI) or 200% of Federal Poverty (FPL).

PEOPLE IN HOUSEHOLD	60% of SMI	200% FPL
1	\$33,411	\$27,180
2	\$43,691	\$36,620
3	\$53,971	\$46,060
4	\$64,251	\$55,500
5	\$74,531	\$64,940
6	\$84,811	\$74,380
7	\$86,739	\$83,820
8	\$88,666	\$93,260

For the latest income qualifications, please contact your local weatherization agency or visit online at www.commerce.wa.gov/growing-the-economy/energy/weatherization-and-energy-efficiency.

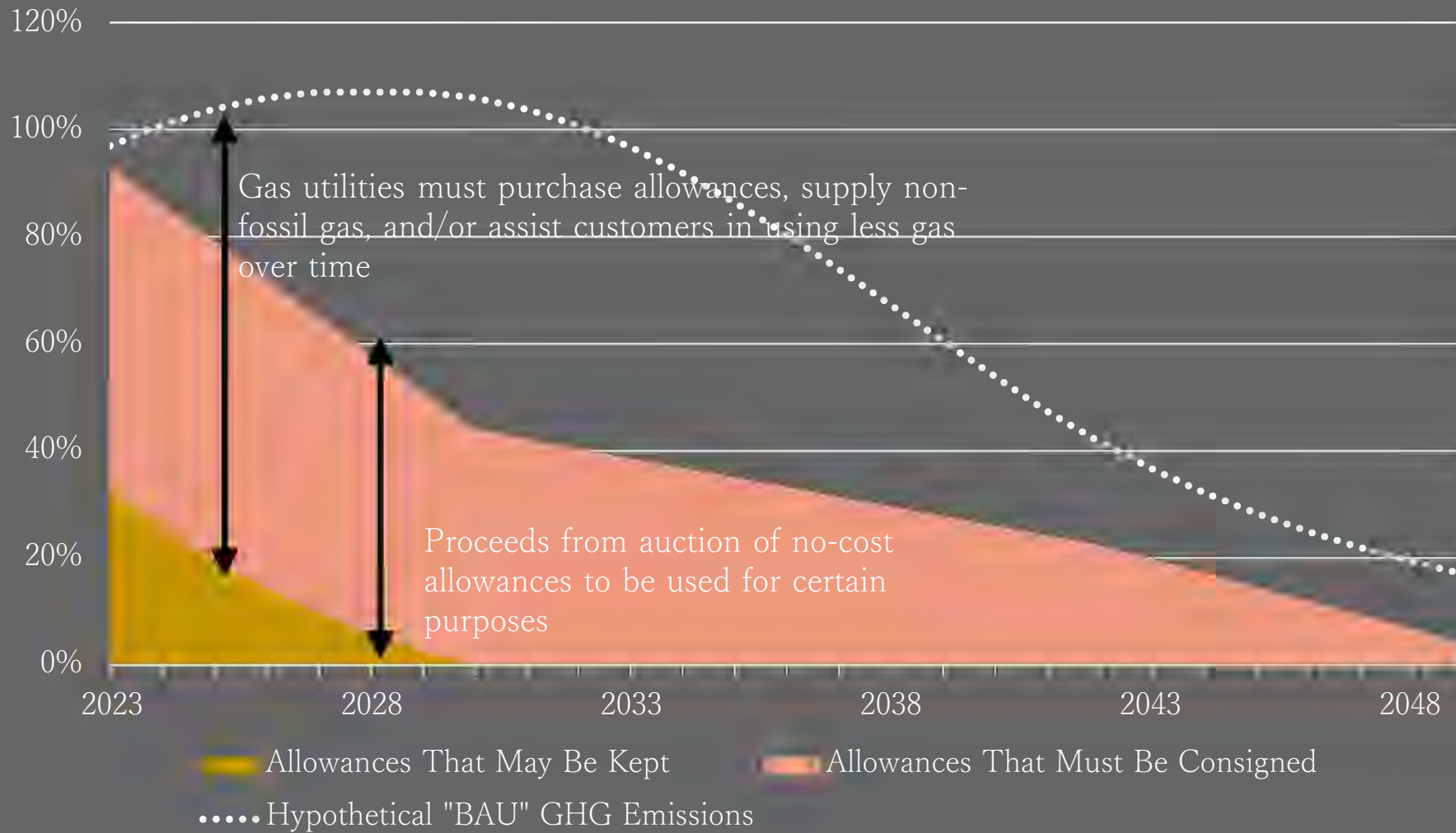


CCA Recovery

Purpose

- The purpose of the Climate Commitment Act (CCA) is to reduce greenhouse gas (GHG) emissions from sources in the State of Washington that use or supply fossil fuels.
 - It covers the majority of GHG emission sources in Washington's economy
 - Sources include industrial and manufacturing facilities, electric generating facilities, petroleum fuel suppliers, and natural gas suppliers such as Cascade Natural Gas.
- Goal is for Washington to achieve its commitment to reduce GHG emissions to 95% below 1990 levels by 2050.
 - 7% reduction goal in first compliance period (2023-2026)
- Authorized by Washington Legislature in 2021 via SB5126,
- The CCA includes an emissions trading system
- Sets a cap on emissions and then distributes a portion of allowances to certain entities at no cost (including natural gas utilities)
- Modeled after California's Cap-and-Trade System.
- The program began on January 1, 2023.
- This link provides more information about the CCA on Ecology's website: [Climate Commitment Act - Washington State Department of Ecology](#)

Natural Gas Utility Allowance Consignment



Impacts to Customers



All proceeds from the auction of allowances consigned by natural gas utilities shall be used for the benefit of customers, at a minimum eliminating any additional cost burden to low-income customers from the implementation of the CCA.



This includes minimizing impacts to residential and small business customers through conservation and efficiency actions.

CCA Recovery Filing

- Cascade is currently deferring all costs related to CCA implementation
 - Allowance Purchases
 - Auction Revenue
- Cascade will file March 1st to ask for recovery of these costs
- Two Bill Components
 1. Per Therm Charge – to recover the costs of compliance
 2. Lump Sum Credit – to pass back the auction revenue from our sale of no-cost allowances
- Requirement that cost burden of CCA be eliminated for Low-Income customers
 - They will see the per therm charge and then a credit to offset the charge on their bills
- Filing is not finalized, but we anticipate net bill impacts for residential customers to come in somewhere between a 2.5 and 5.0% increase
- Cascade will request an implementation date of May 1, 2024

CCA Recovery Filing Feedback

1. The CCA includes both costs and benefits. How do you expect your community to react to the CCA charges and credits?
