

WEAF Advisory Group

Agenda

May 3, 2023

KEY TOPICS: CNGC Accounting Order Petition, Income collection as part of qualification process, TEP Feedback, AMP

GOALS FOR MEETING OUTCOME: Review and address questions/concerns related to the CNGC Accounting Order Petition, finalize income collection process, level set on agreements, begin discussion on AMP

Agreements from 5/3/23 meeting:

- Cascade will utilize income collection process that is consistent with the agency process for LIHEAP qualification. See below under agenda item #2 for the table with income types and deduction percentages.
- Agencies will also utilize self-attestation for qualification. The process for qualifying customers for the BDR/AMP and LIHEAP at the same time is TBD.
- Cascade will create a paper application for agency use. The paper application will also be available to be printed from our website or mailed to customers upon request.
- Qualified customers will be required to opt into allowing the company to provide their account, contact income, HH size, and optional demographic data to the agencies for the purpose of determining if they qualify for additional assistance and for income verification. The full list of data to be provided and method for providing are TBD.
- Income Changes – Reporting increases in income is optional, not required. If a customer reports a decrease in income after qualifying via self-attestation the company will refer the customer to their local CAA for income verification before any changes to the BDR are made.

1. CNGC Petition for Accounting Order for Program Cost Deferral – Chris
2. Income Collection Process – Dan

Gross Income Type	Types of Income	Gross Deduction
Fixed Income, not taxed	SSA, SSDI, SSI, Pension, Unemployment, VA	0%
Fixed income, taxed	SSA, SSDI, Pension, Unemployment	10%
Earned Income, taxed	Regular earnings from a job	20%
Self-Employment	1040 or Any type of self-employment that has costs associated with it	50%
Other Cash Income	TANF, Child Support	0%

3. Review TEP's feedback for Agreements and AMP - Yochi
4. Avista AMP Overview and General Discussion – Shay Bauman
5. Set key topic(s) for next meeting – Dan
6. Topics for 5/10 Meeting – All

Tillis, Daniel

Our first item on the agenda, Chris are you ready to discuss that topic this week or would you like to delay it for any reason? Yochi suggested delaying in chat.

Mickelson, Christopher

I'm ready to talk about this now, but if people want to push it off another week, that's fine too.

Tillis, Daniel

Let's talk about it now. Anybody else have an opinion one way or the other?

Yochi Zakai

The thought that this discussion could occur at the end of one of our meetings because I think it is most relevant to a smaller group and I was specifically thinking that some of the Community Action Agencies might be interested in dropping offline since we're talking the regulatory weeds of accounting.

Tillis, Daniel

OK. That makes sense. We will hold 15-20 minutes at the end. The next topic we had was income collection as part of the qualification process, specific to Cascade employees collecting that income data. It was a really good discussion last week and I think we talked through the options we have available. We have three options, but I don't think the way we're doing it in Oregon today with asking for gross income is an acceptable option for this group, and I agree with the reasons why that's the case. In my opinion, we have two options - One is to ask for the most recent month's net income for the household, and then if one month doesn't qualify, we go to six months and if that doesn't qualify, go to 12. So that would likely be part of the process, and that's certainly a simpler process for the customer to just give a total combined net income, and it's certainly a better process for the company's employees to collect the income data. The other option was to ask for each type of income that is listed on this table and discount them with those gross deductions. For example, 10% for SSA, SSDI, pension, and unemployment; 20% for regular job earnings; and 50% for self-employment income. Our employees would need to ask for each of those types of incomes, input them into our calculator, and Chris would need to discount them and determine the customer's qualification. We are at the point where we need to verify the calculator would have the ability to discount those income types. It makes the calculator more complex as well for the Cascade employees, so I think you can tell that my recommendation would be for us to ask the customer for their total net income for a month, six months or 12 months and then utilize that in the calculator. I know we want to collect the different income types as part of the optional demographic questions. I'll just open it up to other thoughts and feedback or recommendations.

Mickelson, Christopher

Dan, I heard you say net. Do you mean gross like we do in Oregon, or do you truly mean net? And this may be for the other folks in the group when we do this gross income type, I see the gross deduction;

let's take self-employment, if a person who's self-employed indicates they make \$6000 a month, does this gross deduction say then you get a 50% reduction. So really, we would only say \$3000.

Lorena Shah

Yes, if that is their gross profits before their own cost of doing business deductions are taken out. If \$6000 is their gross profit, then we would take 50% deduction and enter \$3000 if that's how we would handle it. We asked for gross profits.

Tillis, Daniel

And Chris, I do mean gross. That's not the way we're doing it in Oregon, the reason these deductions are applied in the LIHEAP qualification process is to get to a customer's net income, essentially, so by collecting gross in Oregon, one would argue that we're calculating the customers energy burden or their FPL or AMI in this case, money they're earning but not money they're bringing home. The desire here is to calculate based on money they have to spend, which is net income.

