



8113 W. GRANDRIDGE BLVD., KENNEWICK, WASHINGTON 99336-7166
TELEPHONE 509-734-4500 FACSIMILE 509-737-9803
www.cngc.com

March 1, 2021

Mr. Mark L. Johnson
Executive Director and Secretary
Washington Utilities & Transportation Commission
P.O. Box 47250
Olympia, WA 98504-7250

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State Of WASH.
UTIL. AND TRANSP.
COMMISSION

CNG/W21-03-01

Re: Advice No. W21-03-01 – Cascade’s Washington COVID-19 Bill Assistance (Big HEART Program)

Dear Mr. Johnson,

Cascade Natural Gas Corporation (Cascade or Company) submits the following tariff sheets to be submitted under Cascade’s Advice filing No. W21-03-01. This filing includes the following portion of the Company’s WN U-3 tariff for natural gas service stated to become effective with service on and after April 1, 2021:

Original Sheet No. 304
Original Sheet No. 304-A

Background

On February 29, 2020, Governor Jay Inslee issued Proclamation 20-05, proclaiming a State of Emergency for all counties throughout Washington State because of the public health threat posed by the novel infectious coronavirus, COVID-19. In response the Company began suspending the processing of customer disconnections for non-payment and late fees on March 16, 2020.

On April 17, 2020, Governor Inslee issued Proclamation 20-23.2, which prohibits all energy, water, and telecommunications providers from (1) disconnecting residential service due to nonpayment, (2) refusing to reconnect residential customers who were disconnected due to nonpayment, and (3) charging late fees or reconnection fees.

On June 16, 2020, the Washington Utilities and Transportation Commission (Commission) conducted a virtual special open meeting to receive status updates from regulated utilities and interested persons regarding their general experiences responding to the COVID-19 pandemic, and to discuss utilities’ transition plans related to the Governor’s moratorium on disconnections and late or reconnection fees.

The Commission also formed a COVID-19 response workgroup of stakeholders to facilitate development of guidelines for ensuring that customers experiencing economic hardship as a result of the COVID-19 pandemic maintain access to essential services after the moratorium on disconnections and late fees is no longer in effect.

On October 15, 2020 the Commission ordered investor-owned electric and natural gas utilities in Washington to continue a moratorium on disconnections for nonpayment until April 30, 2021. Also, utilities will continue to waive deposits for new customers and all late fees through Oct. 27, 2021.

On October 20, 2020 the Commission formally adopted Order 01 of Docket no. UG-200281 which approves the revised term sheet which reflected the terms on which the workgroup agreed and Staff's recommended resolutions of several disputed issues.

As stated in the Revised Term Sheet regarding additional funding for Customer Programs:

- 1. Each Utility establish a temporary COVID-19 assistance program, subject to cost recovery... to provide eligible residential customers to include customer earning up to 200 percent of the Federal Poverty Level (FPL) with annual maximum award amount of \$2500 per household. COVID-19 assistance programs may include provisions for bill assistance and arrearage assistance.*
- 2. Establish the funding level at 1 percent of Washington retail revenues, and that no increase to that funding level occur without prior Commission approval.*
- 3. Each Utility work with its Low-Income or Energy Assistance Advisory Group to implement its COVID-19 assistance program, which may include direct utility assistance, but not require existing program modification or require fund administration by the community action agencies unless the Utility believes that is the more efficient strategy.*

Cascade convened a meeting on February 26, 2021 with current partner Community Action Agency (CAA) representatives, Commission Staff, Public Counsel, the Energy Project and other stakeholders. Staff and Agency members also submitted comments in writing to Cascade.

Overview

Cascade has identified the following essential functions of a new and temporary COVID-19 Bill Assistance Program to help customers who are experiencing financial hardship due to the pandemic and its corresponding induced global economic recession resulting in a past due balance on their active service account.

