WEAF Advisory Group Meeting
June 21, 2023 2:00 – 3:30pm Pacific

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

Advisory Group Member	Contact
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
Cascade Natural Gas	
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. AMP and BDR Program Update – *Dan Tillis*

Tillis, Daniel
I put the agenda for today in chat, and I did rearrange it a little bit to put the update on the Forefront Economics low-income propensity model at the beginning and then really we'll spend the rest of the meeting on the new programs we're creating in the small group meetings for our bill discount rate and arrearage relief, and that's #2 on the agenda.

2. Dedicated Discussion of an agreed upon topic

a. Forefront Economics model update – *Dan Tillis* –

Starting with the update on the Forefront Economics low-income propensity model, the company did receive that early last week and we have a meeting scheduled with Mark Thompson from Forefront for

Tuesday of next week to review the actual data itself with Mark, and then we have him scheduled to join our next full Washington Low Income Advisory Group meeting on July 19th. We'll start that meeting with Mark providing a readout to this group. In the meantime, we'll be reviewing the data after our readout with Mark and starting to gather some ideas of I'll on how we might work with that data. Any questions on that?

OK, I don't see any hands or anything in the chat, so I will move on to the topic for the rest of the meeting, which is providing this full group an update on where we are with the creation of the programs I mentioned earlier. I am going to go through the presentation in full recognizing that some of that will be repetitive for folks who did join last month, but I think that's the best approach. I'll highlight things that may be new since the last time we met and talked about this topic. Feel free to throw things in the chat or raise your hand if you have a question at any point, and I think we will have plenty of time after the presentation to answer questions or talk about some of the topics that we've been emailing about and may want to talk about more.

b. Program Name – *Dan Tillis* –

The 1st update I would share is that we have a name for the program now and it is CARES, Cascade Arrearage Relief and Energy Savings program. That's the name the small group came up with. Shout out to Corey Dahl, who came up with a version of this, and then we modified it from there, so he gets most credit for the name. The name will encompass both the bill discount rate and the arrearage relief program under that umbrella name of CARES. The goals we shared last month and agreed upon in the small group is to reduce energy burden for our customers specifically for these programs, for the natural gas portion of the energy burden. This will hopefully help customers remain connected, increasing participation. We have customers we know who participate in WEAF and other energy assistance programs today and we need to continue to get the word out to customers who aren't aware of these programs and increase participation. You need to have a data driven method for evaluating the effectiveness of the new programs so that we know if they're working and can adjust in areas where they're not working. A big goal of the group was to make sure that we're maximizing the use of federal LIHEAP funds first and then utilizing ratepayer funds to supplement those LIHEAP funds. Our goal remains to file by June 30th for the new programs and continue preparation after we file and get approval to launch by October 1st, with the new program year for 2023-2024.

To be eligible for the CARES program, customers will be permitted to self-attest their household income and household size to a Community Action agency. For those of you who attended last month, you probably recall some discussion about whether all the energy assistance applications should continue to go through the Community Action agencies in Washington. After that meeting, we continued that discussion and we did make the decision that we will have all of the Cascade low-income programs, energy assistance programs managed through the agency. All applications will go through the agencies, and we'll talk more about why that's the case as we go through the presentation. Customers can self-attest their income and household size to the agencies and the agencies will essentially use the same process they use today to qualify customers for LIHEAP, to also qualify them for the CARES program. The AMI can't exceed 80% and FPL can't exceed 200%. Anything under those levels qualifies the customer for the CARES program. They qualify for BDR if they meet those income thresholds and we'll talk about the tiers in a few minutes, and if they meet those income thresholds and they have a past due balance, then they qualify for the arrearage relief portion of CARES and hopefully these deduction levels in this table aren't surprising anybody from the agencies. That should be what you're using today to adjust or take the options from the various income types for LIHEAP qualifications purposes. Again, to qualify for the current program, customers will go through the Community Action agencies by calling or visiting, permitted again to self-attest their household size and income. They can also complete an online application that will be on the Cascade website, and a paper application can be mailed to customers, or they can download it from our website. The agencies will be that gateway for all of our programs. The paper application will be available before the program year starts on October 1. An important part of this is that the agencies will act as a gateway for the CARES program as well as LIHEAP and other assistance programs. The main reason we made the decision to have the agencies continue to be that main entry point for the new Cascade programs is because we want to maximize the use of the federal LIHEAP funds. When the customer goes to the agency first they can self-attest over the phone or in person for the Cascade programs, and at the same time the agencies will be asking discovery questions related to LIHEAP qualification. The agency will qualify the customer for the bill discount rate portion of the Cascade Cares program and then they'll attempt to get the customer an appointment for LIHEAP, and then when the customer comes in for the LIHEAP appointment, the agencies will attempt to qualify the customer for LIHEAP first, and if for some reason the customer doesn't qualify for LIHEAP, then they'll qualify the customer for the arrearage relief portion of Cascades programs.