2. What questions do you think the community you represent or serve will have about the CCA charges and credits on their bills?
 - With this filing, those signed up for CARES will automatically receive the full credit for CCA cost impacts
3. Other thoughts or questions?



IRPs and Equity

UTC Staff Equity Framing Slides
for 2024/2025 Gas IRP process

Purpose of this presentation

To provide UTC Staff feedback regarding implementing equity requirements in gas resource planning process.

- Requirements are outlined in Commission Order(s), related rules and laws
- This is *not* a series of check boxes
- This is *not* a ceiling for compliance
- This should be an ongoing conversation within advisory groups and Company outreach; it is an iterative process
 - goals and imperatives will likely grow and change as everyone's understanding improves with time
- Staff provides a summary of relevant laws, rules, and orders to level set requirements and provides additional citations for reference
- *This presentation states the informal opinions of commission staff, offered as technical assistance, and are not intended as legal advice. We reserve the right to amend these opinions should circumstances change or additional information be brought to our attention. Staff's opinions are not binding on the commission.*



Citations for Review

Equity requirements and guidance:

- RCW 80.28.425(1)
- Cascade GRC Final Order 9 for Docket UG-210755
 - Paragraphs: 52,54,56,57,58,59,77, and 79
- PSE CEIP Final Order 08 Docket UE-210795
 - Paragraphs: 147,148,314,330,351,352,353, and 397

Additional Sources to consider:

- International Association for Public Participation Spectrum USA, IAP2 Public Participation Spectrum, *available at* <https://iap2usa.org/cvs>
- Community Benefits Plans 101 | Department of Energy
- Developing an Equity Framework for State Regulatory Decision-Making | Electricity Markets and Policy Group (lbl.gov)
-

This list is non-exhaustive and should not limit Utilities' own equity-related research.



Why consider equity in the IRP?

Equity is a concern in all public interest considerations

“So that the Commission’s decisions do not continue to contribute to ongoing systemic harms, we must apply an equity lens in *all* public interest considerations going forward” (UG-210755, emphasis added by staff).

Impacted communities should participate as early in the process as possible

“truly equitable policy and research must be informed by conversations with impacted communities as early in the process as possible.” (UG-210755)

IRPs are considered during rate cases

Because IRPs are reviewed for prudency determinations in general rate cases, this makes IRPs the earliest opportunity for named communities to be heard.