- Minimum burden and barriers for both the customers to participate and the Company to operate.
- Ease of access by customers who are experiencing COVID-19 related financial hardship.
- Simple program structure for the benefit of our customers, Community Action Agency partners, and Company employees.
- Customers will not be disqualified from applying for or receiving other energy assistance grants determined by CAAs.
- Existing assistance programs will not be impacted by this program.

To support these essential functions, the Company proposes the following opportunities for customers to receive Big HEART grant assistance:

Automatic Hardship Grant

Customers with a documented history of low-income program eligibility in which the customer has received energy assistance within the previous 24 months based on the effective date of this schedule will automatically receive a one-time Big HEART grant equal to the amount of their outstanding past due balance, not to exceed \$2,500 and not to result in an account credit. The Company will start in chronological order from oldest to most recent balance.

Financial Hardship Grant

For customers who have not received energy assistance within the past 24 months but express financial hardship to Cascade, either verbally or in written form, may qualify for the Big HEART

grant. Cascade will work with customers to determine which payments or arrangements can be made before a grant credit is provided for the remaining balance. Any payments made by the customer will be deducted from the customer's account balance to be paid with a Big HEART grant.

For customers who apply for energy assistance with CAAs and have not received energy assistance within the previous 24 months, but verbally express financial hardship to CAA employees during the application process. CAAs will attempt to qualify the applicant for traditional bill pay assistance (LIHEAP, WEAFF and Winter Help) before utilizing the Big HEART grant.

Whether through Cascade or CAAs, monthly income would be provided verbally by the customer where documentation is not required and shall be the combined current income amounts of all adult household members. The grant will be equal to the amount of their outstanding past due balance, not to exceed \$2,500 and not to result in an account credit.

Funding and Expenditures

Funding to be distributed is one percent (1%) of the Company's Washington retail revenues, not to be increased without prior WUTC approval, based on the Company's Commission Basis Report in Docket UG-200393, which the amount is \$2,473,250.

Expenditures associated with the implementation and promotion of the Company's residential bill assistance program will be deferred and accounted for within the Company's COVID accounting deferral under Docket U-200281, Order 1. Outreach funds used to promote the availability of COVID financial assistance throughout the Company's service area may include, but not be limited to, emails, print, and digital advertisements.

The Company proposes to pay CAA's \$25 per qualifying household for a Big HEART grant request. This will be in addition to the current \$75 admin fee provided for each qualifying household under the WEAFF program. HEART grants and traditional WEAFF grants may be submitted at the same time. When submitted at the same time, Agencies will earn \$25 for the qualifying HEART grant and \$75 for the qualifying traditional WEAFF grant.

The Big HEART program, as described above, will be in operation from April 2021 until the Company reaches its spending limit, or until the WUTC closes the program.

Electronic Filing Summary

This filing submitted electronically includes the following files:

NEW CNGC Advice No. W21-03-01, CLtr, 03.01.21.pdf
NEW CNGC Advice No. W21-03-01, Sch 304, 03.01.21.pdf
NEW CNGC Advice No. W21-03-01, Sch 304 Leg, 03.01.21.pdf
NEW CNGC Advice No. W21-03-01, Sch 304-A, 03.01.21.pdf
NEW CNGC Advice No. W21-03-01, Sch 304-A Leg, 03.01.21.pdf

The filing also includes examples of outreach materials the Company intends to send to customers informing them about the Big HEART Program and an agreement between Cascade and CAAs which details the terms by which Big HEART funds will be distributed by CAAs:

CNGC_big_heart_grant_customer_outreach_letter.pdf
CNGC_big_heart_grant_door_tag.pdf

CNGC_big_heart_grant_notice_customer_letter.pdf
CNGC Big HEART Agency Agreement 03.01.21.pdf

If you have any questions regarding this filing, please contact me at (509) 734-4549.

Sincerely,

/s/ Christopher Mickelson

Christopher Mickelson
Manager, Regulatory Affairs
Cascade Natural Gas Corporation
8113 W. Grandridge Blvd.
Kennewick, WA 99336-7166

Attachments