Yochi Zakai
Avista conducted a customer survey to try to find out the terminology that customers would prefer when they were looking at self-attestation, and they found that customers preferred to use the term "declare their income." I wanted to see what others thought about using declare income rather than self-attest.

Tillis, Daniel
I'm totally open to it, it makes sense. It's probably more normal everyday language that we all use. Anyone opposed to that language shift? I'm not seeing any opposition or hearing any opposition, so we'll move forward with that change. Getting into the percentages for the bill discount rate and arrearage relief percentages, this table was shared last month, the tiers have not changed as far as the Tiers 1-5 and the FPL/AMI percentages for each of those tiers. The energy discount percentage has not changed since the last time we met either. The arrearage relief percentages are new. For Tier 1 up to 20% FPL and AMI 4% and then Tier 2 up to 21-50% FPL and 5-12% AMI. Tier 1 & 2 customers will qualify for 100% arrearage relief if they have a past due balance when they qualify for the CARES program and for a 24-month term they will receive a 90% bill discount rate for Tier 1 and 71% for Tier 2 and then you can see the remaining percentages for each tier 90, 70 and 50% respectively for Tier 3 through 5 for the arrearage relief percentage. Again, if they have a past due balance at that time then they will receive 40, 15 or 8% bill discount rate for 24-month period for Tier 3 through 5. The bill discount rate will be in place for a 24-month term from the bill cycle after the date the customer qualifies, and the arrearage relief is all up front, so whether it's a full 100% relief or 90/70 or 50%, the customers will receive that pledge or credit upfront rather than over spread over 12 months evenly like a traditional arrearage management plan. We made that decision to be a little different than the other utilities in Washington, to try something different. The company also believes that it's a better approach for our customers to get that help up front versus waiting for it over a 12-month period. It's an important difference that the Cascade program will have compared to our peer utilities. The average relief is capped at $1000, and customers can only qualify for that arrearage relief one time per 24 months. That $1000 CAP is a tentative agreement that we have as a small group. The 24-month program term and qualifying once in a 24-month period is something we've all agreed to. An example of a $1000 cap would be if a Tier 1 customer currently has a $2000 past due balance, they would add 100% that'd be $2000.00, but if the CAP is $1000, then we would give them that $1000 arrearage relief grant and immediately offer them a time payment arrangement up to 24 months for the remaining $1000. It is a very small percentage of

customers who currently have a past due balance over $1000, only about 16,000 Washington Cascade customers currently have a past due balance at all, and only somewhere around 1.5 to 1.7% have a past due balance above $1000, so it's a very small number somewhere in the neighborhood of 300 I think.

We have agreed that there will be a post qualification income verification process for customers who self-declare for their income and household size, and that will be up to 5% of customers who self-declare. I took you through the flow earlier of how it's envisioned that the agencies will work with customers on qualifying for the bill discount rate and then scheduling that LIHEAP appointment to review for LIHEAP and then AMP if needed. When the agency qualifies the customer for the bill discount rate over the phone using self-declaration of income and household size, they will again try to schedule that LIHEAP appointment, and the agencies will advise Cascade that the customer has qualified for the BDR; that will pause any collections processes as far as the disconnect goes. Customers will still receive notices of late payment and final notices, but we won't ever move to that final step of sending out a disconnect order as long as the customer has qualified for BDR and they have an appointment with the agency to try and qualify for LIHEAP. That'll be considered the income verification process. If they don't schedule an appointment and, therefore, their income isn't verified by the agency during that appointment, then they'll go into a pool of customers who have not income verified and we will randomly select up to 5% of those customers for the income verification process. The plan is that the agencies will conduct that income verification process with those customers who have not verified in some other way and will provide those randomly selected accounts via the Cascade Assist Portal as that process starts. The company will send customers notifications that they have been selected for income verification and the agency will attempt to verify income for 90 days. During that 90-day period the agencies will send customers up to four communications advising that they've been selected, and they need to verify income with the agencies. If after 90 days the customer hasn't verified their income, the company will send a letter to notify the customer that the discount will be discontinued. There's also mechanisms within that where the customer might meet with the agency and their verified income doesn't qualify at all or qualifies them for a different tier, either a higher discount or a lower discount. We would make those adjustments as well, but don't want to get into too many of the details here.

