



**WEAF Advisory Group Meeting  
May 17, 2023 2:00 – 3:30pm Pacific**

*Welcome! Please sign in to record your attendance by adding your name and organization in the chat.*

<b>Advisory Group Member</b>	<b>Contact</b>
Blue Mountain Action Council	Sylvia Schaefer
Community Action Connections	Dalia Ochoa
Community Action of Lewis, Mason, & Thurston Counties	Dale Lewis, Sandra Koch
Coastal Community Action Program	Debbie Gregg
Chelan-Douglas Community Action Council	Vern Gurnard, Kristi Hills, Alan Walker
Kitsap Community Resources	Kandi Balandran
Lower Columbia Community Action Center	Deanna Dahlberg, Kathy Bates
NW Community Action Center	Jose Alvarez, Todd Hilmes
OIC of Washington	Heidi Silva, Casandra Ochoa, Candi Jaeger
Opportunity Council	Marie Stangeland, Lorena Shah
Community Action of Skagit County	Misty Velasquez
Snohomish County Human Services Dept	Constance Hockett, Manu Morgan
WUTC Staff	Heather Moline, Andrew Roberts, Andy Sellards, Corey Cook
The Energy Project	Ross Quigley, Yochi Zakai
Public Counsel	Corey Dahl
NW Energy Coalition	Charlee Thompson
Department of Commerce	Michelle DeBell
<b>Cascade Natural Gas</b>	
Mark Chiles, VP of Regulatory Affairs & Customer Service	Lori Blattner, Dir Regulatory Affairs
Dan Tillis, Dir Customer Experience	Chris Mickelson, Mgr Regulatory Affairs
Teri Sovak, Mgr Customer Service, Credit & Collections	Noemi Ortiz, Mgr OR Conservation & Weatherization
Shannon Steed, Consumer Specialist	Jennifer Gross, Regulatory Analyst

1. Company Update – *Dan Tillis*

a. Forefront Economics Needs Assessment Study update

Tillis, Daniel

As a reminder, rather than taking a roll call like we've done historically we're just going to ask everyone to check into the chat with your attendance. The first topic on the agenda is the low-income propensity model that we had agreed to pursue; the last update was that we hired Forefront Economics to create that propensity model for us. You might recall that Mark Thompson from Forefront worked with a few others to create our low-income needs assessment last year. Mark sent us an update last week, so good timing for the question. The propensity model was going to be completed in April to early May; however, the data assessment and the matching took a little longer than expected so that delayed us by a few weeks, then his father got sick and he's the primary caretaker, and then Mark got sick, so those

two things combined caused about a month delay. Long story short, we expect to have the Washington report by early to mid-June, which is right around the corner. Once we get the propensity model from Mark, we'll share it with this larger group as soon as we're able to do so and work through any questions we have with Mark or any issues we experience as we're going through it. Our goal is twofold; one was to see if there are any customers identified in that group who maybe didn't get the Washington Commerce COVID dollar assistance late last year and we might want to provide arrearage relief proactively without the customer calling in, and then more long term is using the model to more effectively identify and conduct outreach to those households that are identified as high propensity to be low income or need assistance based on the model. Any questions or input on that topic?

Yochi Zakai

No questions, but since I made the request, I will say with The Energy Project we're looking forward to hopefully being able to get some customers some more arrearage relief based on what the model provides, so thank you.

b. Overview of Small Group Agreements presentation

Tillis, Daniel

You're welcome. Anything else before we move on to the 2nd and main topic of the day? The other agenda items are really about the new bill discount rate and arrear management plan that is under development by the company and in conjunction with the stakeholders in our small group meetings. I'm going to share this presentation, Jennifer Gross on our regulatory team primarily created this presentation as she's been tracking our minutes and our agreements in the small group. Late last year we started working on getting a bill discount rate in place and then agreed to create a subgroup of this advisory group to meet regularly. Initially it was once a month and then we quickly decided that wasn't going to be enough and so we meet once a week now with the focus almost entirely on the bill discount rate creation and the arrearage management plan creation. Today's presentation is to update this larger group on where we're at in those program design discussions and get any additional input from you on those decisions and or questions you might have. The majority of the presentation will center around the bill discount rate program because that's the part we started with first and then we've just recently gotten to the point on the bill discount rate program where we still have a lot to work out in the details, but the big blocks of the BDR are designed and now we've moved to the arrearage management program to design the big blocks. I'd say this will be about 80-90% on the BDR or bill discount rate and about 10% maybe 15% on the arrearage management program or AMP. I'll just jump into the slides; we worked together initially to establish some goals with the group, and this does not include all of those goals, but it has the major goals of the bill discount rate and arrearage management programs, and obviously, we all know we want to reduce energy burden, keep customers connected to, in this case, natural gas service and other utility service and increase participation in energy assistance programs. WEAFF has increased a ton this year, which is great, and we want to continue to increase participation. We want to have a data-driven evaluation and so we want to utilize data to analyze whether or not the programs are working or if we need to adjust, and we know we will adjust some things to supplement LIHEAP, obviously not replace it, and utilize ratepayer funds to supplement federal funds that customers might receive. And then our goal is to file by July 1st of this year to give plenty of time to get Commission approval and then implement with the new program year of October 1st, 2023. So, for the bill discount rate and AMP, the qualifications as far as the AMI and FPL go, will be exactly what WEAFF is now with having added AMI a few months ago to our WEAFF program. So, 80% for AMI and 200% for FPL, and of course, the number of folks in the household are in that calculation with income to get us to those AMI or FPL numbers. With the new programs, customers will be allowed to self-attest their household income and size to both Cascade or a Community Action agency for qualification. The