Lorena Shah

I would say generally speaking deviating from the chart will make it more challenging for training for our staff because they'll have to handle CNG quite a bit differently than we handle PSE and probably Avista and LIHEAP, so I'm leery of that. But I also hear your position as well as the company. I'm curious to hear what other agencies are thinking. I'm also wary to use just straight net income because it can vary so much based on optional deductions that people take from their paychecks. I think it'll be fine one way or the other for most of the fixed income types; those have less of a deduction associated with them. It's really the earned income.

Misty Velasquez Community Action of Skagit

I'm very leery to deviate as well. My other concern is we have trained our communities in this way with the gross income, and we take the deductions to calculate their income. They're fully aware for an energy assistance appointment that this is how it goes. We also have people who are self-employed, and I love the 50% deduction because I have had people bring me suitcases full of documents and have had to figure out what their net income is that way because they don't know how to do it. Now that we can just go with the 50% that it makes it so much easier, but for training wise keeping everything similar is what I would vote for.

Tillis, Daniel

Yes, one of the topics we haven't really discussed too much is if the agencies continue their process today of requiring appointments and getting income data or income collection up front and income verify customers to qualify for these new programs, or will the agencies utilize self-attestation as well?

Misty Velasquez Community Action of Skagit

Through Puget Sound Energy we're going to follow the self-attestation because that's the way that program is being created and I don't have any intentions of asking for documentation up front. When I do a PSE Help appointment with clients or process the PSE Help stuff, when they schedule their LIHEAP appointment, they will be required to bring in that documentation. How does Cascade Natural Gas want us to proceed with that, fully self-attestation or do you want us to collect documents if we are seeing clients in office and signing them up?

Tillis, Daniel

My thoughts were that we would go with self-attestation as well unless you're doing a LIHEAP appointment at the same time. We just haven't talked about it explicitly.

Misty Velasquez Community Action of Skagit

I would imagine we would probably follow the same process we're going to do with PSE when we determine how we're going to set up our programs here at Skagit.

Lorena Shah

We've got kind of two different things going on. We've got both the BDR and PSE help and so, like Misty said, using self-attestation for the PSE programs, we have to for the BDR because of the way the legislation is written so we can't really take the time to wait for income documentation to come in to process a BDR where we still have that discretion for PSE help if an agency determines that it makes more sense with their business flow to wait for documents to come in to process the PSE help. I think most of us would know if somebody's coming in for the first time and getting BDR and Help for PSE, we would use a self-attestation now with PSE program. We have some rules written in, or we're finalizing some working rules that state if PSE help pledge is not paid yet and the income is changed or you determine something differently you can adjust it, so I don't know with this process if we want to have a rule that says if processing LIHEAP and BDR at the same time you start using self-attestation. But if income verification comes back through the LIHEAP process, you would adjust a tier. It might be something we want to consider. We are planning to also honor the self-attestation when we process those. It's just going to be a little bit of a tricky conversation with clients if we're trying to do both at the same appointment because we're talking about LIHEAP and what is needed, and then trying to get them to self-attest differently to in order to process the BDR application.

Tillis, Daniel

I hear the concerns about it being a different process for the agencies with PSE and Avista. If we start with just total net income in Washington, we will actually shift Oregon to net income as well so that our employees are using the same process for both states. I'm just sharing that with the group, we would align that in Oregon with Washington. We probably would not align asking for the different income types in Oregon if that's the direction we go, we would just have two different processes.

Tillis, Daniel

Chris, what are your thoughts on the calculator itself if we utilize the table to collect the different income types and then apply deductions to those?

Mickelson, Christopher

That shouldn't be an issue. By the way, I just want to have it on the record, energy burden is defined as a percent of gross household income spent on energy costs. So, going with the gross income method like we do in Oregon would be the proper method.

Tillis, Daniel

Has that come up in any of the conversations with Avista or PSE?

Lorena Shah

I would say the deductions that we take on the gross, we don't consider it net after we do this. I can see

where that terminology can make sense. Somebody on here probably knows this language better than me, but it's like adjusted gross income. I think is what we call it, rather than net income.

Misty Velasquez Community Action of Skagit
Yes, that's what it's called.

Lorena Shah
So it's not truly net, it is adjusted gross income.

Tillis, Daniel
Chris, is what you're looking at for energy burden, does it say gross income, or does it say adjusted gross income? Just curious.

Mickelson, Christopher
So Department of Energy, that's where the definition came from, says gross household income. It doesn't say adjusted or anything of the sort. I understand why maybe LIHEAP has this adjusted gross income. Maybe they have a slightly different definition.

Misty Velasquez Community Action of Skagit
Does Oregon verify the income?

Tillis, Daniel
Well, that's an interesting question. The short answer is not currently. In our tariff we included that we would conduct audits and verification of up to 3% of customers who qualify via self-attestation. There is low interest among the Oregon Stakeholder and Commission staff communities to conduct income verification. In our advisory group meeting last week, we shared a high-level overview of what we've agreed upon for Washington. We try to align between the two states as much as we can to make it easier for our employees and we like a lot of what we've done. There was low interest and some pushback on even starting a verification process.