Jen Rightsell
If a customer qualified for a BDR, why would you still send past due notices or final notices on their account even though technically Cascade won't put them up for disconnection because they qualified for a BDR and they essentially have a hold on their account? I think this would be like a cry wolf or something like that. Customers won't know when they're actually going to be disconnected with a final notice, and then would still contact the agencies feeling threatened that they're going to be disconnected when they most likely won't be disconnected.

Tillis, Daniel
Yeah, it's a good question, Jen. There are a couple reasons for it; one is that we believe the customer should still receive those notifications that their account is past due and potentially at risk for disconnect at some point because if they don't follow through with their appointment with the agency to get either LIHEAP or arrearage relief through the CARES program, then they may be disconnected. BDR in itself doesn't prevent the disconnect. It's the fact that they have an appointment with the agency for potentially other assistance. The other reason is we really don't have a mechanism to pull those accounts out of that process for receiving those notices. There's no way for us to do that when they're in the collections process.

Misty Velasquez Community Action of Skagit
If there isn't any way of stopping the disconnection process, can we at least have a letter that goes out that if a client has a pending appointment with an agency, they're not going to get disconnected? We will end up getting a lot of calls from clients who get that notice and think they're going to get disconnected, and they want us to move their appointments up for them to match that disconnection date, even if it's after that, and they don't understand the process, so we end up having to have long conversations with our clients trying to reassure them that they still have the appointment; they're not going to get disconnected.

Tillis, Daniel
It's a pretty full notice already, but we can definitely review it to see if there's any opportunity to add any language that advises customers what may protect them from disconnect.

Yochi Zakai
I think this is something that we should think about revisiting. I'm really hearing what the agencies are saying; they tell customers you have an appointment so you're not going to get disconnected and then a week or two later, the company sends them a notice that says they're at risk or sends them a notice that says final notice, it seems to be contradictory messages that are going out.

Tillis, Daniel
We can certainly talk about it. We've looked at it before and it's basically impossible for us to not send the notices, but I would be interested at some point for Commission staff to weigh in on our obligation to send those notices as well. We're under obligation not to continue with the disconnect process, that's something that the company does, but there’s no rule or obligation we have to do that, but we can definitely talk about it more.

So, to continue with that income verification process, we talked about after the 90-day period if a customer hasn't contacted the agencies at all to provide income verification that they will be removed from the discount program. There's actually an unspoken extra 30 days padded in there where we'll leave customers on the discount program for an extra 30 days after that 90-day verification period, and if they don't contact the agency during that 120-day period, basically they'll be removed from the discount program. If they contact the agency to income verify 60 days after that initial 120-day period, then they will be added back to the bill discount rate program and provided a credit for the 60-day period, or whatever amount of time they were not part of the bill discount rate program. It could be anywhere from a day or two to up to 60 days, it just depends on when the customer ultimately contacts the agency and provides that income verification.

Jen Rightsell
Let's say a customer gets taken off because they didn't respond to the income verification and then they contact us within 60 days to get with their information, are we going to treat that as a new application or is it treated based on when they originally applied for income verification? Are we looking at new income or old income?

Tillis, Daniel
It's whatever they're providing for income verification at that time. I think we agreed we're going to start with one month, the most recent month and then if they don't qualify, go to six months and if they don't qualify, go to 12 months.

Charlee Thompson
That's what I was thinking too, Dan.