company agreed to utilize the current approach used for LIHEAP by the agencies where it's utilizing adjusted gross income, and I won't go into all the information below-- you all should be familiar with the types of income you accept and review, and then the gross deductions you apply to those income types to get to that adjusted gross income; so, the company will follow that same process for qualifying customers. And I should say, if you have any questions, you're welcome to raise your hand in Teams and I'll try to keep an eye on it and pause for questions. We will have plenty of time after we go through the slides to answer any questions you might have. Again, customers can apply through our Cascade customer service team, through a Community Action Agency, by completing an online form on [cngc.com](http://cngc.com), or by requesting a paper form application over the phone or downloading one from our website and returning that hardcopy application. They might also receive that hardcopy application from an agency or CBO and return it as well. We have agreed that we will have a post-[GJ1]qualification income verification process where self-attestation is the main avenue that the company and the agencies will utilize unless they're applying for LIHEAP through an agency at the same time. But with self-attestation, we have decided we will select randomly 5% of all self-attested applications each month for income verification, and the company will provide those accounts to the agencies at the beginning of the month through the Assist Portal that you use today. The goal is to use the Assist Portal. I can't promise right now that we will absolutely have the Assist Portal ready by October 1, so if we don't, we'll have to determine if we delay starting the income verification process until that's ready or if we utilize some alternative spreadsheets to provide that data and get it back from the agencies. We did agree-- and I think it's a good goal to try to have an even distribution across the agencies on those accounts that are eligible for income verification each month-- we'll base that on the county and agency size to try to have that even distribution. Once an account is selected for income verification, the company will provide the initial notification to the customer, advising that they have been selected to verify income and then the agency will have 90 days to verify income for the customer. The customer will need to contact the agency to establish a way to verify their income and the agencies will also have four touch points within that 90-day period where they will attempt to contact customers who haven't reached out yet and verified income. It can be via a call, e-mail, or letter. There will be flexibility in there for the agencies. We will be providing account data that we have including customer e-mail for customers who have opted into energy assistance notifications from the company and agencies will be able to utilize those to attempt to contact customers as well. If after that 90-day period the customer has not responded or provided income verification, the agencies will disposition that verification case in the Assist Portal, advising the company of that non respondent and the company will send a letter to the customer notifying that they have been removed from the bill discount rate program and that their discount will be ending. It's a risk-free program, so the company will not charge back the discounts the customer has received up to that point and it also doesn't say here that there is a 30-day grace period in this window. So, if after 90 days the customer hasn't verified income, the agency will still notify the company that that's the case. The company will allow the discount to stay on the account for 30 more days and then remove it. That gives kind of an administrative buffer so that if the customer is delayed in responding, but they do respond in that window, which gives them a little bit more time. We're not going to tell the customer they have 120 days, but they do and we're still figuring out all the details on how that's going to work. We don't have all that lined up yet, but the customer will basically get the discount for at least 120 days even if they don't verify their income. Also, if they are removed after 120 days and then let's say on day 150, they contact the agency and they verify income, the company will add the discount back at the appropriate discount level and we'll retroactively provide the customer with a credit for any discounts they miss between that 120- and 180-day window. So, essentially, we know the customer was income verified; they just didn't take the action needed to verify their income and we're going to give them the benefit and credit during that time period they missed out on their discount. Agencies can verify income via alternate methods for customers who aren't responding to set

