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June 30, 2023

Ms. Amanda Maxwell
Executive Director and Secretary
Washington Utilities & Transportation Commission
P.O. Box 47250
Olympia, WA 98504-7250

Re: NEW, CNGC Advice No. W23-06-02, Cascade Arrearage Relief Energy Savings (CARES) Program

Dear Ms. Maxwell,

In compliance with RCW 80.28.068, Cascade Natural Gas Corporation (Cascade or Company) hereby submits the following tariff sheets stated to become effective August 1, 2023.

Thirty-Ninth Revision of Sheet No. 2	Original Sheet No. 20.4
Twenty-Sixth Revision of Sheet No. 2-A	Original Sheet No. 20.5
Original Sheet No. 20.1	Original Sheet No. 302
Original Sheet No. 20.2	Original Sheet No. 592
Original Sheet No. 20.3	

Also, the Company withdraws the following sheets in their entirety:

- Substitute Fifth Revision of Sheet No. 303
- Sixth Revision of Sheet No. 303-A
- Third Revision of Sheet No. 303-B
- Second Revision of Sheet No. 303-C

Cascade's filing introduces Rule 20, Cascade Arrearage Relief Energy Savings (CARES) Program and Schedule 302, Cascade Arrearage Relief Energy Savings (CARES) Discount Rates which establish an energy burden discount and arrearage relief program, and Schedule 592, Cascade Arrearage Relief Energy Savings (CARES) Cost Recovery, a program funding recovery mechanism. Pursuant to paragraph 75 of Order No. 09 issued in UG-210755, Cascade has collaborated with its Washington Energy Assistance Fund (WEAF) Advisory Group (Advisory Group) to revamp the distribution of assistance to eligible low-income customers. The Advisory Group includes Public Counsel, Commission Staff, the Energy Project, NW Energy Coalition, Cascade, and representatives from each of Cascade's Community Action Agencies.

Since October 19, 2022, Cascade has been conducting weekly meetings with the Advisory Group to establish the new program parameters for assisting low-income customers. In accordance with paragraph 78 of Order 09 in UG-210755, Cascade has filed with the Commission all meeting materials, including agendas, handouts, and transcripts, ensuring transparency and adherence to the decision-making process. The Advisory Group has reviewed this filing and, in general, agrees with its contents with the provision that the program's effectiveness will be reviewed before the start of the 2024-2025 program year.

The CARES Program as established in Rule 20, and Schedule 302 aims to provide qualifying low-income customers with an energy burden discount on their monthly gas bill for a 24-month term, plus arrearage relief, if needed. The program features five tiers of discounts with each tier offering a different discount rate based on the customer's cumulative household income and number of residents in their household. The objective of each tier is to reduce the customer's gas energy burden to three percent (3%) and three and a half percent (3.5%) of their total income, aligning with the targeted 6% total gas and electric burden established by Clean Energy Transformation Act and codified in RCW 19.405.120.

Collaboration with the Advisory Group, consisting of representatives from various investor-owned utilities' advisory groups in Washington, has facilitated the alignment of Cascade's program with similar discount programs that will be offered by other utilities within overlapping service territories. This alignment in messaging about tiers and discounts will reduce the potential for customer confusion.

Complementing the energy burden discount program is the arrearage relief component. Qualifying customers who participate in the energy burden discount program with past-due balances will be offered a generous upfront grant applied directly to their arrearage. This grant of up to \$1,000, available once every two years, is immediate and irrevocable, allowing customers to alleviate their arrearage without a gradual credit-earning process typically associated with arrearage management programs. Customers in lower income brackets may receive up to 100% arrearage relief, while those with higher income may be placed on a time payment arrangement of up to 24 months for the remaining balance.

Cascade is asking for the tariff sheets to become effective August 1, 2023. However, the program will not be available until October 1, 2023, to allow timely implementation of the program for billing system changes, marketing materials, and other program design matters to be in place to allow for a trouble-free launch.

Removing Barriers to Enrollment

In response to Senate Bill 5295's requirement for enhanced low-income programs as codified in RCW 80.28.068, Cascade and its Advisory Group have taken measures to remove barriers to enrollment. Provisions include allowing self-attestation of income and household size for program qualification and acceptance of enrollment in state or federal low-income assistance program to qualify or verify self-attested income.