Misty Velasquez Community Action of Skagit
Yes, that's the way but I think what Jen is asking is if a client ends up getting denied because they didn't respond to the income verification and then after they get the denial letter then they call us and want to give us their information, are we going to create a whole new application for them or is it going to go off of what was denied?

Tillis, Daniel
So they're in the income verification process.

Misty Velasquez Community Action of Skagit
They didn't submit their documentation to us within the 90 days and then after they get the denial letter from the agency, the client chooses to submit their documentation, are we creating a new application or are they going off of the one we just denied?

Tillis, Daniel
You're going off the one you just denied.

Misty Velasquez Community Action of Skagit
OK.

Tillis, Daniel
We haven't talked about that scenario, so that's my opinion. We can either make that decision right now or we can talk about it separately.

Yochi Zakai
I think they should be able to provide any income documentation that gets them there, right? If they're looking at the most recent 30 days and that qualifies them, that seems reasonable. If you're able to do it based on 12 months, that seems reasonable and includes most of the time in which they were pending verification. I guess my thought is if they're able to do the 30 days before they apply, that seems reasonable to me too.

Misty Velasquez Community Action of Skagit
From an agency standpoint, at least from Skagit standpoint, it would be easier for us to start a new application at that point because we've already gone through the whole process of denying it, it's closed out in our systems at that point and to have staff go back and pull things out, it's very complicated on the agency standpoint, but that's for us. I'd like to hear other agencies.

Tillis, Daniel
I'm not interested in being rigid with this. I think we need to talk more in the small group about when we start the income verification process and after we start the new programs how big we go with it. Initially we've put the verbiage in the tariff to say up to 5% because we don't want to go higher than that, but we may want to start lower than 5% to see how the process goes. This is brand new for all of us and I think the agencies are the ones who are going to self-qualify the customers through self-declaration of income and household size so you're going to have that data from the customer at that

time. I think you'd be having that conversation of this is what you gave us for income back on that date, let's talk about what income verification you have to support that or what your income is?

Misty Velasquez Community Action of Skagit
That is the way it would be handled more than likely, but say they apply in November and in December that client gets called for verification, we contact that client sometime in December or January, depending on where it falls in the month and how quickly we can get to them, and then the client says I don't have my income documentation from three months ago, we throw that stuff away. This happens on a daily basis and then we are telling clients you have to go get it. If they go past the 90 days that we give them to provide that documentation, then they submit documentation to us afterward without opening up a new application to where they can try to submit documentation after that 90 days. There's just a lot of scenarios here. Jen and I, and other people can attest that clients don't hang on to their documentation at all. That pay stub gets thrown in the bottom of their car; two weeks later, it's thrown away in a gas station garbage can.

Jen Rightsell
I'd like to echo on that. If you see the customer again with a new BDR application and they had BDR in the past because they were denied, because they didn't follow through but now they're providing the income information, customers will provide their most recent information because that's handier than something from 2-3 months ago. If you see a new BDR application after it's been denied, being a new one and we've income verified them, then if you want retroactive data where they didn't have it, that's fine; we prefer to start a new application.

Tillis, Daniel
I'm completely open to that. I think Jose put in the chat that’s what he would prefer to do as well. I would leave it to the agencies to develop how they want to handle that. Whatever gets the customer help; the company has no interest in removing a customer from the program unless they absolutely don't qualify or unless there's fraud. Our last couple of bullets on here are the agencies may use alternate methods to verify income for nonresponsive individuals, so if someone's not responding and the example I gave last time is that you've someone who has recently qualified for rental assistance as an example, through income verification, if they meet the guidelines, then you can consider them income qualified. There may be other examples, but that's the one that Lorena brought up in our meetings when we were talking about this particular subject. If a customer ends up not qualifying through the income verification process or they don't respond at all, or their income is too high, then they will be removed from the program. It's risk free, so they will not be required to pay back any discounts they've received up to that point. The company will auto enroll any customer who qualified for WEAF, LIHEAP or Winter Help in the prior program year, so in this case, it would be October 1, 2022, through September 30th 2023. We'll use the data that's in our Assist Portal already to qualify customers or if it was a LIHEAP pledge that did not get into our assist Portal, we will provide a list of those customers to the agencies to provide us income data for those customers and qualify them in the appropriate tier for the bill discount rate. If the agencies for some reason do not have that income data to get the FPL or AMI percentage to us, then we will auto enroll them into Tier 4 since we know that their FPL would have been no higher than 150%. If they qualify for LIHEAP and then auto enroll, customers can always contact the agencies to provide different income information to adjust their tier or if they choose to do that after the are auto enrolled. If we auto enroll someone in October in Tier 4 because we didn't have income data, we’ll send them a letter advising they've been auto enrolled via an email or letter. We've talked a lot about the CBO program in many of our meetings. We did start our CBO pilot program in May. Five agencies are participating. Hopefully we get more agencies involved in