Misty Velasquez Community Action of Skagit
The reason I asked that is because since we are going to be having these rules for the deduction set up, that is going to be a way that everybody can count the income the same way. If you're looking at a person's income when they're coming in and we don't take deductions off or we're looking at net or we're looking at gross it, some of these check stubs that we get daily, they're hard to read, they have gross and then they have an adjusted gross. The customers say I pay my medical coverage and it's pre-taxed so they have an adjusted gross that they can count instead of the gross income, but both are listed as gross income. I think having specific rules is going to help with deductions to help with the customers getting the right information to you all when they sign up for the program.

Tillis, Daniel
I think we discussed last week- whatever we decide for income collection will need to link to the process you follow for income verification. So, if we decide to do total gross income and just use that in the calculator, then the number you'll be looking for will be total gross income that the customer can provide verification of.

Misty Velasquez Community Action of Skagit
Didn't we decide that you are going to auto enroll people who benefit from LIHEAP? So, if you're going

to do that, this is the way we calculate that income. Wouldn't it be fair to everybody overall to take this as the income if we're going to use that program entrance into the BDR program?

Tillis, Daniel

I think that's a fair point that the qualification methods should match. That would mean we're probably not aligned with that in Oregon, so it sounds like the agencies would like to utilize the process for LIHEAP today. Are there any agencies who disagree with that? Chris - You're saying we can do it in the calculator, right?

Mickelson, Christopher

Yeah, we should be able to accommodate.

Tillis, Daniel

I think when we get into the process development internally for our calculator and for our team, we may need to lean on the agencies a little bit more to get a more thorough walkthrough of your process. We would want to know how you collect the income types and how you ask the questions about those income types. In the past we haven't discussed income with many of our customers at all. And in Oregon, when we discuss it for the current qualification process, we just ask for the most current month, most recent month gross income, and don't get into any additional detail. We need to make sure we have our team prepared for more detailed conversations on that, and I'm concerned that customers may not be ready with that level of detail with each type of income we talked about last week on a more reactive basis where they're not expecting to get engaged in a conversation about qualifying for energy assistance. I think Lorena mentioned they could give estimates and then later if they go through income verification and all is good, great. If it doesn't, then they may go to a different tier, but I do think asking for this level of detail could result in customer's needing to get that information and call us back. We'll wait a little while for customers to get the information, but we have other customers waiting in queue.

Misty Velasquez Community Action of Skagit

Are customers only going to be able to apply for this through a phone call?

Tillis, Daniel

No. We will have an online application.

Misty Velasquez Community Action of Skagit

So on that online application, is there going to be a paper application regarding it as well so that you can mail one to customers if they ask for it to be mailed to them?

Tillis, Daniel

We don't currently have a paper application for energy assistance. I don't know that I see a lot of value in that if they can do it over the phone and just call back and share with us the level of detail that they need, versus waiting for a letter and then sending that back in.

Misty Velasquez Community Action of Skagit

Right, but my only thing is you're concerned about clients not being ready with information when they call, but if they can go online and they can print out an application online and see what is needed for them when they make that call to sign up, then more than likely they'll be prepared with what they need.

Tillis, Daniel

We could certainly create something paper, but I'm just going to share with you what we currently have for Oregon today. I don't know if you've ever seen this. This is not what we're going to end up with for Oregon or Washington. We're in the process of redeveloping this for Oregon so don't get too stuck on any one item on here. Certainly, we will take any feedback you have as we go through this process, but this is not the final version that we'll have in Washington. This is the current online application in Oregon for our energy discount program, which is the bill discount rate program. It's basic with the information that's requested and that's one of the reasons why this will evolve. Rather than having a paper application, they would go online to submit their application, which will be different since we've decided to get the different income types. There would be either checkboxes or dropdowns for that income type. They would select it and input the number for each income type, and then submit. The form goes to our customer support team, which is part of our customer service team, and they review it, do some pre work to qualify the customer using the calculator and then contact the customer to finalize that process. They then complete all the work on the back end to get them enrolled in the discount program and AMP, if applicable. I would think a customer would want to go online rather than request or print a form and send it in, don't you?

Misty Velasquez Community Action of Skagit

I know that a lot of customers prefer to have something in writing and a lot of our seniors don't go online at all, and they'll either call to make an appointment, or they'll ask to have an application mailed to them so that they can fill it out and mail it back. When we're working with CBO, they're going to want an application that they can physically show to their clients and they're not always going to be behind a computer when they're out in the community working with clients, so I think a paper application is necessary, but that's my opinion.