Also, the Company will automatically enroll 2022-2023 program recipients of Low-Income Home Energy Assistance Program (LIHEAP), WEAF, and Winter Help into the energy discount portion of CARES. These customers will be notified of their enrollment. Placement into the program tiers will be based on the customer's federal poverty level (FPL) or county's area median income (AMI) that was provided with 2022-2023 assistance application. If no FPL or AMI information was provided, then the default program relief will be Tier 4. These customers may contact Cascade or the agencies to unenroll or update their income status to possibly increase their discount assistance. Customers who are not auto enrolled may

participate in the program by contacting one of the designated agencies which will function as a gateway to multiple assistance programs, providing information and enrollment opportunities for non-utility assistance programs when appropriate.

LIHEAP grants will be applied to customers' accounts before enrollment into Cascade's program, ensuring the utilization of both state and federal assistance programs and preventing a shift of bill pay assistance costs from either state or federal funds to ratepayer dollars.

Another means for reducing barriers to enrollment is the engagement of Community Based Organizations (CBOs) to provide program information to communities that may traditionally be difficult to reach. In compliance with Commission Order No. 09 issued in UG 210755, the Company will pilot the use of CBOs for three years (October 1, 2022, through September 30, 2025). The annual budget for CBO activities will be between \$73,000 and 5% of the program budget. At the end of the pilot period, the Advisory Group will assess the CBOs' work and determine if any refinements to CBO outreach are warranted.

The program design aims to be considerate of customers experiencing poverty or facing life crises. It offers generous discounts, simplifies the application process, and does not impose punitive measures typically found in arrearage management programs that make assumptions about customer behavior rather than considering hardship as the primary reason for non-payment.

Agency Fees

Agencies will administer the program, qualifying customers for CARES and performing income verification as needed. To reimburse the agencies for administrative costs, the Company will provide the agencies two payments each program year, one in October and another in January. In the first program year, the sum of agency fees will be equal to 25% of forecasted customer energy discount and arrearage relief benefits assuming 10% program participation. The first-year annual fee will be allocated to agencies based on the number of qualifying customers in each county. In subsequent program years, the total agency fee will be 25% of the energy discounts and arrearage relief paid to customers enrolled in the prior program year.

Program Costs

Cascade estimates that the total program costs for the first program year will be approximately \$X, assuming a 10% participation rate among eligible customers. The breakdown of program costs is detailed in Table 1 below:

Table 1 – Program Costs

Cost Component	Amount	Percentage
Arrearage Management		
Energy Discount		
Cascade Administrative		
CBOs		
Agency Administration		
Total		

At full enrollment, the estimated total program cost is \$X, resulting in an X% increase in overall rates.

The Company will utilize deferred accounting to track revenues and expenses associated with this program. An accounting petition was filed on April 14, 2023, in Docket UG-230243, to request authorization to defer program costs. **Workpaper-1** contains updated cost assumptions for the deferral application.

Schedule 592, CARES Cost Recovery

CARES Program costs will be recovered in Schedule 592, which allocates costs to each rate schedule based on customer class base revenue, as determined in UG-210755. Monthly per-therm charges are derived by dividing the allocations by the annual therm usage for each rate class. Further details are provided in **Workpaper-2**.

The average residential customer on Schedule 503 is estimated to experience a monthly bill increase of **\$X** based on the initial forecasted program costs. Similarly, an average small commercial customer on Schedule 504 will see a monthly bill increase of **\$X**. Estimated bill impacts for each schedule are outlined in Table 2 below:

Table 2 – Estimated Bill Impacts

	Sch. 503	Sch. 504	Sch. 505	Sch. 511	Sch. 570	Sch. 663
Program Costs						
Average Bill						
Increase/Month						
% Increase						
\$ per therm						

At full enrollment, the average residential customer will experience an additional **\$X** per month on their bill.

Withdraw Schedule 303, Washington Energy Assistance Fund (WEAF)

Schedule 303, Washington Energy Assistance Fund, which outlines the WEAFF grant program parameters, is withdrawn. The decision to eliminate the WEAFF grant program was made collectively by the Company and its Advisory Group, considering that this newly created holistic low-income program already provides substantial ongoing assistance. LIHEAP and Winter Help will continue to be available for unforeseen crises that the newly proposed programs do not address.