up some time to verify their income; an example would be if the agency has recently verified a customer for some other assistance like rental assistance, they could utilize that income documentation to verify customer's qualification. On the 90-day window, if a customer does verify their income during that time period, the agencies will also disposition the case in in the Assist Portal as income verified at current discount percentage, customer doesn't qualify, or income verified and new tier needed. The company will take the action needed to either remove the customer from the program if they didn't qualify or update their percent discount up or down depending on the new tier level that's required. If they never responded, we'll send a letter advising they've been removed for the program. If any other changes occur, we'll also send notification to the customer that something has changed and advise what has changed. We decided on five tiers, and FPL and AMI are both going to be used for qualification. Tier one is 0 to 20% FPL or 0 to 4% AMI and that's a 90% discount then 21% to 50% FPL and 5 to 12% AMI with a 71% discount. The top two tiers are the customers most in need, most energy burdened and, therefore, they receive significantly higher discounts. Tier 3 is 51% FPL to 100% and 13 to 24% AMI with a 40% discount. Tier 4 is 101 to 150% FPL and 15 to 36% AMI with a 15% discount and then Tier 5 is 151% to 200% FPL and 37 to 80% AMI with an 8% discount. All of these percent discounts are designed to reduce the customers energy burden in general to below 3%; that's all based on data and calculations to get to that number without LIHEAP being considered in in the calculation. We will auto enroll any customer who qualified for any WEAFF, LIHEAP or Winter Help during the current program year, which is October 1, 2022, through September 30th, 2023. For customers who qualified for WEAFF or Winter Help in conjunction with LIHEAP, and their FPL or AMI is submitted in the portal, we will auto enroll the customer in the correct tier. If a customer qualifies only for LIHEAP, we aren't always receiving the AMI or FPL, so we will send those accounts to the appropriate agency and ask them to give us the AMI & FPL. The agencies will have to calculate AMI & FPL if you haven't already and then send it back to us and we'll auto enroll the customer in the correct tier. If for some reason you don't have the income data for that customer, we know that their FPL was no greater than 150% FPL since they qualify for LIHEAP, so we will auto enroll those customers into Tier 4. We don't expect to have many of those since you're typically going to have their income and household size information. Those customers who were auto enrolled will receive a letter advising that they've been auto enrolled and into which tier they were auto enrolled, and the letter will also indicate to them if they feel like they might qualify for a different discount level to contact the company and we'll evaluate that. They can do that at any time. And in Oregon, where we already have a bill discount rate in place, we do have customers who do respond to those letters and give us updated information and enroll in a different tier. This is kind of a topic within the topic and through this process in the small groups, we also finalized all the details for our CBO outreach program. This is a topic we've discussed a few times in this larger group meeting and in early May we finalized all the details of the program for this year to get started. I'll share a document with you after we get through this presentation to cover a couple of other things. There are five agencies who have who opted into participating in the CBO program this year. Those agencies will contract with CBOs to help promote WEAFF to start with, because we've basically already started the CBO program and then ultimately starting in the late part of this year, the BDR and AMP programs. The funding for the first year is \$73,000 spread out based on agency size and CNG account population in those areas. After this year it will be up to 5% of the WEAFF annual budget every year thereafter and we'll provide that budget at the beginning of each program year. The last thing is we are asking agencies to provide quarterly reporting. Lorena shared a template that they've used for their CBOs for the Emergency Rental Assistance program, and we modified that for the purpose of the CBO program. At least to start with, I'm sure it'll be a living, breathing, evolving document that we will continue to develop and I'll share that template as well when we get to the specific CBO topic, and we'll get through some terms and conditions. Transitioning a little bit to AMP for a minute, we did decide that we would eliminate WEAFF as it exists today, with LIHEAP and Winter Help continuing as the energy assistance programs, in addition to the new BDR and AMP.

Essentially the BDR will replace WEAFF, but as far as arrearage assistance with past due balance, AMP will serve that purpose. A customer may only self-certify once during the program year so if they self-certify with the company or the agency in October and then they call back in December to self-certify again, they'll go through an income verification process because they can't self-certify again. If they contact the company, the company will refer that customer to their local agency to go through the income verification qualification process. Customers aren't required to report a change in income, but they may voluntarily do so. If a customer's income goes up and they want to report that because they feel like they shouldn't get the same level of discount, then they can do that, and we'll get them into a new tier. If their income goes down, we hope they would report that and get into a higher discount tier, but they're not required to do it either way. The term of the discount will be 24 months and that term will restart with each application or assistance grant so if a customer qualifies for a bill discount rate, and they don't contact us again for 24 months, their discount will last two years. If they contact us the next year to qualify for a discount or an AMP or Winter Help, then their discount will start over for another 24-month term. So anytime the customer qualifies for LIHEAP or other assistance they will reset their 24-month term discount essentially. We had some discussion on whether or not there should be any special provisions for medically fragile customers and decided because it's a bit of a gray area and difficult to develop those special provisions and identify those medically fragile customers and how to handle them, that we would start the program initially without any special provisions for those customers. Continuing with terms or agreements with the agencies, the company will ask customers to voluntarily provide demographic data and when they do voluntarily provide that demographic data, we will provide that to the agencies monthly and that can be utilized for various reasons, including helping you understand the customer before you try to contact them for income verification; the table on the right includes all of the different demographic questions we've agreed to ask and the values for those that we still have, some under development as far as the values go. We haven't decided exactly what to list for preferred language. We need to figure out what we believe we should include in there, but I'll spend a little bit more time on this slide so that you all can look through those items. One important point here is that when we qualify customers for the bill discount rate program and we ask them the voluntary demographic questions, we will share with the customer that by participating in the program, they are opting into the company providing their account information, as well as any voluntary demographic data, to the agencies and if a customer does not agree to that, then they won't be able to participate in the bill discount rate program. If they do agree and they participate, then we'll provide the data. Misty asked are we asking for monthly or yearly gross income? That one has changed since we put this together, we changed to monthly Misty, so we'll need to update this. And Jenn, we don't really have an application that a customer completes to apply for the bill discount rate internally when they apply with the company. This data will be placed into the Assist Portal and that's how it will be provided to you on a monthly basis so when you when you receive that data, if that account qualified or was selected for income verification, then this data will be there for you to view while you're working with that customer. Or if you're just looking at the accounts to determine if they qualify for the bill discount rate but they haven't received LIHEAP and you want to contact them to see if they participate in the LIHEAP program, then you'll have that data available as well before you try to contact that customer for other assistance purposes. It will be tied to the account in the Assist Portal. Yochi made a point that the agencies can continue to use the one-month, three-month, twelve-month income clock qualifying method. Actually, the company agreed to do that as well. We didn't call that out here, but one of our agreements is that we'll start with one month and, if the customer doesn't qualify, we'll go to three and if they don't qualify, we'll go to 12. If the customer doesn't have 3 or 12 months available, they'll need to call the company back or qualify through the agency. We won't be able to wait for an extended period of time for the customer to go find that information. They'll have options to reach back out to us, or the agency.