Tillis, Daniel

It's really interesting the idea of a paper application never came up in Oregon over the last year or so. I can't recall any of our employees suggesting that a customer has asked for a paper application or any of the agencies in Oregon. Addressing the comment about someone going online and printing a paper application, I would think if they went online to print a paper application, it'd be as easy, if not easier for them to fill out an online application. The CBO point, I think, is a very good one. Honestly, I would prefer a customer call us and apply over the phone than have a paper application, and to me that would be giving the customer a card to call you or to call the company and apply over the phone versus handing a paper application and having the customer mail that in. If we decide to have a paper application, and we give it to the CBOs, as an example, is that going to be mailed to the agency, or is that going to be mailed to the company for processing?

Misty Velasquez Community Action of Skagit

If we're working with the CBOs, I would imagine it would be mailed or given to the agencies that are working with those CBOs to process that application at that point.

Tillis, Daniel

I get accessibility concerns, but if a customer has the option to call and fully apply over the phone, doesn't that address accessibility concerns?

Roberts, Andrew (UTC)

I don't think it addresses my concerns. A lot of low-income cell phone plans are by the minute.

Customers may only get a certain number of minutes, so they may be not able to spend the time on the phone to work through the application with the company. I think customers need to be able to request a paper application, not just go online and print it out because not everybody has internet access. I think they need to be able to call and request that application.

Tillis, Daniel

OK, sounds like I'm the only one that disagrees with the paper application, but I think it's going to be extremely low usage and we'll keep track of that and share that with the groups.

Lorena Shah

Dan, you're right that it will probably be low usage, but I think it's a really critical usage for those folks that just can't utilize the other two options.

Tillis, Daniel

I'll just say again in, in Oregon, and we're going on seven months of having that program in place and we do not have a paper form in Oregon, and I don't know of one request from any employee for the company or stakeholder where a customer has asked for a paper form. I won't debate it anymore; we have consensus other than myself, it sounds like, so we'll create a paper form. I don't recall what got us into the discussion about the paper form.

Misty Velasquez Community Action of Skagit

It was having the ability for clients to look at a form when they make a call or be able to see what they need at the time when they make that call, to be able to have the information available to them to determine what their income is and for your staff to be able to determine what their income. Flyers about the program could have information that they need to have prepared for when they called to make the appointment. When we advertise, we kind of list out on our advertising what is needed at the time of making an appointment, which is specific information about your income. If we just create the ways that they know ahead of time when they're finding out about the program, they'll have that information ready.

Tillis, Daniel

If you could share the flyers, you share what has the detail of what a customer needs, that that would be helpful for us both preparing our employees but also creating the paper form and any outreach that we'll have in place to educate customers on the new programs. So anything you can share, as early as possible, would be appreciated. I would like to get back to the paper form for just a minute. If the agencies are using the paper form to give to somebody or the CBOs are using it, are those going to be handled by the agencies for processing?

Lorena Shah

This may not be the final, but I'm thinking if we are working with one of our CBO partnerships, we likely would want to receive those so we could record them to use in our in our reporting that I'm doing for CNG. There may be other entities around our communities that would like to also keep paper copies to make it easier to connect to their clients. If we're not directly partnering or contracting with those CBOs, I could see the option to just send those straight to you all for processing. So, I think I would only want to see the ones that we're really working closely with and have reporting agreements with.

Tillis, Daniel

OK, we'll have to figure out the best process for those. We'll probably have to list all 12 agencies on the back of the application or something like that, we do that for some of our outreach already where we list all the agencies and state to contact your local agency.

Lorena Shah

If you don't want to mess around with listing all 12, you could have sort of a community stack for us and our CBO that just has the utility company on it, and then for those that are for our contracted CBOs, perhaps you just leave us some space and we can just enter our own information on there. I think we've got some options if room starts becoming an issue or if we think that having all 12 is too confusing.

Misty Velasquez Community Action of Skagit

I agree 100% with what Lorena just said and that's probably how we would utilize it as well. I also like having the application that a client would fill out so that when we go back to do verification, we have that to go off of when we're contacting the clients, as well and we would keep that in our file system after creating the application online or going in and creating, however the process works.

Tillis, Daniel

Any other comments or topics related to income collection? So just to recap, we've decided to go with the approach that's currently used by the agencies for LIHEAP and that sounds like will also be used by the other utilities with collecting gross amounts for each income type and then applying deductions to those. As part of that discussion, we decided in addition to applying over the phone and online as an option, we'll also create a paper form to be used and we'll need to work through all of those details as we get a little closer, after we get all of the big items decided on for filing. I'm not seeing any hands up or comments in chat. Our next topic is the email from Yochi in response to our request to move from the discount rate discussions to AMP design. Within that Yochi and others agreed, in separate emails, that we could do that starting this week, that we were far enough along on the bill discount rate to start trying to work out the high-level details of the AMP as well. Hopefully, we can file by July 1st for both programs. Yochi also shared some comments about agreements that may have been missing from the agreements document and the tariff, and then I replied with some comments as well. Is there anything else we need to discuss before we move into the AMP discussion? I do want to reiterate what I said in my response at the beginning of this email that we understand the draft tariff still needs some work and as we get closer to filing, it will need to be reviewed by this group with the opportunity to provide input and make adjustments. That was not intended to be even close to final.