WEAF Advisory Group Reporting

Cascade respectfully requests that the Commission discontinue all advisory group-related reporting requirements established in Order 09 in UG-210755, as they are no longer necessary.

General

While the Advisory Group generally agrees with the program design presented in this filing, it is natural for parties to concede preferences to achieve consensus. The Company and its Advisory Group commit to monitoring the 2023-2024 program year and may discuss modifications for the 2024-2025 program year.

As mentioned earlier, Cascade is asking for the tariff sheets to become effective August 1, 2023, however the program will not be available until October 1, 2023, to allow timely implementation of the program for billing system changes, marketing materials, and other program design matters to be in place to allow for a trouble-free launch.

For any inquiries regarding this filing, please direct your questions to Chris Mickelson at (509) 734-4549.

This filing contains the following files:

NEW-W23-06-02-CARES-Program-CLtr.pdf
NEW-W23-06-02-CARES-Program-Trf.pdf
NEW-W23-06-02-CARES-Program-Leg-Trf.pdf
NEW-W23-06-02-CARES-Program-WP1.pdf
NEW-W23-06-02-CARES-Program-WP2.pdf

Cascade appreciates the Commission's prompt review and consideration of its filing to provide energy discounts and arrearage relief to qualifying low-income customers in compliance with RCW 80.28.068.

Sincerely,

/s/ Lori A. Blattner

Lori A. Blattner
Director, Regulatory Affairs
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8113 W Grandridge Blvd
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Enclosures

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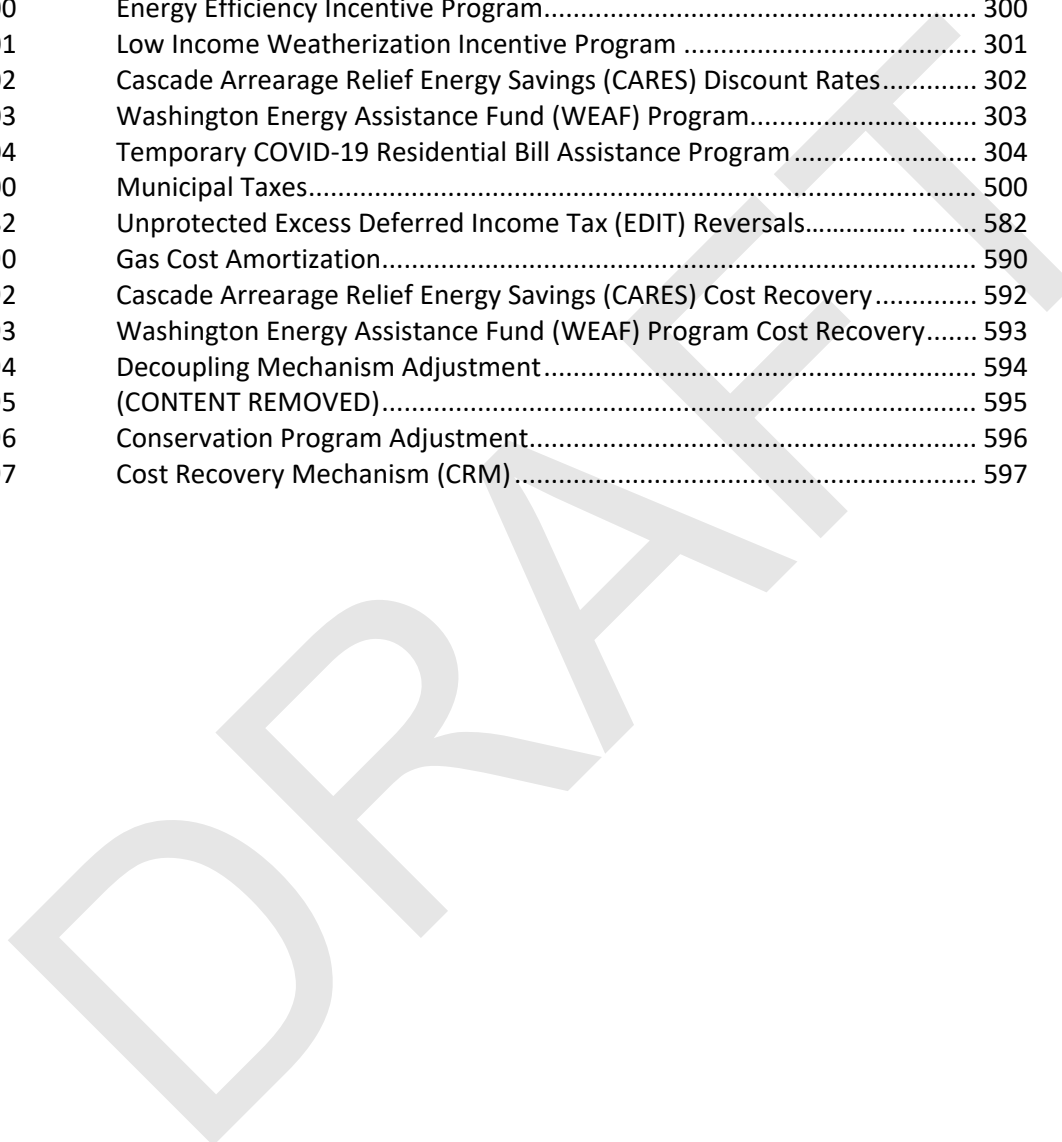
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**RULE 20
CASCADE ARREARAGE RELIEF ENERGY SAVINGS (CARES) PROGRAM**