Misty Velasquez Community Action of Skagit

You said there was no application. Since they're self-attesting their income, will there be any signatures required on anything?

Tillis, Daniel

No, we record all of our calls and keep those for a year, and so they're verbally allowing sharing of their account information.

Misty Velasquez Community Action of Skagit

So clients are only going to be going through Cascade to get approved for BDR?

Tillis, Daniel

No, they'll go through the agencies for BDR as well.

Misty Velasquez Community Action of Skagit

We don't record our calls to get all of that. I think we should have some kind of application, and I thought we had discussed this, and we were going to come up with a paper application of some sort.

Tillis, Daniel

Well, we did agree to have a paper application and if you all want to use that, you're welcome to use that. I don't know how you would get a customer to sign that though if they're on the phone with you and qualifying via self-attestation.

Misty Velasquez Community Action of Skagit

We would have a script to read to them and then taking a verbal signature over the phone from them. The script would let them know what they're saying is true.

Tillis, Daniel

I think I understand what you're saying. I don't think we've talked about that yet. And so, it may be something we need to discuss more. Today, we don't do that in Oregon, where customers can qualify via self-attestation, both through the company and the agencies. I don't know if the Oregon agencies are doing something like that or not, but we can certainly talk about how we want to handle that. If anybody else who's in the small group meetings has an opinion on that or thinks we talked about it and decided on and we missed, feel free to jump in here. But it sounds like something we may need to discuss more.

Yochi Zakai

It's one of those things we can discuss if it should be a Cascade requirement, but it might be the kind of thing that we allow agency discretion because some agencies might want something more formal. Other agencies might be OK having a more informal verbal signature. We should think about if there's a need to formalize a requirement around that or not.

Tillis, Daniel

Jennifer Gross, can you please add that to our list of items that we need to discuss more? I appreciate the comments in chat. That probably gave everybody time to look through the data some more as well. We will apply and expend LIHEAP funds before applying the bill discount, and so we know that sometimes LIHEAP pledges will create a credit balance on an account and we're working to put in

mechanisms to not apply a bill discount until that credit has been completely used and the customer starts having a bill amount due so that we maximize the use of federal funds before we utilize any ratepayer funds. We learned that you all utilize the usage data today to calculate LIHEAP and so we'll provide both the pre- and post-bill discount energy usage and bill amount data for you to utilize for that purpose. I already talked about utilizing the Assist Portal for post income verification. Again, I can't 100% commit it will be ready by October 1, but we're doing what we can, and we'll figure it out if it's not. We talked about whether or not fixed income customers should have an extended term beyond the 24 months, but we decided that we'd start with every customer, fixed or non-fixed income, will have a 24-month term. When customers are nearing the end of the 24-month term, the company will communicate with customers that they are near the end of the term and that they'll need to reapply if they feel that their discount should continue. We're going to have an annual report that will replace the WEAf annual report, and we have not determined all of the KPI's or metrics that will need to be included in that report yet. One thing we did decide based on prior discussions is whether or not fixed income customer should have a longer term. The annual reporting will include the number of customers with a fixed income or disability status, the percentage of those customers who reapplied into the 24-month term and the number of customers who contacted the agency to inquire about other social services. That will require some partnership with the agencies to get us some of that data, whether or not a customer is disabled or not is a voluntary question, so we won't have that data for every customer. We've agreed to work on a joint communication plan with all of the stakeholders involved in the development of the programs and with the agencies. This next one is a key decision, for the arrearage management program, a traditional program called an arrearage management program forgives a certain amount of an arrearage over a period of 12 months, with 1/12th of that forgiveness occurring every month as long as the customer makes their percentage of the past due amount that's not forgiven over that 12-month period on time and regularly, in addition to their normal bill each month. The company proposed trying something different and forgiving all the arrearage amounts up front. We haven't decided on the percentages for each tier yet. Hopefully we'll decide that next week. We have to make sure everybody's still on board with this approach. When we do forgive that, for the bottom 2 tiers--50% FPL or 20% AMI--I think it is the equivalent or below, those customers will get 100% arrears forgiveness. We haven't determined the percent forgiveness for tiers 3 through 5 yet; that's still TBD. When those customers in tiers 3 through 5 receive the arrearage forgiveness, the company will also proactively offer those customers a time payment arrangement up to 18 months, as the initial thought that hasn't been finalized yet, but that's the current plan and is not 100% final. Some items we've added to a list is program evaluation items. In a couple of years--we'll determine the right time period to ask these questions. Back to the medically fragile customer question of whether or not we should have special provisions for those customers, we want to evaluate that and how that's going for those customers in the future, so we can decide if they should have special provisions of some sort. That is the same with fixed income customers, is 24 months the right term period or should it be longer? We want to determine if hardcopy applications are being used by someone other than maybe the agencies with the CBOs or are they actually being requested by customers from the company or being downloaded from our website by customers. And then the arrearage forgiveness that I just shared on the AMP, is that upfront forgiveness working effectively compared to what PSE and others are going to do without 12 months? Which one is working better and does Cascade need to change their approach to that? Other things we still need to discuss are the program name, and if we want to have an overall umbrella name for the two programs, BDR and AMP together, the percentages of arrears forgiveness for those tiers 3 through 5, as I mentioned, if LIHEAP is a prerequisite for arrears forgiveness. In the last meeting there were some discussions on whether or not a customer should be required to go through an agency first to see if they qualify for LIHEAP before they're qualified for the AMP program. We need to continue that discussion if an agency qualifies a customer for LIHEAP and the bill discount or AMP programs at