Baseline equity considerations are established in RCW 80.28.425(1)

- RCW 80.28.425(1) establishes a baseline of equity-related considerations.
- Even though it relates directly to general rate cases, Commission guidance shows clear implications for planning.
 - While CETA only applies to electric utilities, Order 08 in UE-210795 (PSE CEIP) clarifies that baseline equity considerations do not stem from CETA .
 - **“When we consider all of these authorities, we find that only a subset of equity-related costs are directly attributable to compliance with CETA.”**
 - **“It is likely that other equity-related costs should be included in the baseline portfolio and should not be included as incremental costs. In-language marketing, for example, may represent marketing efforts that are not related to compliance with CETA in any clear manner. The record before us provides relatively little detail on which other equity-related costs the Company may submit, and this issue likely requires further discussion and consideration.”** [emphasis added]

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Tenets of Energy Justice

Distributional justice

- “refers to the distribution of benefits and burdens across populations. This objective aims to ensure that marginalized and vulnerable populations do not receive an inordinate share of the burdens or are denied access to benefits.”

Procedural justice

- “focuses on inclusive decision-making processes and seeks to ensure that proceedings are fair, equitable, and inclusive for participants, recognizing that marginalized and vulnerable populations have been excluded from decision-making processes historically.”

Recognition justice

- “requires an understanding of historic and ongoing inequalities and prescribes efforts that seek to reconcile these inequalities.”

Restorative justice

- “using regulatory government organizations or other interventions to disrupt and address distributional, recognitional, or procedural injustices, and to correct them through laws, rules, policies, orders, and practices.”





UTC
Washington Utilities
and Transportation
Commission

How to Apply the Tenets of Energy Justice



Possible Applications of the Tenets of Energy Justice

- Each Tenet of Energy Justice will be followed by an example of how one of the bullet points may be implemented
- This is a non-exhaustive examples and examples may or may not be useful for a given utility
- Examples are not provided as a series of check boxes nor a pathway to compliance



Recognition justice

requires an understanding of historic and ongoing inequalities and prescribes efforts that seek to reconcile these inequalities

Possible Applications:

- Mapping energy justice communities within service territory
- Recognition of how the utility contributed to historic inequities



Mapping energy justice communities within a service territory

- Who else is mapping energy justice?
 - NARUC: [Energy Justice – NARUC](#)
 - Department of Energy: [Justice40 Initiative | Department of Energy](#)
 - National Governors Association
 - Dept. of Ecology and other WA Agencies: [Environmental Justice | Washington State Department of Health](#)
- Why should Gas Utilities map energy justice?
 - It is central to most of the other equity proposals that the utility have an equity/demographic baseline of their service territory (what is the current state of equity right now and who do they serve)
 - Aims to use consistent resolution in analyses - Zip Code (good), Census Tract (better), or GIS (best) mapping of their customers
 - Some utilities already have data on housing (age of buildings) and income data
 - There is a need to identify Energy Justice communities in their service territory. Identify demographics and other metrics that are relevant to energy justice communities in their service territory.
 - This identification of energy justice communities/demographics is imperative as it lays the foundation for most of the other equity work, and as such must be done as comprehensively and carefully as time allows.



Procedural justice

focuses on inclusive decision-making processes and seeks to ensure that proceedings are fair, equitable, and inclusive for participants, recognizing that marginalized and vulnerable populations have been excluded from decision-making processes historically

- Gas Utility Possible Actions:

- Develop guidelines and instructions for interested parties to effectively participate
- Build relationships and information on partners for this work
- Schedule meetings at times and locations that meet the needs of energy justice communities
- Add free-form public meetings where interested parties can share IRP related issues and set the agenda to what matters to ratepayers
- Develop accessible materials, to overcome language and other barriers
- Combine forces with already-published and/or locally-led materials and outreach, including from other entities (i.e. add to local newsletters)
- Develop layperson-accessible IRP materials including accessible appendices and native file formatting
- Allow more expansive public engagement during IRP process
- Discuss Intervenor Funds at advisory group meetings

Schedule Meetings at times/locations that meet the needs of energy justice communities