PURPOSE

The purpose of this rule is to define the parameters for applying an energy burden discount on a qualifying customer’s monthly gas bill and a one-time, up-front arrearage relief discount on a customer’s outstanding balance, if applicable.

AVAILABILITY

This rule applies to residential customers or household members of a dwelling served on Schedule 503, Residential Service Rate, who have successfully demonstrated that their household is low-income.

LOW-INCOME DEFINITION

A customer is considered low-income if their cumulative household income for a specific timeframe within the last twelve months, extrapolated for twelve months, adjusted per the table below, does not exceed 80% of the county’s area median income (AMI) or 200% Federal Poverty Level (FPL) for a household with the same number of occupants.

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%

PROGRAM ADMINISTRATION

The program will be administered by the designated Agencies listed in the table below that already administer Low-Income Home Energy Assistance Program (LIHEAP) funds to Cascade’s customers and have executed agreements for program administration with the Company.

Agencies	
Blue Mountain Action Council	Kitsap Community Resources
Chelan-Douglas Community Action Council	Lower Columbia Community Action Program
Coastal Community Action Council	Northwest Community Action Program
Community Action Connections	Opportunities Industrialization Center of WA
Community Action Council of Lewis, Mason & Thurston Counties	Opportunity Council
Community Action of Skagit County	Snohomish County Human Services Department

(continued)

RULE 20

CASCADE ARREARAGE RELIEF ENERGY SAVINGS (CARES) PROGRAM

APPLICATION FOR CARES

Customers or household members may apply for the program by contacting an Agency or completing an online application on www.cngc.com. Applications submitted on the Company's website will be provided to the agencies for processing.

SELF-ATTESTATION VERIFICATION PROCESS

Customers qualifying for service under this rule through self-attestation may be subject to an income verification process. The Company may randomly select up to five percent (5%) of annual self-attestation program enrollments.

If a customer selected for income verification fails to provide timely verification, they may be removed from the program but will not be required to reimburse the Company for any discounts received prior to removal.

If a customer who has been removed from CARES for failing to verify their household income provides the Agency documentation verifying income within 60 days after being removed from the program, the Company will reenroll the customer into CARES and will credit the customer's account for the discount the customer would have received had the customer not been removed from the program.

TERM

Qualifying customers are enrolled in CARES for twenty-four (24) months, after which time it is the customer's responsibility to reapply for continued service in this program by contacting an Agency or submitting a completed application form found on the Company's website. The twenty-four-month term restarts the full billing month after the complete expenditure of a newly applied federal or state credit (e.g., LIHEAP) on the customer's account or upon the application of a new Winter Help credit.

PROGRAM YEAR

The program year is a 12-month period starting October 1 of each year.