the same time. LIHEAP requires income verification; BDR and AMP do not, so how are the agencies going to handle that? We have to determine Cascade's payment arrangement, payment plan programs, how we discuss that with customers, how it's shared with them when they are self-serving either on our IVR or our website and creating a time payment arrangement. I can tell you based on our meeting from last week and in conversations I've had since then, we will be updating our IVR to advise customers of a longer-term payment being available if they speak to an agent, or energy assistance being available if they speak to an agent rather than self-serving on the IVR for the pay plan. I want to share that verbiage with the small group before we submit those changes but it shouldn't be any issue getting that made well ahead of this program you're starting. We haven't talked about agency fees at all as far as income verification process goes. We haven't worked out all the marketing outreach for the program or the details of the joint communication plan. We have not finalized how we'll recover costs for the program. Chris actually sent out a document today that helps address some questions around that and then we have to finalize all the KPI key performance indicators and reporting details and the interval for those as well, in addition to the annual report that will replace the WEAf annual report. That's it for the information to share on the bill discount rate, BDR and AMP. We'll pause here for a few minutes to see if anybody has any questions or feedback on what we've decided so far. Ok, nothing.

[GJ2]

#### c. CBO Program Update

Tillis, Daniel

I am going to now go to the CBO document very briefly. I think most of what's in here, we just talked about, but I just want to make sure this group has all the information and I want to share the notes that went out after we made the CBO decisions so that you see exactly what we decided. We listed the official program start date as May 1<sup>st</sup>. We recognize that each agency will get started at a different time and at a different rate of adoption. These decisions by the way, were all finalized on April 19th in our small group meeting. These are the five agencies who have opted in for this year and I just approved invoices today so each of those agencies should start receiving their CBO funding within the next week or so. It will be with your normal agency fee payments; you can see that the \$73,000 was in the 22-23 program year and was split across the agencies by the CNG customer count in those areas. Those agencies will receive those funds to work with CBOs in their area in any way they see as appropriate, providing reporting quarterly on their activity, successes and needs. The agencies have the flexibility to use the funds however they see is the best use of the funds. Thanks again to Lorena for sharing this and just some basic information up here about the program. In this case, the agencies will complete these, not the CBO. Several questions are free flow answers. Obviously, we want good data, information, and feedback on how things are going, which CBO did you partner with, most recent quarter to promote WEAf--in this case, will update this for the new program year and to reflect BDR and AMP as the new programs. We also need to know what funds were provided to each CBO during the quarter and what those were used for, so outreach or staffing, events, the cost for printing, food, things like that. Examples of outreach conducted by the CBO, did they conduct workshops, have meetings, some language information in there, if there was some success or activity around outreach to customers who speak a different language as the primary language, success the CBO had connecting people to energy assistance. I'll just say during the quarter, include any data available; if a CBO can say we were able to connect with these fifty people at this workshop and we handed out 28 Flyers, that'd be great to know. Insight into the community served during the quarter, demographics, underserved communities reached, feedback provided from any groups or organizations that could be helpful; and then what additional help or resources does the agency need to improve or enhance CBO outreach? How do we keep making the



CBO program better; it's going to be critical information we get back. The best way they see fit to spend those funds and reporting will really help us understand what's working well and share across the agencies and with the Commission at some point on how the program is working. Any questions on the CBO program at all? As we get closer to the new program year, we'll update on the funding amount for the 23-24 program year and ask if the five agencies who are opted in would like to stay in the program and ask if any other agencies would like to opt in as well.

2. Rate Spread – *Chris Mickelson*

- a. Reviewing the written description provided by request

Mickelson, Christopher

I'll ask if people had time to read that document I sent out.

Yochi Zakai

I did get a chance to read that, and I think that it probably makes sense for us to continue using the same spread as is currently used for the WEAf program because this is replacing the WEAf program and should be providing similar benefits. So, it makes sense to recover the costs in a similar way. Thanks.

Mickelson, Christopher

OK. Did anyone have any questions on the model? There are 4 different rate spread options, but I guess if we have consensus on just going with our current rate spread application similar to WEAf then maybe that portion of the discussions is already done, but figured I'd ask if there are any questions on the other toggles and what they meant. I did provide an explanation of each of the toggles and what they did.

Yochi Zakai

I think the other parties that are most likely to be interested in rate spread would be Public Council and Commission Staff. So, I don't think we should say we have consensus until we've heard that those parties have actually had a chance to think about it. I was lucky that I had time today between when you sent it out and this meeting, but that's not always the case for me.