the 23-24 program year. That will be an important outreach method for all of our agencies to utilize these new programs. The budget for the first year was $73,000 and that's been distributed across those five agencies based on Cascade's customer account and their areas. The budget will be up to 5% of the WEAF annual budget each year thereafter, and we'll have to adjust that to CARES annual budget when we move to the new programs and that will be provided to the agencies close to the beginning of every program year, as quickly as administratively possible. Participating agencies volunteering in the CBO pilot are going to provide quarterly reporting on CBO activities and successes and other needs, and so it is a pilot period of three years based on our most recent general rate case agreement. We're hoping it's successful and we'll be able to continue that.

I'm going to go through some agreements that we've made through the small group discussions and then some things we still need to consider. We'll apply and expend the LIHEAP credit before applying the bill discount rate. We want to maximize use of language and federal funds. That's why all of the intake is going through the agencies. When we qualify the customer for the bill discount rate, if they get a LIHEAP pledge that creates a credit balance on the account, we will pause that discount and let the regular monthly bill for the customer expend that LIHEAP credit; then once the credit is expended on the next billing cycle, we will reinstate the discount for the customer and they'll get it for the remaining 24-month term, so they'll get it for full 24-month term. Within the portal, there was a request that we continue to provide pre and post energy discount bill amounts, so what the customer would have been billed before the bill discount was applied and then what they were billed after the discount, so we're working to modify the portal to allow for that 24-month term for the bill discount rate again. So, as customers near the end of that, if they haven't taken any action to extend that term, then we will communicate with customers that they are in the end of that term and will need to take action if they want to continue to receive the bill discount. There will be an arrearage relief cap of $1000, with some discussion coming on possible exceptions to that CAP and customers can qualify up to $1000 once every 24 months in conjunction with the bill discount rate term. Annual reporting, it will include all of the items listed here. There's still a little bit of work to do before we finalize those like the terms and conditions of the agreements. The customer may only self-certify for the CARES program once per program year. As an example, if a customer self certifies in October, after we start the new programs, and they call the company in February to say my income has changed and I need to requalify, they've already self-declared their income once; the company will refer them to an agency to have them verify their new income levels; so we only accept self-declaration once per program year. The CARES program, the bill discount and arrears program, are replacing WEAF, so it will go away effective October 1st. LIHEAP will still be available, and there may be a state LIHEAP program coming as well, and then Winter Help will continue; that's the company and customer donation assistance program. We do need to determine how to best utilize those funds. I had a thought earlier this week that the fund can be used for the exceptions process for the one time per 24-month arrearage relief assistance and the $1000 CAP, so for those of you who are going to be part of those discussions, keep that possible idea in mind.

Anytime during that 24-month term, if a customer qualifies for other assistance like LIHEAP or Winter Help, they'll automatically requalify for another 24-month term so that 24-month term will restart without them having to call in for that bill discount rate. Again, if a customer's income changes at any point up or down, they're not required to report that, but they may voluntarily do so. Of course, we made the decision that medically fragile customers and customers on fixed income will not initially have any special provisions. That's one of the items you'll see on a later slide that we will need to consider if that was the best decision or not or if that's working well.