Yochi Zakai

I thought that was the case. Just so you know, in responding to one, I wanted to make sure I was responding to both.

Tillis, Daniel

I think we could probably go through a lot of these fairly quickly because we're on the same page on many of them. Yochi, do you want to lead this part?

Yochi Zakai

I'd be happy to. You've done a great job facilitating today. It looks like we're on the same page for the first point that the customer can enroll by contacting either the Community Action Agency or Cascade. The second point was enrollment in the program, as a part of enrollment in the program, the customer

is also consenting to share whatever data is in their application with the Community Action Agency. The dual purpose of that one is the referral so the Community Action agency can follow up about providing additional services like LIHEAP and all the other programs that are offered, and the second one is for the purposes of income verification. If the customer is selected for income verification, then that information will need to be shared with the Community Action Agency. I think there are some other reasons as well that I could go into, but I'll leave it there for now and can expand on that more later if necessary.

Tillis, Daniel

I'm OK with that requirement. I just want to make sure from a Commission staff standpoint that they didn't have any concerns with that. It could be seen, I think, as a barrier to entry for those customers if that requirement exists and we're trying to keep those barriers entry as low as possible.

Roberts, Andrew (UTC)

I don't recall exactly what information will be collected on the Cascade form. I know earlier on in the process with Avista there was a significant discussion on this point and where things ended up was kind of a compromise. Is there somewhere that I can see specifically what data points would be included in the in the information sharing?

Tillis, Daniel

I can share that.

Yochi Zakai

While you're getting that, I would just observe that I think what most people would consider the more sensitive demographic information. All of those questions are optional, so the customer is not required to provide that information, and I think this is the same place we landed with Avista and PSE. The customer isn't required to provide the information, but if the customer provides the information, then it will be shared.

Roberts, Andrew (UTC)

Alright, thank you Yochi. I don't think we need to hold up this meeting for that. If you could just send me what the data points are in email, I can get back to you.

Roberts, Andrew (UTC)

OK. Thank you.

Yochi Zakai

I'm pretty sure this is the same place we ended up with in the Avista conversation. I would point out I hope that Cascade decides to store preferred language in their customer system so that they'll know a customer has a preferred language.

Tillis, Daniel

Yeah, that's where it will be stored and we've started the process to collect that information, but it's very early so we don't have much data at all in that area. Are they going to get this opt in consent to share information with the agencies before they ask those optional questions, did you get that far?

Yochi Zakai

I don't think we've developed scripts yet.

Tillis, Daniel

All right.

Yochi Zakai

I think that's kind of a communication plan and call center scripts, which I don't think anybody's at yet.

Tillis, Daniel

I think we're ready to move the next one.

Yochi Zakai

The next one was the referral process. This is very similar to what I said before, which is sharing contact information for the customers who apply for BDR, so that the CAAs can follow up and offer to provide additional services.

Tillis, Daniel

With that you mean that for every customer who applies and qualifies through the company, we send that customer's information to the agencies?

Yochi Zakai

I'm going to defer to the agencies to ask how this would best be accomplished.

Lorena Shah

I think my thought is either a weekly or monthly report. I don't think we need a ton of information from them. I think their FPL or AMI will be helpful to have so we can do a quick scan to see if they are eligible for LIHEAP or if we have other programs they may be eligible for. But I'm more of the mind to keep it simple with their contact information and their preferred contact.

Misty Velasquez Community Action of Skagit

I'm thinking along the same lines like their name, address, their preferred means of contact, because that's how we're going to get in touch with them, and either they're income that they reported to you or the percent of FPL so we can do a quick scan to see if they even qualify for any programs that we may offer, and then we would be able to give them a call to see if they would like to schedule an appointment.

Yochi Zakai

I just wanted to add, the optional demographic information would also be included if the customer provided it.

Misty Velasquez Community Action of Skagit

I would prefer how many people live in the household as well, because if I'm just looking at a name and address with an FPL, I'm going to assume it's a one-person household and then not going to be able to determine if they're eligible or not if I don't know how many people are living in the home.

Tillis, Daniel

The data we're providing, I think everything you've talked about would be in any reports we have. If we're going to use this referral process, we'd send that over to you so customer name, address, email address, and then all of the income, household size, and optional demographic data. We don't currently ask customers what their preferred contact method is, so we don't have a lot of insight into that right

now. It might have to be something we add to our process and include going forward, but I'll have to get that added to the list.

Misty Velasquez Community Action of Skagit
Do you have a contact method though?

Tillis, Daniel

We have a lot of contact methods. We have bill inserts; we have phone numbers.

Misty Velasquez Community Action of Skagit

No, I mean when you create an account with Cascade, do you collect a contact phone number so you would be able to provide that information to us?