Corey Dahl (PCU-he/him)

I haven't had a chance to dive deeper into that since you sent that out earlier today. I'll do that and obviously have to consult with our attorneys as well, since that's a bigger issue outside simply the scope of this program makes sense.

Cook, Corey (UTC)

My sentiments are essentially going to echo Corey Dahl's. I haven't had a chance to look through anything that's been sent out yet, regrettably.

Mickelson, Christopher

Alright. Do you think you'll have time and be able to come back next week to talk about that and hopefully try to come to some type of agreement.

Corey Dahl (PCU-he/him)

I should have time between now and next week's meeting.

Cook, Corey (UTC)

So right now, me and Heather Moline, my supervisor, are both in a rate training all week, so I won't have

any opportunity to look at it until Monday at the absolute earliest. I'd say that two weeks from now would be the earliest I can guarantee.

Mickelson, Christopher

OK. Keep in mind we are trying to meet that July 1st filing deadline so having some of these issues keep lingering closer and closer to that deadline could create other hang ups or issues, so just putting that out there, but sounds good.

Tillis, Daniel

I did check by the way we have six small group meetings left before the 1st week of July. So, if we're trying to file by that first week, we have six, maybe 7 if we file by the end of that first week of July.

Mickelson, Christopher

Alright, well I guess the last item would be the arrear balances and the two different tools to analyze the data. There was a percentage method and then an average method and this kind of went back to your question, Corey, at our last small group, but considering you may not have had a chance to read that we can always maybe postpone that discussion until next week. I don't think I have much more to share related to rate spread or arrear balance.

3. Continuation of Arrearage Management program design – *All*  
a. LIHEAP Prerequisite

Tillis, Daniel

Thanks Chris. Does anyone have any questions on the document Chris sent? I would encourage you to read through that document and if you have any questions, go ahead and reply all to the e-mail to ask. And if you feel like you don't want to reply to all, then certainly reply to Chris at least and ask to get clarification and if he feels like the group could benefit from the answer, then he can share it with the group as well. We don't need to necessarily wait until another meeting to get some of those questions answered. The last item that was on the agenda is a continuation of the arrearage management program design and specifically that LIHEAP prerequisite. This came up again the last 20-30 minutes of the last week's meeting and I wasn't on it but my understanding from our Cascade team is that there was an ask to add it to this week's agenda. I don't know if Yochi or others wanted the full group to stay on for that discussion or if you wanted to give the option to stay on or drop if they want to. We can spend our last half hour together on requiring a customer to go through an agency for LIHEAP qualification before they could potentially be eligible for AMP.

Yochi Zakai

We can't force anyone to stay on a call at any time so if anybody wants to drop off, you're obviously welcome to. But as Dan said that the discussion is really going to be about the arrearage forgiveness program requirement, which would also mean requiring the arrearage plan to go through the agency if the customer hasn't gotten LIHEAP yet. One of TEPs goals in designing the program is to make sure that we're fully utilizing the federal dollars that are available before we're utilizing ratepayer dollars. We acknowledge that expanding assistance is going to expand the number of ratepayer dollars that are going to be necessary to run the program. But that being said, we should still try to use all the federal dollars where that's available. I don't think it makes sense to require customers to have received LIHEAP because I want to make sure that customers who aren't eligible, either because of their citizenship status or because they are over income, that they can still receive arrearage forgiveness. But I think it does make sense to have customers who would qualify for LIHEAP to be required to apply first before

getting the arrearage forgiveness through the rate payer funded program. So that's kind of my thoughts and hopefully that's good to recap and let folks know at least where the energy project is coming from.

Tillis, Daniel

I've given it some thought since last week. I read through the minutes and then asked the team for some clarification on some context, and I totally understand the thought process of that. To me it is the most effective way to make sure we're maximizing LIHEAP before we use rate payer funds for AMP. The only concerns I have are it reduces the number of resources available to qualify customers for AMP and so by taking the company out of the AMP qualification process for the customer, because we can't qualify customers for LIHEAP, you're essentially taking 30-40 resources out of the qualification process and then the 40 resources, and I'm giving you an estimated number, would be able to qualify customers for BDR, but if customer has a past due balance while they're qualifying them for BDR, they wouldn't be able to help them with that, except for maybe set them up on a TPA in the meantime and refer them to an agency. I don't know if that's a bad process; it doesn't feel quite as efficient as if they could qualify them for both at the same time. So, I'm not opposed to the customer being required to go through the agency to make sure we maximize LIHEAP before an AMP. Those are the challenges I see with it. I would absolutely prefer to maximize LIHEAP before rate payer funds for sure.

Corey Dahl (PCU-he/him)

I agree with both Dan and Yochi that it's important to prioritize funded dollars when and where we can. A couple of thoughts and concerns and these aren't necessarily concerns that would sway my opinion in terms of supporting this requirement or not but definitely some logistical things to consider. The first is including this requirement, which would obviously require income verification would it create a barrier that we're trying to eliminate? Essentially the primary goal of self-attestation is obviously to expedite the process of enrollment and reduce barriers to enrollment for customers. The other question I have is, would this put customers potentially in a situation where they would have to disclose their immigration status unintentionally and would that be potentially a deterrent to applying for those customers?