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CNG/W23-06-02
Issued June 30, 2023

Effective for Service on and after
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Issued by CASCADE NATURAL GAS CORPORATION

By:  Lori A. Blattner

Director, Regulatory Affairs

RULE 20

CASCADE ARREARAGE RELIEF ENERGY SAVINGS (CARES) PROGRAM

PROGRAM COSTS

Program costs, including discounted amounts, outstanding arrearage relief amounts, administration, and marketing, will be tracked for collection through Schedule 592, CARES Cost Recovery. The Company will file for an annual adjustment to this schedule to ensure that forecasted collections do not exceed the maximum program year budget, considering carryover funds.

AGENCY FEES

To reimburse Agencies for the administrative costs of administering CARES and verifying income, as requested, the Company will pay agencies two payments per program year: one in October and a second in January. In the first program year, the sum of the two program year payments will be equal to 25% of forecasted customer energy discount and arrearage relief benefits, and will be allocated to agencies based on the number of qualifying customers living in each agency's county. In subsequent years, the total agency fee for a program year will be 25% of the energy discounts and arrearage relief paid to customers enrolled in the prior program year.

AUTO-ENROLLMENT

Upon program commencement, customers who received LIHEAP, Washington Energy Assistance Fund (WEAF), or Winter Help in the 2022-2023 program year will be automatically enrolled in the energy discount portion of CARES. The Company will utilize available information to place customers into the appropriate income tier for the energy discount. If income information is not available, the customer will be placed in Tier 4 of the program. If an auto-enrolled customer self-attests to having a household income that qualifies them for a higher discount rate, the Company will enroll the customer in the appropriate tier at the next billing cycle.

PROGRAM MARKETING

The Company and Agencies will collaborate on joint communications plan to market the program using various channels. The Agencies will also engage Community Based Organizations (CBOs) for outreach to disadvantaged and hard-to-reach customer groups, per Commission Order No. 09 issued in Docket UG 210755.

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RULE 20

CASCADE ARREARAGE RELIEF ENERGY SAVINGS (CARES) PROGRAM

PROGRAM MARKETING (continued)

The use of CBOs will be piloted for three years (October 1, 2023, through September 30, 2026). The annual budget authorized for CBO activities will be between \$73,000 and 5% of the program budget. At the end of the pilot period, the Advisory Group will assess the CBOs' work and determine if any refinements are needed.

ADVISORY GROUP

An Advisory Group consisting of key stakeholders, including Public Counsel, Commission Staff, the Energy Project, Cascade, and representatives from each of the Agencies, will discuss and provide advice to the Company on program-related matters. This includes evaluating program performance and addressing ongoing administrative concerns. The advisory group will hold meetings at least twice a year via teleconference or in person. While the advisory group can offer guidance and suggestions, the Company is not bound to follow their recommendations when submitting proposals or tariff changes to the Commission.

The Advisory Group will evaluate the program's success and identify areas for improvement after the first full program year. Any revisions to the program design will be considered no earlier than October 1, 2024.

ENERGY DISCOUNT TERMS AND CONDITIONS

1. The energy discount offered under CARES will not be prorated upon initiation of service but will begin at the start of the first full billing month after the customer has qualified for the program.
2. A customer receiving a bill discount may still be eligible to apply for other available financial assistance programs, such as LIHEAP and Winter Help. However, when state or federal financial assistance is applied (e.g., LIHEAP), the customer's enrollment in CARES will be temporarily suspended until the grant is fully utilized. Once the grant is exhausted, the customer will resume service in CARES at the beginning of the next full billing month and service will resume for a 24-month term. Financial assistance does not include non-governmental, third-party payments such as those from friends, relatives, or churches.

ARREARAGE RELIEF TERMS AND CONDITIONS

1. The arrearage relief percentage is an upfront, irrevocable credit applied to the customer's bill within a few business days of qualifying for the program.

(continued)

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RULE 20

CASCADE ARREARAGE RELIEF ENERGY SAVINGS (CARES) PROGRAM

ARREARAGE RELIEF TERMS AND CONDITIONS (continued)

2. A customer who receives partial arrearage relief may be placed on a time payment arrangement (TPA) for up to 24 months to pay off their remaining past due balance. The unpaid balance will be billed in equal amounts over the term of the TPA.
3. A customer may receive up to \$1,000 of arrearage relief once every twenty-four (24) months.
4. Payment credits or grants received, such as those from LIHEAP or Winter Help, will be applied to a full, non-discounted arrearage before any benefits from this program are applied.