Tillis, Daniel

From a safety standpoint, there has to be a contact number, so we're almost always going to have that unless it gets missed somehow. We ask for email addresses, customers can opt in to providing their email and of course, we have their mailing address. Since it's a valid business purpose and as long as we're sharing those with contracted third parties for the purposes of energy assistance, I think we're covered there with our privacy policy. This is the first time I thought about it being a company driven referral process where we provide this information directly to the agencies versus when we're qualifying the customer, we tell them you can also qualify for other services like LIHEAP and rental assistance and provide the local agency's phone number and address. We assume as a company that if the customer gives us their email address that is their preferred contact method. You will have the other contact methods also if you want to use those if the customer is not responding. I think it makes sense for us at some point to add asking that question somewhere in our flow, we don't provide that today as an explicit question that we've asked the customer.

Yochi Zakai

The next items are what I flagged that I'd like us to consider in the future. If you'd prefer to use our time now to discuss changes in income or your question about demographic data, I'm happy to do so. I also want to be cognizant of your request to start the discussion on the AMP program and put these on the agenda for future weeks.

Tillis, Daniel

I appreciate that. For the KPI's, I don't think we need to outline all those before we file. I think we probably need to decide on the possible extended enrollment term. I don't know if we need to answer that one before we file or not, so I think we need to address any of these that we need to come to a decision on before we file probably today.

Yochi Zakai

Well, then let's go through it, because I think that those first three are probably things we should talk about before you file. We've already received agreement on language and disability status, and it looks like Cascade had a question about what options are available for disability status. Could one of the agencies could answer that?

Tillis, Daniel

Lorena and Misty helped me via email this morning on that one, so we're good there.

Yochi Zakai

Next was change in income. The proposal that I want to put forward is that we don't tell customers that they're required to report any changes in income for the enrollment period. Some of these programs do tell the customer that they're required to come back and report changes. But I guess my preference is not to do that, but I think we do allow customers to tell us that their income has changed if they want to and then there are two options. If they do, one would be the customer says that they have an increase in income and one the customer says that they have a decrease in income. My preference is if the customer says they have a decrease in income, then what PSE decided is that they would enroll the customer in the new tier based on a self-declared income and then trigger the post enrollment verification process so that the that customer would be required to provide income documentation to the CAA. I think another option that could work is if Cascade can say that they don't want to deal with changing decreases in income after our customers already enrolled and just say that that's something that has to go through the Community Action agency, then the CAA would require documentation in order to process a decrease in income that changes the bill discount tier. I guess the last part about my thoughts on changes in income is that if someone wants to tell us that their income went up and that they want less of a discount then they should be allowed to do that via self-attestation to either the company or the agency.

Tillis, Daniel

Does anyone have any thoughts on customers not being required to report an increase in income?

Lorena Shah

I agree with Yochi's stance on that.

Tillis, Daniel

I don't recall what we have in the tariff in Oregon, or what we have in our program guidelines in Oregon, Chris or Shannon? I don't feel like it's called out that a customer's required to report an increase in income, but I could be wrong on that, and I don't think our Cascade employees advise a customer that they're required to give us that.

Mickelson, Christopher

They're not required to do that, both the customer or our reps.

Tillis, Daniel

I would be OK with starting that way for increases in income and seeing if we have any concerns. I don't think there will be any. As far as customer's decrease in income. I think we addressed that a few weeks ago where we agreed that a customer could only self-attestation to qualify once per year. If they contact the company within that one-year period to requalify that we would refer them directly to the Agency for the income verification process, I think that's a good process to follow. A customer can only qualify via self-attestation once per program year. If they qualify via self-attestation on October 2nd and then they call us back in March and say my income has gone down to X and I'd like to see if I can get a greater discount, our CSR should look at the account, see the self-attestation already occurred, and then advise the customer they need to go through your local Community Action Agency to provide verification of that income decrease essentially.

Yochi Zakai

Yeah, I think that's reasonable.

Tillis, Daniel

Anybody have a different opinion? I see thumbs up. Now for enrollment.

Yochi Zakai

We agreed to a two-year enrollment term for everyone who comes on to the program, although there are the possibilities of an extended enrollment term for customers who have fixed incomes. I believe with Avista we did agree to an extended term, but I need to look that up because I don't have it off the top of my head. Lorena, could I call on you to discuss the types of customers that are on fixed incomes that typically we wouldn't expect that to change over a very long period of time.

Lorena Shah

That's going to be folks where the only income in the household is the fixed income, so that's going to be your SSI, your regular Social Security, probably also SSDI. So, the three that are administered by the Social Security Administration, pension potentially as well as if somebody has a private pension or employee union pension of some sort.

Misty Velasquez Community Action of Skagit

I don't know if we're going to be counting veterans as income, but that would be another one.

Lorena Shah

But VA income, which is kind of another piece, that's different. It's really going to be different between the utility and LIHEAP, because LIHEAP now doesn't count VA benefits at all. I think it's the Social Security and then a VA pension or a regular pension. What we don't count is the fixed income is TANF or unemployment because those are subject to change throughout the year.

Misty Velasquez Community Action of Skagit

Right. So basically, any income that's not going to change: a person's retirement, permanent disability, elderly, or something along those lines.