Agency fees is a topic that might be important to all of you. We have agreed that were moving away from the $75 per pledge fee and the agencies will receive an administrative fee of 25% of the forecasted program year payouts to customers with no post program year true up for first year. We settled on the 25% number because, I believe, Avista's program is currently at 23% and WEAF is at 20 or 27%, or it might be at the other way around, so we split the middle and chose 25%. That 25% is based on the total estimated assistance that would be provided for one year between the bill discount rate and the arrearage relief funds, so it's a combination of those two; the total care assistance for one program year and we assume the enrollment rate of 10%, so that's where you set that enrollment rate. We feel like 10% is really fair, and I say "we," it's the whole group that's been developing these programs, and that gives us a total assistance that will be provided, put 25% on top of that, those are the total funds that would be provided to the agencies. We will allocate the total amount across the 12 agencies based on customers who would qualify for assistance based on the low income needs assessment report within each agency's serving area. That's year one. We have to start somewhere to get a starting point for the funds in years beyond 23 and 24. So for the 24-25 program year and beyond, each agency will be given the administrative fee equal to 25% of the sum of the energy discounts and arrearage relief for one program year that customers enrolled in the program and for the prior program year. The plan is to base future funding on actuals from the prior program year and actual dollars from that prior program year. The process is TBD because there are some things we need to work out and how we'll do that in future years because we don't know how it's going to go in the first year.

Misty Velasquez Community Action of Skagit
I'm just curious, you mentioned that we will be getting the fee in two payments. Will we know at the beginning of the year how much that total amount is?

Tillis, Daniel
You'll know that if you've seen the spreadsheet.

Misty Velasquez Community Action of Skagit
Contract wise, I know for finance, they do a year budget, and they like to have those numbers to be able to put into the budget so that they know what we're working with. That's why I was just wondering if we're going to get a contract at the beginning of the year that's going to state those numbers for finance.

Tillis, Daniel
That's one of the things we have to work on is new contracts, because it was brand new program. We'll have to have new contracts and specify the funding.

Jen Rightsell
I have a question about the about how this would be funded going forward.

Tillis, Daniel
It's the assistance they received for that program year for the bill discount rate.

Jen Rightsell
And it's based on how much savings they got off of their bill from the bill discounts?

Tillis, Daniel
Correct, yes.

Yochi Zakai
I'll just build off of that and say I believe we're talking about the total assistance amount provided in the program year is what the 25% would be based on. So again, you're looking at adding up the discount amounts given to each customer plus any arrearage forgiveness, it would be both of those things for the program year. I want to really thank Cascade for working with us and being open to everything but especially this. This is going to be a big change in the way that funding is provided to the agencies for administering the program and is hopefully going to enable folks to staff up and really increase the delivery and hopefully serve more customers in a very quick and equitable manner. I'm really looking forward to helping implement this and I think some folks know, but we still have to work out with OAC and NWCC how we're going to split up Yakima County between them. We have been in touch with them and they're planning on getting together and chatting about that, so we'll get back to you as soon as we hear more from them. The other thing I'll just say is, future years we're just going to be able to look at actuals from the previous year so it should be a lot easier than the estimates, and if any of the agencies have a hard time looking at the spreadsheet and figuring out what you're estimate is for next year, let me know what I'm happy to help out.

Tillis, Daniel
Thanks for working with those two agencies and adding on to the clarification of the total assistance provided that helps get that 25% administrative fees. I think this is a win for all three entities involved, the company, the agencies, and our customers. The customers will benefit from continuing to work with the agencies who are experts in the field of providing assistance in these areas and we really want the funding level to be set correctly so the customers have the ability to get appointments fairly quickly with agencies. If we're going to be wrong, we've tried to be wrong on the high end of the agency fees for this first year so that you can staff appropriately and customers don't have to wait months to get an appointment, which we know is a barrier and the company benefits by not having to train our employees to try to be experts in this area. Either way, we were going to pay Cascade employees to do this work or agency employees to do this work. Payment amounts are the same for those employees and either way; it's ratepayer funded.

Jen, you have a question on base per county. It is county based and the number of customers that the LINA report estimates to be under 80% AMI in each county is how future years will be based and how it's also spread for the first year as well across the different agencies with the exception of still having to figure out the Yakima County split between the two agencies. The first half will be paid at the beginning of the program year in October and the second half at the beginning of the next calendar year in January. I'm going to turn it over for a minute to Jennifer Gross to cover this slide.