Tillis, Daniel

I can try to address the barrier question. I'm not sure I'm the right person to try to address the citizenship part, but barrier for the customer, if you call the company and you have a past due balance, we will typically get into a conversation about your options and that includes a BDR for future help. But if we could qualify for AMP, then they would also include a discussion about potentially helping with your past due balance, or part of it, depending on the income level and then take care of both of those at the same time and refer the customer to the agencies for other assistance. I do think if the process becomes qualifying for BDR based on self-attestation for discount starting with your next bill cycle and I can also give you your local agency information to contact for possible help with your past due balance, then you're asking that individual to take one additional step to get help, so I think that could be seen as a barrier, yes.

Misty Velasquez Community Action of Skagit

I can see it as a barrier contacting the agency because, for one, with LIHEAP, they're going to be scheduling an appointment, so it's not an immediate pledge right away. They'll have to come in for an appointment to show their income if they qualify for LIHEAP. But here's a question: if you were to set them up on an AMP and the client came in and got LIHEAP from us, would you be able to take them off of that AMP and then have LIHEAP cover whatever arrearages because I can see them calling you getting set up for an AMP or something along those lines? They get signed up for their BDR, they come to us to get energy assistance a couple of months down the line, and we give them LIHEAP. How does that all

work out? Or is that just going to go forward and they're still responsible for their portion of their past due amount if it didn't get 100% waived.

Yochi Zakai

I think that's the kind of key thing that I feel like if we're accepting the AMP it's going to provide arrearage forgiveness as a grant and not kind of 1/12th along the way. It seems like it would be a very complicated process for the company to say we're going to take that forgiveness that was applied in the past and switch that from ratepayer funding to federal funding to the extent the LIHEAP grant covers all of that or more, and then additionally, even if the company did figure out technically how to do that, wouldn't the customer incentive for getting LIHEAP go away because the customer would have already gotten the grant up front, especially for those receiving 100% forgiveness.

Misty Velasquez Community Action of Skagit

I agree with that. I also want to say on top of that, if they do come in, they call you; they come in; you've set them up on a BDR;, are you going to stop that BDR because we're going to give them a LIHEAP grant? And then their LIHEAP grant has to end before the BDR will pick up?

Tillis, Daniel

I think you could potentially have that issue regardless of what we decide, because you could give them a LIHEAP grant that's large enough to take care of their arrears and give them a credit balance, right?

Misty Velasquez Community Action of Skagit

True, they could get up to \$1000.

Tillis, Daniel

And that's part of our internal challenge with our systems of trying to use those LIHEAP funds before BDR is applied; if it creates a credit balance. it's a difficult thing for us to do our systems and our IT folks.

Misty Velasquez Community Action of Skagit

If somebody is put on a BDR and they're given a LIHEAP grant, why can't that LIHEAP grant just cover their payment that they are supposed to make until it's gone and not take them off of the BDR?

Tillis, Daniel

That's a good question. I don't know. Teri, do you know the answer to that question? It could be something we could present as an option of how to do it to our IT team that I'm not sure they've thought about. I think our IT team is trying to figure out how they cannot allow the BDR to happen as long as the account has a LIHEAP credit on it, which is the opposite of what you just said. Any thoughts on that, Teri?

Sovak, Teri

I think they were going down that path because we asked them to. Now we're saying they could still receive a discount so that the amount billed was less, but it would be covered by their LIHEAP credit. Is that what Misty's asking?

Misty Velasquez Community Action of Skagit

Yes. Why are we not thinking about just letting the LIHEAP grant cover the client's portion of their BDR payment until it runs out? It would take care of their arrearage. The client wouldn't have to make a payment until they're LIHEAP grant ran out.

Tillis, Daniel

I think the reason we weren't doing that is because we were following the ask to follow the Avista approach of allowing a regular bill amount without a discount to eliminate all of the LIHEAP funds, including any that create a credit on the account before any ratepayer funded bill discount rate is applied.

Sovak, Teri

Dan, does the discount get charged back to the program?

Tillis, Daniel

Yes, it's part of the ratepayer funds that would fund both the discount and the arrearage management program.

Yochi Zakai

I think I can just explain again why I think it's important to apply the LIHEAP funds first before the bill discount and that is the same reason of maximizing the federal funds, right? So obviously LIHEAP would first take care of any arrearages on the account and then after that, if there's a credit, to me it makes sense, in order to maximize the use of federal funding so we're not using ratepayer dollars, have everything covered by LIHEAP first and then once that runs out, then have the discount program use ratepayer funds to provide additional assistance. And the thinking that I have is if a customer qualifies for LIHEAP and they do end up with a little bit of credit on their account, then their energy burden would actually end up being a little bit lower than what our target is because for a month or three months or however long they would get a full credit on their bill rather than a partial credit. But, if we do it the other way and allow the LIHEAP to be applied after the bill discount rate, we're actually reducing the customers energy burden to lower than our target of 3% and I think also risk trading what would have been federal funding for ratepayer funding.