Lorena Shah

And we know they change from year to year, that there's always an increase, but it's minimal enough even on the big years that it won't make a tier difference or shouldn't warrant somebody having to reapply early.

Mickelson, Christopher

So Yochi, is the purpose of this extended enrollment term to essentially not touch these accounts for a longer period of time or because we know they have fixed income is that basically why?

Yochi Zakai

Yeah, to make it easier for the customer; they don't have to come in as often.

Mickelson, Christopher

I, myself, would disagree with doing this and I get that reasoning, but my reasoning is this would not be beneficial to those customers if they're truly on fixed income and we think it really doesn't change from year to year. What will change is the FPL and AMI baseline, which will be going, I would assume, up, but it could go down. If it goes up, then so does energy burden and where they fall within the tiers could drastically change. So, three years from now, maybe they were Tier 3, but because AMI or FPL changed, they now may qualify for Tier 2. I get why you're wanting to do it, but it may actually be detrimental to

those customers. This may be one of those things we just let this program go in place for two 3-4 years and reevaluate.

Misty Velasquez Community Action of Skagit

So the majority of these customers are probably also going to be getting LIHEAP from us.

Mickelson, Christopher

So then they'll certify anyway so it doesn't make sense then to have this.

Misty Velasquez Community Action of Skagit

Right, so what if there was a way if they came in for LIHEAP, we were able to go in and just adjust their income, but they didn't have to come in or they don't have to call, they don't have to go through the whole process again for a recertification.

Tillis, Daniel

Misty, if at any time the customer requalified with you in the next program year, they'll automatically be reenrolled for 24 months.

Misty Velasquez Community Action of Skagit

It sounds like it's going to do that anyway, if they're getting assistance through us.

Yochi Zakai

If they come in for LIHEAP every year or two.

Misty Velasquez Community Action of Skagit

I guess that's where that referral process is going to come into play too, for people who are on fixed income.

Tillis, Daniel

Chris mentions a great point, if customers are not requalifying, it could be to their detriment since they might qualify in the future, especially over a two- or three-year period, at a higher tier. So, it could be negative and then I think the other is you're treating these customers with a fixed income more favorably than you are a customer with a non-fixed income, but they may have the same FPL/AMI and so now because your income is fixed, treating you differently than I am, because your income it's not fixed and I'm not sure that's the right approach. Corey asked Shay Bauman to join us today to go over Avista's approach. Hopefully 13 minutes is enough time to do that, but if everyone's OK, maybe we can table the rest of this discussion and the other couple of topics on this email for next week and allow Shay the rest of the time in the meeting to go over Avista's program with us. Shay, I'll turn it over to you.

Shay Bauman (PCU)

Thank you. So, for those that haven't met me, my name is Shay Bauman and I'm a regulatory analyst with Public Counsel. I think I've sat in on a couple Cascade meetings before when Corey was out, but I'm mostly on the Avista group. I'm going to give an overview and I can definitely keep it short for you. Avista first implemented its arrears management plan back in 2021 and this slide here shows an overview of the current AMP guidelines, AMP being arrearage management plan or program. It is available to customers at 51 to 200% of federal poverty level, and it has an arrearage forgiveness program for those at zero to 50%. The benefit uses LIRAP funds to cover 90% of customer arrears as an incentive for regular on time payments, up to a maximum of \$2500. So, the way it works in practice, as

you can see what this example here on the slide is, they would calculate 10% of the total arrearage balance divided by 12, which would be the monthly payment for the customer and the other 90% would be the monthly payment from LIRAP, which would appear as a credit on the customer bill. If the customer misses two payments that are not in full or on time, they would be terminated from the program. But assuming they make all of their payments after 12 months, that bridge would be fully paid down. Recently, the LIRAP subcommittee has been working on evaluating the program and doing an AMP revamp, if you will, and some of the changes that we've made to the program so far are adjusting the maximum program benefit from 2500 to 5000 for customers that are experiencing an extenuating circumstance as long as that customer has made good faith payments and or been in communication with Avista regarding their situation. Now with the previous program design, the AMP could only be used once all other methods of assistance have been exhausted. This one does add a little bit of discretion for the Community Action agencies to enroll prior to all other forms of assistance being exhausted, as long as it aligns with their processes or can best serve the customer to avoid collections or something like that.

Mickelson, Christopher

Real quick before you go on the maximum is that for, since Avista and PSE are both dual utilities, is that for both electric and gas?

