

June 8, 2022



ADV 1409 Advice No. O22-06-01, Docket Schedule

Cascade Natural Gas Corporation proposal for an Arrearage Management Program and Energy Discount.

Context

This is a docket schedule announcement that includes deadlines for stakeholder comments and procedural deadlines related to Docket No. ADV 1409.

Background

On June 1, 2022, Cascade Natural Gas Corporation (Cascade or Company) filed a request to offer an arrearage management program and energy discount (AMPED) for residential customers along with the corresponding cost recovery mechanism. In the filing, Cascade submitted proposed tariff sheets for the new Schedule 36, detailing the terms and conditions of the AMPED and the new Schedule 37, which specifies the adjustment rates (i.e. bill impacts), by applicable customer schedule for Cascade's cost recovery associated with the AMPED. The Company has requested an effective date of July 1, 2022, with a target of October 1, 2022 to begin customer enrollments in the program. In its filing, the Company stated that the time between the effective date for final terms of the program and customer enrollments will allow Cascade the at least 90-days needed to set-up back-office billing, accounting, and other administrative matters in preparation for the AMPED. This date aligns with the normal program year of Cascade's Oregon Low-Income Bill Assistance (OLIBA) program, which AMPED is replacing.

The proposal is the Company's near-term differential rate offering in advance of the Oregon Public Utility Commission's (PUC or Commission) Staff led, longer-term investigation into statewide bill affordability, energy burden, and implementation of House Bill (HB) 2475, the [Energy Affordability Act](#).¹ It is also a secondary and subsequent interim relief measure that comes after Cascade's Temporary COVID-19 Residential Bill Assistance Program (Schedule 35) extension² that was approved and effective with service on and after March 9, 2022.

On January 31, 2022, Staff issued [Reply Comments](#) under UM 2211 providing updated guidance to the utilities regarding interim action. Included in the comments were baseline evaluation criteria ([Appendix A](#)) that are intended to inform utility filings on:

- Eligibility
- Level of Relief

¹ The Energy Affordability Act, House Bill 2475 (2021 regular session) became effective January 1, 2022 and, in part, provides the Commission authority to consider energy burden and other economic, social equity or environmental justice factors in rate design,

² Docket No. ADV 1367, <https://edocs.puc.state.or.us/efdocs/UAA/uaa16190.pdf>.

- Tracking and Accounting
- Bundling
- Outreach and Engagement

Cascade conducted a pre-filing engagement session on May 19, 2022, where the Company presented some of the findings from its low-income report, the AMPED proposal terms and relayed its plan to file in early June 2022.

Cascade did not schedule additional engagement to occur after the filing but indicated that they were open to an additional workshop and rounds of comments which Staff is coordinating in this communication. The July 1, 2022 effective date proposed by the Company provides 30 calendar days for post-filing engagement, stakeholder comments, and Staff review. While Staff has expressed some concern that this may not provide sufficient time for all the interested parties to participate in the process, based on some feedback from a number of advocates, we will support the proposed effective date in the interest of timely discounts. As such, Staff has developed a docket schedule for ADV 1409 that omits a technical workshop and roundtable where parties would traditionally discuss the terms of the proposal.

Schedule

Staff proposes the following schedule to facilitate the review of Cascade’s Docket No. ADV 1409, Arrearage Management Program and Energy Discount proposal.

Date	Event	Notes
June 17, 2022	Stakeholder Comments to PUC filing center	<i>See description below</i>
June 22, 2022	Staff Memo Posted	
June 28, 2022	Commission decision at Regular Public Meeting	<i>Procedural deadline</i>
July 1, 2022	Cascade Schedule 36 Effective Date	
October 1, 2022	AMPED enrollments to begin	

Stakeholder Comments

Stakeholder comments are not required but help provide insight on community priorities and concerns. We have heard from several groups, particularly those that operate using a coalition model that integrates and unites multiple organizations who have shared goals that sufficient time should be afforded where comments are requested; however in the specific case of this docket and procedural deadlines, we received feedback from advocates to prioritize maintaining the October 1, 2022 date for customer enrollments into the AMPED over additional engagement and process capacity. As such are asking for comments to be submitted on an accelerated timeline in order to meet internal public meeting deadlines.

As always, interested parties may submit comments to this docket all the way up to the date of the public meeting simply noting that those submitted after the June 17, 2022 deadline will be after Staff has completed its review and recommendations.

Procedural Deadlines

In order to provide for the proposed timeline of a July 1, 2022 effective date, Staff will need to include Docket No. 1409 on the June 28, 2022 Public Meeting regular agenda. Cascade has noted that a July 1, 2022 effective date for the tariff will allow the Company to begin enrollments by October 1, 2022.