- Typically, IRP meetings are held on weekdays and during the workday. And prior to the pandemic, at locations that were not accessible to most customers.
- Participation in the IRP process could be made accessible and practicable for customers.
- Additional meetings held in evenings or weekends
- If there is a return to in-person meetings, meetings should be held at venues across the service territory
- Notice should be targeted to energy justice communities with culturally sensitive and inclusive language
- Extra seating
- Accepting kids
- Translators
- Working to combine forces with other meetings/partners, hosted by local communities, to build trust and respect customers' time



Distributional justice

Refers to the distribution of benefits and burdens across populations. Aims to ensure that marginalized and vulnerable populations do not receive an inordinate share of the burdens or are denied access to benefits

- Possible Applications:

- Examine demographics of program participation
- Measure energy efficiency by both savings per customer and utility investment
- Examine gas outages by demographics and location
- Equity analysis of pipeline and infrastructure siting
- Distributive outcomes of high electrification or emission reduction scenarios
- Distributive outcomes of customer billing



Distributive outcomes of high electrification/emission reduction scenarios

- As customers are electrified and taken out of customer counts what impact does this have on bills?
 - Which customers are more likely to be electrified first or last?
 - Income, race/ethnicity, rural/urban, senior, disability etc
 - Will lower customer counts impact system reliability, resiliency, and the ability to meet peak needs?
 - How might it impact HDD responses?
- What if city gates aren't impacted proportionally the same by customer count decreases? What if they are?
- What are the equity implications of emissions reductions with EE/conservation and lower-emission fuel blends?
 - Bill impacts
 - Indoor air quality
- Who bears the burden of overinvestment in gas assets or stranded assets?
- Remedy inequitable gaps



Restorative justice

using regulatory government organizations or other interventions to disrupt and address distributional, recognitional, or procedural injustices, and to correct them through laws, rules, policies, orders, and practices

- Possible Applications:
 - Identify inequitable gaps in service and outcomes and implement plans to remedy those gaps with clear interim goals and accountability



Identify inequitable gaps in service and implement plans to remedy those gaps with clear interim goals and accountability

- Develop and implement plans to Remedy inequitable gaps.
 - Plans should exist outside of the IRP but be discussed and explained in the IRP insofar as they are part of resource planning decisions
 - Subject to adaptive management
- Plans should have clear interim goals
 - Timelines and measurement reported in the IRP
 - Timelines must be on an actionable scale
 - Long enough to actually address the issue
 - Short enough that the utility is not relying on large social factors to resolve the issue in the due course of history
 - Clear accountability
 - Timelines/interim goals should terminate in a fully equitable outcome



International Association for Public Participation –Public Participation Spectrum

- Be clear about the goal of interactions

	INFORM	CONSULT	INVOLVE	COLLABORATE	EMPOWER
PUBLIC PARTICIPATION GOAL	To provide the public with balanced and objective information to assist them in understanding the problem, alternatives and/or solutions.	To obtain public feedback on analysis, alternatives and/or decision.	To work directly with the public throughout the process to ensure that public concerns and aspirations are consistently understood and considered.	To partner with the public in each aspect of the decision including the development of alternatives and the identification of the preferred solution.	To place final decision-making in the hands of the public.
PROMISE TO THE PUBLIC	We will keep you informed.	We will keep you informed, listen to and acknowledge concerns and aspirations, and provide feedback on how public input influenced the decision.	We will work with you to ensure that your concerns and aspirations are directly reflected in the alternatives developed and provide feedback on how public input influenced the decision.	We will look to you for advice and innovation in formulating solutions and incorporate your advice and recommendations into the decisions to the maximum extent possible.	We will implement what you decide.



IRP, Procurement, and Community Benefits Plans (CBP)

Staff suggest utilities consider alignment with DOE CBP guidance:

- Justice 40
 - Meet or exceed the objectives of the Justice40 initiative that 40% of benefits flow to disadvantaged communities
- Diversity, Equity, Inclusion, and Accessibility
 - partnering with: underrepresented businesses, educational institutions, and training organizations that serve workers who face barriers to accessing quality jobs, and/or other project partners to help address DEIA.
 - portfolio analysis related to Diversity, Equity, Inclusion, and Accessibility
- Consider and procurement: local impacts, jobs
 - Worker organizing and Collective bargaining
 - Pathways to advancement
- Workforce and Community Agreements
 - Meaningful engagement with community and labor partners leading to formal agreements



Examples of CBP alignment

- **Justice 40: Set planning goals for the flow of benefits to energy justice communities**
 - Fix the goal as hard optimization criteria and analyze portfolios that meet the equity criteria
 - Include Action Plan items to meet the planning goal
- **Diversity, Equity, Inclusion, and Accessibility**
 - Include steps for improving DEI & A for the IRP process in the work plan
 - Include Action Plan items to improve DEI & A
- **Consider and procurement: local impacts, jobs**
 - Assess portfolio costs of more local procurement
- **Workforce and Community Agreements**
 - IRP work plan: Meaningful engagement with community and labor partners
 - IRP Action Plan: formal agreements with community and labor partners



Questions or comments?