Shay Bauman (PCU)

Correct, annual amount but the program is only going to be implemented for a year. This extenuating circumstance maximum is only used once, at which point the group is going to evaluate the success of the program and if it should continue. So, one of the things that we had been grappling with is what qualifies as an extenuating circumstance and how do we want to verify that? As you can see at the top here with our initial program language, we had a list of all these different situations that could qualify as an extenuating circumstance, but we ran into a few issues with this. One was, whatever the reason may be, some of these situations can be very private and sensitive matters for that household, and the extent to which you know we want the agencies to ask for data to verify. That could be an issue, particularly with, you know, medical issues and such and one thing that the SNAP representatives had brought up is given sort of this broad definition of what could be an extenuating circumstance at one point, do they actually say no? If you think about it, simply being in a situation where a household has an arrearage balance that's greater than \$2500 alone is pretty extenuating in and of itself, so we changed the language to the below to basically add some discretion to the Energy Supervisor and Cares Representatives, which will be collaborating and evaluating each case. And because it has this broad discretion, we noted that if an application is denied, they should fully document why it was denied, and if a customer feels that they were wrongfully denied, they should be able to appeal that similar to how they can with LIHEAP benefits. In practice this looks pretty much identical to the previous program design, but just with a higher maximum. In the example here, the customer pays 1/12th of 10% of the total arrearage each month and is credited 1/12th of 90%. The plan right now, as I mentioned, is to keep it in place for one year to gather some data to determine if it should continue and make any necessary changes. If it does continue, since it is only one year, it can only be used once. But the terms for the AMP previously will remain for the customers up to \$2500, a customer could use it twice in a seven-year period with agency discretion to allow a third use within those seven years if the situation calls for it. And actually, when preparing this, I realized we hadn't really discussed how this would interact with how many times the customer can use the program, so I brought that up to Ana and she said we do need to

talk about that a little bit. That will definitely be worked out as we keep going through all of the language and then we have some preliminary KPIs on how we'll evaluate the AMP as well, was collections or severance avoided by program enrollment, what percent of those who are 60 days past due have enrolled in the AMP or received the arrearage forgiveness and the overall success over time and how was it administering for the Community Action agencies and the overall customer experience that we're going to evaluate. So that was a high-level overview, if anyone has any questions, I'd be happy to answer them. No questions.

Yochi Zakai

I just want to clarify my understanding of what the one-year term is for extending forgiveness from \$2500 to \$5000 as the maximum benefit, but everything else you've described is the permanent program, right?

Shay Bauman (PCU)

Correct.

Tillis, Daniel

So meaning that's a one-year kind of trial term for the extenuating circumstances?

Mickelson, Christopher

But for the \$2500 normal maximum amount, that's an annual number for each program, you're correct.

Shay Bauman

Yes.

Tillis, Daniel

I'll throw this question out there to ask you if there's been any discussion about an alternative option with Avista, and then maybe if we have any time left to get the group's thoughts on any appetite for an alternative approach for Cascade. Was there any discussion at any point of rather than using a 12-month period during which the customer would have an obligation of 10% of the arrearage amount and the AMP program would forgive 90% over that 12-month period, and then if arrears would be taken care of, in tiers one and two or 100% forgiveness is in place, but tiers 3 through 5 where it's a lower than 100% percent amount just giving that forgiveness right up front, applying a credit or pledge to the account up front and then working with the customer on a time payment arrangement that doesn't require an obligation to get that arrearage management or forgiveness up front.

Shay Bauman

You know, there might have been. They implemented this in 2021 and I started working here and being in Avista groups late 2020, so all of those conversations kind of happened before I started, so they might have discussed it and I could definitely ask my contacts over at Avista if they had, but I know that the design that we're doing now is sort of building on that foundation of the program.

Tillis, Daniel

Thank you. And I sent out that alternative approach, just Cascade's recommendation as a reminder of conversations we had months ago, to this group via email. Corey replied, indicating that he preferred the traditional AMP 12-month approach. I listed in there, what the company believes are the benefits of giving that percentage of forgiveness that's not 100% up front, and then working with the customer on an extended TPA that could be longer than 12 months depending on how much is remaining for the

arrears. We only have a couple minutes left but I really want to know if there's any appetite at all for considering that as an option for the reasons the companies presented.

Corey Dahl (PCU-he/him)

I'll just jump in and say I think it might be worth discussing and having the program before the group I certainly wouldn't suggest foreclosing that conversation before we even have it.

Tillis, Daniel

The main benefit I've heard where you stated in your email is that the 12 months gets the customer in the habit of making regular on time payments, and I appreciate that benefit. I think the company's position is that the other benefits of giving that assistance right up front with no requirement for the customer to maintain on time payments for that 12-month period feels like a greater benefit for the customer. That's really our greatest reason for wanting to take that approach. It does require less system work as well and would likely result in a more accurate process, but the main driver is really the greater benefit that we see for the customer, so with that, we're out of time. I know we had some lengthy discussions on several topics but all good stuff and Shay again, I appreciate your patience with us and that overview. I think for next week my suggestion would be to pick up where we left off on that email and then really pick up from Shay's review and I'll include screenshots I took of the slides and the agenda, if she's OK with that, or if she wants to share the presentation we could do that too, and pick up from there. I think that discussion on potential alternative approach and then whatever we decide on to really dive into the AMP design. I'll send out a suggested agenda, and if you all have anything you want to change or add, just let me know and Shay, thanks for forwarding the slides. Anything else before we wrap up? All right, thanks everyone.