3. Open items for new programs

a. Agency funding model – *Jennifer Gross*

Gross, Jennifer
For the CARES program cost recovery, we have decided to recover the costs in the same way that we currently recover WEAF program costs. We're going to forecast the costs for the upcoming year then we will allocate those based on customer class-base revenues as determined in our most recent rate case, then we'll get to a monthly per therm charge. We'll do that by dividing the customer class cost recovery allocation by the annual therm usage for each rate class, and then after the first year we will perform a true up. We'll take our forecasted program cost and add or subtract any overage or underage from the prior year and just keep doing that each year thereafter, so it's just like WEAF.

4. General discussion – *All members*

Tillis, Daniel

Anyone have any questions on that recovery slide? All right, so as we've gone through this and made agreements and we've built the program design. Let's start with that and review it after year one or after the first couple of years. These are the questions we need to ask ourselves over the next couple of years. I mentioned earlier, we're going to start with treating medically fragile customers exactly the same as all other customers as far as the CARES program goes. We'll need to determine if that should continue to be the case. There's a lot of discussion about if fixed income customers should have a term longer than 24 months. We decided to start those customers with a term the same as all other customers at 24 months, but we'll evaluate that in future years. We're going to invest in a hard copy application, and we want to make sure that's being used, so we'll pull data and evaluate that. We're taking a different approach than our peer utilities would with up front arrears relief; instead of spreading it over 12 months, we will compare our data with theirs and our success with theirs and see if our programs are more effective or at least as effective. We definitely don't want it to be less effective. Is the agency funding at the right level? Is the $1000 cap high enough or too high? Should the bill discount rate be capped in some way? There was an idea maybe we should cap it at a really high therm usage of 900; we decided not to do that, but should we do that at some point? Is the Tier 5 bill discount rate of 8% attractive enough to get customers interested and inquiring about what their options are? Should we increase it to something higher like 10%? Allowing self-declaration of income and household size once per program year, is that creating a barrier to entry or is it OK? The company loves any idea to auto enroll customers based on other programs they might have qualified for via income qualification. Is the random selection of up to 5% the right percentage? Should there even be an income verification process? There are some states who would argue there. Should we use random selection or is there a propensity model that would work for us? What programs of the process or application or outreach are confusing? How can we improve on that? So, lots of questions there, we still have some things to work through. We agree to a joint communications plan with the agencies and energy project in Northwest Energy Coalition and Public Council. We'll continue to flush out the details of that communications plan with our Cascade team and share that once we have it. I mentioned the exception process several times on that $1000 CAP and one arrearage relief pledge per 24 months. We still need to work through the details of what those exception processes might look like, and then I also mentioned key performance indicators or KPIs, what should be tracked? We want data driven analysis of the programs so what is the best wat to track the effectiveness and efficiency? What's going to be in our actual annual report; they've got to figure out those KPIs of metrics. Those are the big things that are going to go into the filing. There are details over the next several months we have to work on as a small group so we're going to continue our weekly hour and a half meetings every week, except for when we have this full advisory group meeting. The plan is to have all of the details done and ready to share with all of the agencies and our Cascade employees in September, ahead of the October 1 effective date.

Misty Velasquez Community Action of Skagit

You kind of answered it with in September, but we have to train staff. Do we know when in September? We're planning now what our September is going to look like for training for PSE and their program and all of that. It's probably going to take us a couple of weeks to get our staff trained.

Tillis, Daniel

I can't say that I've given any thought to specific dates, but if you tell us when you need to have things ready to train by, we'll work toward that date.

Misty Velasquez Community Action of Skagit
I would prefer by at least the 15th of September so we could use the rest of the month to train.

Tillis, Daniel
I wouldn't want to go any later than that. I'm thinking first half of September, probably the middle at the latest. What other questions or comments or feedback does everyone have?

Jen Rightsell
I know the rates of the bill discount rates have already been settled but in the future, if they do get readjusted, I would highly recommend rounded numbers so that it's easier for customers to figure out if they're being told you get a 12% discount versus you get a 10% discount. It's easier to see 10% in their mind than 12 or 13%.