GENERAL TERMS AND CONDITIONS

1. Energy discounts and arrearage relief rates for service on the CARES Program are established in Schedule 302, Cascade Arrearage Relief Energy Savings (CARES) Discount Rates.
2. A customer may only apply for service under this rule by self-certifying their household income once per program year. Any further attempts to requalify must be made by providing income documentation to an Agency.
3. A customer receiving CARES service is not obligated to report a change in income but may choose to do so, in which case, the customer's eligibility tier will be modified to reflect the most current self-attested income data.
4. Service under this rule is governed by the terms of this schedule, the rules contained in this Tariff, any other schedules that apply to service under this schedule, and all rules and regulations prescribed by regulatory authorities, as amended from time to time.

(continued)

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By:  Lori A. Blattner

Director, Regulatory Affairs

RULE 20

CASCADE ARREARAGE RELIEF ENERGY SAVINGS (CARES) PROGRAM

ANNUAL REPORT

By January 15, the Company will file an annual report with the Commission regarding the performance of the program. The report will provide detailed information on various aspects, including the total dollars spent, dollars discounted from energy bills, dollars allocated for arrearage relief, administrative costs incurred by the Agencies, the number of households served per each Agency, program expenditures on marketing, an overview of CBO activities, and a comparison of program results with the previous program year.

This comprehensive report will aim to assess the overall effectiveness and efficiency of the program, allowing for transparency and accountability in its implementation. By evaluating key metrics and comparing them to previous years, the report will be used to facilitate an informed assessment of the program's impact on eligible customers and to identify areas for improvement.

SCHEDULE 302
CASCADE ARREARAGE RELIEF ENERGY SAVINGS (CARES) DISCOUNT RATES

PURPOSE

The purpose of this schedule is to define the monthly energy discount percentages and once per two years arrearage relief for customers who have qualified for low-income bill payment assistance as established in Rule 20, Cascade Arrearage Relief Energy Savings (CARES) Program.

APPLICABILITY

This schedule is for residential customers served on Schedule 503 who have qualified for CARES Program service per the parameters established in Rule 20, Cascade Arrearage Relief Savings (CARES) Program.

ASSISTANCE RELIEF LEVELS

Customers receiving service on CARES will receive the assistance relief from the tier of service that corresponds to the customer's income and number of household occupants in determining their federal poverty level (FPL) or area median income (AMI) percentages. The following table reflects the monthly energy discounts and arrearage relief discounts applied to outstanding balances on eligible accounts, if applicable, at the time service is initiated under this CARES.

Service on this schedule is available on and after October 1, 2023.

Table with 5 columns: Tier, Income Tier Level (FPL, AMI), Energy Discount, and Arrearage Relief (if applicable)*. Rows 1-5 show increasing tiers with decreasing discounts.

*Arrearage relief may be limited to \$1,000 per 24-month term of service in CARES.

GENERAL TERMS

Service under this adjustment schedule is governed by the terms and conditions outlined in this schedule, the Rules contained in this Tariff, any other applicable schedules, and all rules and regulations prescribed by regulatory authorities, subject to amendments from time to time.

SCHEDULE 592

CASCADE ARREARAGE RELIEF ENERGY SAVINGS (CARES) PROGRAM COST RECOVERY

PURPOSE

This adjustment schedule collects or refunds the CARES Program deferral balance (authorized per UG-230243) in accordance with the parameters established in Rule 20 and Schedule 302.

APPLICABILITY

This adjustment schedule applies to the following rate schedules: 503, 504, 505, 511, 570, and 663

ADJUSTMENT TO RATE

The Company will file for an annual adjustment to this schedule to ensure that forecast collections do not exceed the maximum program year budget, taking into account carryover funds.

ADJUSTMENT RATE

The following adjustment rates will apply on a per therm basis for each rate schedule, effective on October 1, 2023, as listed in the table below:

RATE SCHEDULE	ADJUSTMENT RATE (PER THERM)
503	
504	
505	
511	
570	
663	

GENERAL TERMS

Service under this adjustment schedule is governed by the terms and conditions outlined in this schedule, the Rules contained in this Tariff, any other applicable schedules, and all rules and regulations prescribed by regulatory authorities, subject to amendments from time to time.