Please contact Byron Harmon

- (360) 664-1316 Office
- Byron.harmon@utc.wa.gov

Cascade Updates

March Filings



Voluntary Renewable Natural Gas (RNG)

- Filed March 1, 2024
- Effective Date: July 1, 2024
- Provide optional service that will allow customers to offset their carbon emissions by purchasing 1 or more blocks of renewable thermal credits

Climate Commitment Act (CCA) Adjustment Schedule

- Filed March 1, 2024
- Effective Date: Proposed May 1, 2024
- Due to Washington State law, Cascade is required to comply with the CCA and pass on those costs of compliance to our customers. The CCA filing does not seek any additional revenue or profit, but only the recovery of the compliance costs
- If approved, the filing will result in most customers seeing a new charge on their Washington bills, itemized as WA Climate Act Fee, and some customers will see a second new line item, WA Climate Act Credit, which, when applicable, will offset some or all of the WA Climate Act Fee.

Bill Impacts

- Known-Low-Income Residential customers must be held harmless from the impacts of the CCA by law and thus receive a WA Climate Act Credit that fully offsets their WA Climate Act Fee. Known-Low-Income residential customers are defined as any customer receiving service under the Company's CARES program.

Table 1 - Bill Impacts for Customers at Locations where Gas Service was Installed on or before July 25, 2021

Customer Class	Current Monthly Bill	Proposed Monthly Difference	Proposed Bill Impact
Known-Low-Income Residential (Sch 503)	\$76.72	\$0	0%
Non-Known-Low-Income Residential (Sch. 503)	\$76.72	\$2.83	3.69%
Commercial (Sch. 504)	\$348.28	\$14.78	4.24%
Industrial (Sch. 505)	\$2,497.79	\$115.31	4.62%
Large Volume (Sch.511)	\$14,209.95	\$634.23	4.46%
Interruptible (Sch. 570)	\$24,600.66	\$1,460.29	5.94%
Transportation (Sch. 663)	\$8,372.34	\$7,354.14	87.84%

Table 2 – Customer Bill Impacts for Customers at Locations where Gas Service was Installed after July 25, 2021

Customer Class	Current Monthly Bill	Proposed Monthly Difference	Proposed Bill Impact
Known-Low-Income Residential (Sch 503)	\$76.72	\$0	0%
Non-Known-Low-Income Residential (Sch. 503)	\$76.72	\$19.13	24.93%
Commercial (Sch. 504)	\$348.28	\$95.62	27.45%
Industrial (Sch. 505)	\$2,497.79	\$753.86	30.18%
Large Volume (Sch.511)	\$14,209.95	\$4,418.85	31.10%
Interruptible (Sch. 570)	\$24,600.66	\$8,433.30	34.28%
Transportation (Sch. 663)	\$8,372.34	\$46,116.49	550.82%

Communications

- Bill insert to all customers
- Social Media posts
- Website with additional information
 - [Climate Commitment Act - Cascade Natural Gas Corporation \(cngc.com\)](https://www.cngc.com)
- Messaging to residential customers includes information on how to enroll in the CARES program
- Notification to CARES Advisory Group, Equity Advisory Group, representatives from each Community Action Agency within Cascade's WA service territory

Requested Input

- Is there other outreach we should be doing?

Washington Multiyear Rate Plan

- Planned filing March 29, 2024
- Proposed rate increases March 1, 2025, and March 1, 2026
- Planning to review energy burden to see if adjustments need to be made to the CARES program

EAG Member Feedback

IRP Process Input

1. When should the Company seek customer feedback?
 - Early planning process vs. Later in the IRP process
2. Recommendation on where we may be able to hold our IRP meetings to make them more accessible to underrepresented communities?
3. How to best promote IRP meetings?
4. Recommendation for childcare service professionals we may be able to hire for these meetings?
5. Potential recommendation for Spanish translator during these meetings and or EAG member interested in translating?
6. Level of details to share during of IRP meetings, how to tailor the meetings, expectations?