Tillis, Daniel
That makes sense, I like round numbers. Just in case everybody's not clear on this, the goal was to have the natural gas percentage of the energy burden reduced to 3 to 3 1/2% for each of the tiers and that's how we settled on those percentages of both, and that's before LIHEAP is applied. Going above 8% was going to take them below 3%, so that's why we did not go above that for now. I always say everything's really subject to evaluation, every component of the program is subject to evaluation, including those percentages for the bill discount rate and the arrearage relief percentages. We still have all of those details to work out before the filing on June 30th. Charlee provided some feedback on the filing and Jennifer's working on those updates. We did ask for feedback by Friday, June 23rd on the actual tariff filing that I sent out last Friday afternoon.

Yochi Zakai
I gave it a first pass and I promised to have you some feedback no later than Friday, probably beginning of the day on Friday, because I think many of you are in a workshop all day on Friday. I also want to acknowledge Marie's question from earlier in the day that I don't think was ever answered - will auto enrolled customers be excluded from verification?

Tillis, Daniel
Yes, good question. Income verified would be excluded from income verification.

Steed, Shannon
We were talking about notices earlier in the conversation and I just wanted to understand from the agencies, is there ever a situation where you need a customer's disconnection notice, such as crisis appointment or any other situation? We want to make sure that we understand your need for notices.

Misty Velasquez Community Action of Skagit
Yes, that would be amazing if we could get a notice to put in the file for LIHEAP. For our agency, in order to get a crisis appointment, they have to have a shut off notice for us to give them an appointment. So, that's probably why you might get a lot of emails from us saying is this person shut off or about to be shut off or something along those lines from our agency, because we do require that to get an emergency appointment.

Steed, Shannon
OK. That was my understanding and I just wanted to make sure that was still correct.

Tillis, Daniel
I think where Shannon is going with that is if we stop sending customers who had an appointment notices, they might not have one and we actually made a change to our credit collections process about two years ago where low and medium risk customers don't actually get as many notices as they used to. The intent of those changes was to soften the credit collections process for customers who often go past due, but they ultimately pay and so they're lower medium risk. And one of the unintended consequences was that some states, Washington is one of those, require customers to have a final disconnect notice before they'll actually schedule a disconnect or a crisis assistance appointment. Some of those customers aren't able to get those appointments now. They're used to getting those appointments every year to get assistance.

Misty Velasquez Community Action of Skagit
If a client has an appointment already and they're not going to get disconnected because they already have an appointment, we're not going to give up an emergency appointment when we can help a person with propane or wood or turn away that person who's going to go without heat because a utility is wanting us to give them an emergency to get a quicker appointment for them.

Tillis, Daniel
I didn't follow you.

Misty Velasquez Community Action of Skagit
If a client comes in, they schedule an appointment with us and we put it in the computer, they're not going to get disconnected because they have a future appointment, right? But they could owe money, so they're going to get those notices from you. So, what we're saying is we're not going to bump that person up because they come in with a final notice when they already have an appointment scheduled with us. It’s already been recorded on your portal because we're limited to how many emergency appointments we have and say a person's out of propane, they come in for an emergency appointment or needing an emergency appointment, but they're all filled up for people who are getting bumped up appointments because they're coming in with emergency appointment. We're not going to bump up an appointment already scheduled just because they have a notice in their hand.

Jen Rightsell
I think that's pretty much how I would explain it. We're not going to schedule someone for crisis if they already have an appointment.

Tillis, Daniel
Like I mentioned earlier, we'll look at the process and see what our options are.

Yochi Zakai
We want to avoid putting customers in a crisis situation and I think that's why you're hearing from us where if they have an appointment and they've reached out to us and they say I need assistance and we say great, we've got you in the pipeline to give you assistance; we want them to feel like their lives are not in a crisis mode, that they don't need a crisis appointment and we don't want them to get another disconnection notice from the company that puts them into that crisis mode because they've already done what they're supposed to do in reaching out and asking for assistance from us.

Tillis, Daniel
What other questions or input do we have? OK, I'm not seeing any hands up and I don't think we really

have time to dig into any of the other details as far as some of the things we still have to determine or talk about with the possible exception process to the CAP, and the once per 24-month average relief applies to us, so I don't think we'll dive into that today. We'll have those on the agenda for next week's small group meeting and I guess I'll just give another opportunity here if anybody has any last questions or input before we wrap up for the day. Have a great rest of your day.