To the extent stakeholders would prefer to extend the time available to engage with Staff and Cascade on this docket, Staff has the ability to suspend and investigate the docket and recommend a later effective date to the Commission. While this will allow for additional time for comments and workshop opportunities, please be aware that extending engagement and would also effect a delay on customer enrollments into the AMPED to November 1, 2022. If this is your preference, please reach out to Staff at the contact information provided below as soon as possible.

Unfamiliar with this process?

Refer to [Appendix B](#) for some information on terms and references used within this document as well as other PUC resources that may be helpful to you.

Please direct questions to:

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Appendix A:

Final Baseline Evaluation Criteria for Interim Action

At minimum, Staff will review utility interim rate or program filings for inclusion of the following:					
KEY DESIGN ELEMENTS	Eligibility	Level of relief	Tracking and accounting	Bundling	Outreach and engagement
	<p>Low-barrier enrollment component(s) should be included (e.g. self-certification; categorical eligibility; etc.)</p> <p>Auto-enrollment for energy assistance recipients should be included</p> <p>Options for CBOs to submit eligible customers to the utility should be included</p>	<p>Prioritizes lowest income with the highest energy burden</p>	<p>Monthly zip code level reporting on enrollments for first 12 months, quarterly thereafter unless guidance is updated following the broader investigation. Monthly data should include, but not be limited to:</p> <ul style="list-style-type: none"> • Assistance dollars per customer; • Total and average arrears of participants (by 30, 60, 90+ days aged buckets); • Percentage of EA recipients; • Difference in average bill of participating versus non-participating customer. 	<p>Information sharing with ETO and energy efficiency and weatherization administrating agencies about interim rate and program participants</p>	<p>Transparent and informative</p>
	<p>Eligibility criteria should be income-based in the interim (the broad investigation can explore other criteria)</p>	<p>Utility proposal should explain how the interim rate was designed to provide a meaningful reduction of energy burden (e.g., Staff will look at how the utility considered a target energy burden ceiling (6%) when identifying the income tiers and discount levels provided by the proposed rate)</p>	<p>Program costs are tracked and reported quarterly in a deferral with sufficient detail for ongoing Staff review and discussion</p>	<p>Collaborates with energy efficiency and weatherization partnering agencies on complementary services and potential cross referrals</p>	<p>Regularly scheduled (monthly or quarterly) discussions and consultations with partnering agencies representing or servicing target communities; consolidating with peer utilities where possible</p>
		<p>Allows flexibility or direct engagement opportunities in program design to accommodate enrollments reasonably outside specific eligibility terms</p>	<p>Continued workshops with Staff and Stakeholders on right-sizing data collection and leveraging work done by other agencies; specific attention to more granular reporting of demographic and income data.</p>	<p>Makes energy efficiency or weatherization information and program resources available to participating customers</p>	<p>Demonstrates the Company provided meaningful engagement in advance of filing</p>
					<p>Surveys participating customers and CAP agencies at 3, 6, and 12 months of implementation</p>

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Appendix B:

[HB 2475](#) is a 2021 legislative measure that took effect January 1, 2022, and allows the PUC to consider customer characteristics that affect affordability when approving programs and energy rates charged by regulated utilities.

[ADV 1409](#) is the docket number assignment for Cascade's interim differential rate proposal to offer income-qualified customers arrearage management and discounts on their monthly bills. Docket No. ADV 1409 can be considered one of the "off-shoots" of Docket No. UM 2211, where Staff is working across a diverse group of utilities and stakeholders to implement HB 2475.

Tariff sheets are documents that can detail terms and conditions for utility programs offered to customers and/or pricing structures that a utility provider charges a customer for energy usage based on the customers class (e.g. residential, commercial, industrial) and/or election preferences (e.g. time-of-use rates). Tariff sheets applicable to customers of an Oregon regulated utility (such as Cascade) must be approved by the Commission.

Cost recovery mechanism is the term used to describe how the utility will make back the costs associated with the Company's offering or role in an authorized program, service, or policy. In the case of Cascade's differential rate proposal, the Company seeks to recover the costs of discounting customer bills by spreading total (forecasted) costs of the discounts across all utility customers.

Docket Schedule is the engagement timing and framework for PUC Staff, utilities, and other interested parties to collaborate on PUC proceedings. It can include workshops, comment deadlines, and other events that provide dedicated space for engagement.

Other PUC resources that are not specific to any one process, but may help new and interested participants in our processes can be found here:

- <https://www.oregon.gov/puc/news-events/Pages/Trainings.aspx>
- <https://www.oregon.gov/puc/news-events/Pages/Get-Involved.aspx>