Misty Velasquez Community Action of Skagit

I get that Yochi. My only concern is we see LIHEAP clients all year long and they are obviously going to call and sign up for BDR all year long, but they may come in and that's going to be a lot of manual work for Cascade to put someone on the BDR, then take them off of a BDR when they get their LIHEAP grant and then put them back on a BDR after their LIHEAP grant has ended. I want to utilize LIHEAP to the fullest, but if we are creating all of these programs for clients to use and right now clients are not having to make a payment each month because the LIHEAP covers their payment every month, right? It's a lot of work, I understand where you're coming from, and utilizing it first before utilizing ratepayer funds and I agree with that 100%, but I can see there's a lot of room for error unless there's a computer program that stops it, turns it back on, stops it, and turns it back on.

Yochi Zakai

I am open to reevaluating when we have data on how this actually looks, but the reason why I feel like it's important to start this way is at the end of the day lowering costs for ratepayers, assuming the amount of work is less than the cost, which I am fairly confident it will be, but I guess I don't have data to support that, so I will always be open to reevaluating with data. But again, the impact is the reason why I think it's worth asking, because at the end of the day the benefit to rate payers who many of which are moderate income or low income, who have not actually asked for help.

Misty Velasquez Community Action of Skagit

Jen has a good point as well on the chat. She asked, would CNG apply the LIHEAP based on the pledge or based on when the payment for the pledge is received, because that can be at a very long period of time in between the pledge and the payment?

Tillis, Daniel

I'm sorry. Can you ask that again?

Jen Rightsell

Does CNG apply the LIHEAP pledge based on when we make the pledge onto the account or when the payment for that pledge is received? It could be up to six weeks to two months for that to possibly happen.

Steed, Shannon

We note on the account that we're expecting a LIHEAP payment because we've received a pledge, but we can't apply any sort of payment until we receive it from the agency, so there can be a delay. Like Jen said, the time could vary depending on the agency and how they work internally.

Lorena Shah

Even if Cascade continues with their current policy, which it sounds like you'll have to, which is when you get payment, they'll still already be on a BDR, so we'll continue to receive the benefit of that until the payment is made or we'll have to process an application, so they'll go on the BDR and then there'll be an adjustment once the payment is made. I don't feel like the client is really losing out by being delayed by the payment because they'll receive the BDR until that payment is received.

Tillis, Daniel

There are a few scenarios, the interaction between LIHEAP and the BDR, when an agency approves a customer for a BDR and LIHEAP at the same time. Then when we receive that through the portal, we would immediately apply the BDR and then once we receive funding for LIHEAP, then it sounds like we would apply that payment to the account. If it doesn't create a credit balance, the customer continues to get the BDR. If it creates a credit balance, then we have to essentially stop it and then restart it once they have a debit balance again. You might have the same scenario next year when the customer gets LIHEAP again, and then if the company qualifies a customer for BDR and then that customer is referred to or contacted by an agency for LIHEAP, you'd have a similar scenario. So, to your point, it's very complex for us. Now our IT team would do backflips and cartwheels if we told them we did not have to take that approach and that we could just let the BDR stay on the account regardless of LIHEAP or not LIHEAP, credit or not. But it sounds like Yochi wants to stick with that decision we made previously where we're not going to allow BDR to apply to the account anytime there's a credit on the account that was created by a LIHEAP pledge.

Misty Velasquez Community Action of Skagit

So there could be essentially a period of time where a client's only going to be on the BDR for maybe three months because the LIHEAP grant could potentially take care of 3/4 of a year for them.

Tillis, Daniel

Right. We're running out of time, and this is taking us down a different path that I didn't think we were going to go down but it's a good conversation. One of the counter arguments to not applying the BDR when a customer is getting a LIHEAP grant that provided them with a credit balance is that it probably

means they have very low income and high bills. They're not getting the same opportunity for that LIHEAP or that BDR discount as they would otherwise if you just apply it to the account and it maybe isn't lasting as long.

Misty Velasquez Community Action of Skagit  
Which is a deterrent for them to apply for LIHEAP.

Tillis, Daniel

Sounds like it could be. We might want to revisit that conversation in our next meeting as well. Next Wednesday's small group meeting we have the AMP discussion and whether or not the customer should be required to apply for LIHEAP first. Again, I'm OK with that approach and I understand the reasoning for it. I think one option that we could have is that if the customer's applying for BDR through the company and they have an arrears balance, we could automatically offer them a TPA, which we would typically do anyways. We get them set up on the TPA and tell them to go to their agency to see if they qualify for LIHEAP or AMP. You can apply LIHEAP and try to figure out what we do with those funds combined. For our next meeting, I think we probably need to lay out our options on how we would handle that if we required a LIHEAP application to see if a customer qualifies for that before they can apply for AMP. We will probably have 3 different options: one of those is not having that requirement and just talk through that and hopefully decide in that small group meeting. We have the percentage discount for tiers 3 through 5 or percentage forgiveness for tiers 3 through 5 and then if we have time revisit the BDR approach as far as LIHEAP funds first or not if there is a credit balance, whether or not we allow the BDR discount to trigger and apply to the current month's charges. I hope this was helpful as far as an update for those of you who have not been involved in the small group meetings, we'll plan to do this again in June. This really means we have five small group meetings left because we'd like to do this again before we file. Again, we plan to file in early July, hopefully by July 1<sup>st</sup>, for both BDR and AMP. And if you have any questions at any point or if you want to join the small group discussions, you're more than welcome to; just let us know. Thanks everyone. Have a great rest of your day.