ITEM NO. RA1

PUBLIC UTILITY COMMISSION OF OREGON
STAFF REPORT
PUBLIC MEETING DATE: June 28, 2022

REGULAR __X__ CONSENT ____ EFFECTIVE DATE _______July 1, 2022_______

DATE: June 21, 2022

TO: Public Utility Commission

FROM: Michelle Scala

THROUGH: Bryan Conway and Caroline Moore **SIGNED**

SUBJECT: CASCADE NATURAL GAS:
(Docket No. ADV 1409/Advice No. 22-06-01)
Establishes Schedule 36, Arrearage Management Program and Energy Discount and Schedule 37, Low Income Assistance Cost Recovery.

STAFF RECOMMENDATION:

Reject Cascade Natural Gas Corporation (Cascade or Company) Advice Filing No. 22-06-01 establishing Schedule 36, Arrearage Management Program and Energy Discount and Schedule 37, the corresponding Low Income Assistance Cost Recovery Mechanism, proposed to be effective with service on and after July 1, 2022.

Authorize Cascade to re-file its proposed AMPED and recovery mechanism with the following changes:

1. Implement AMPED as a risk-free program for residential customers, under which customers will not be subject to recovery of underbilling based on enrollment in AMPED.
2. Revise proposed schedule 36 to authorize the use of self-attestation of a qualifying household income to enroll in AMPED whether the customer contacts the utility or the CAA.
3. Revise proposed Schedules 36 and 37 to limit cost recovery to AMPED direct assistance.
4. Change the cost recovery structure for residential customers from a volumetric per therm rate to a fixed monthly charge.

Direct Cascade, upon approval of an Advice Filing for AMPED, to:

1. With input from Stakeholders, develop and administer a short survey offered to participants at the time of enrollment and at 6-, and 12-month intervals in Year 1

and every twelve months thereafter that includes questions on energy affordability and demographics. The surveys should:
    a. Be optional;
    b. Have results trackable by income level declared at the time of self-verification; and
    c. Omit or encrypt personal identifiable information (PII).
2. Share participant survey findings and participant attributes with Staff and Stakeholders during post-implementation engagement.
3. Develop and administer an annual short survey offered to CAAs enrolling clients in AMPED for the purposes of evaluating overall experience administering the program and effectiveness with helping clients.

DISCUSSION:

Issue

Whether the Oregon Public Utility Commission (Commission) should approve Cascade's advice filing with Schedule 36, a proposed Arrearage Management Program and Energy Discount (AMPED) and Schedule 37, Low Income Assistance Cost Recovery Mechanism, which seeks to recover via an automatic adjustment clause, the annual forecast amount of AMPED costs and a true-up of the previous year's over or under recovery.

Applicable Law

Oregon Revised Statute (ORS) 757.205 requires public utilities to file schedules showing all rates, tolls, and charges for service that have been established and are in force at the time. Pursuant to ORS 757.210, the Commission may approve tariff changes if they are deemed to be fair, just, and reasonable.

Under ORS 757.210(1)(b), "automatic adjustment clause" means "a provision of a rate schedule that provides for rate increases or decreases or both, without prior hearing, reflecting increases or decreases or both in costs incurred, taxes paid to units of government or revenues earned by a utility and that is subject to review by the commission at least once every two years."

Filings that make any change in rates, tolls, charges, rules, or regulations must be filed with the Commission at least 30 days before the effective date of the changes. ORS 757.220; Oregon Administrative Rules (OAR) 860-022-0015. Tariff filings to be effective on less than 30 days following notice of the change may be authorized with a waiver of less than statutory notice pursuant to ORS 757.220 and OAR 860-022-0020.

ORS 757.230, as amended by HB 2475, provides the Commission authority to take certain considerations into account when determining a comprehensive classification of service for each public utility; including, the quantity used, the time when used, the purpose for which used, the existence of price competition or a service alternative, the services being provided, the conditions of service, differential energy burdens on low-income customers and other economic, social equity or environmental justice factors that affect affordability for certain classes of utility customers.[1]

ORS 757.695, codifying HB 2475's Section (7)(1), provides that the Commission may address the mitigation of energy burdens through bill reduction measures or programs that may include, but need not be limited to, demand response or weatherization.

Analysis

Background
On January 1, 2022, Oregon House Bill (HB) 2475 became effective. The bill expanded language under ORS 757.230 to include additional factors the Commission may consider when establishing rate classifications, such as the "differential energy burdens on low-income customers and other economic, social equality or environmental justice factors that affect affordability for certain classes of utility customers." In response to HB 2475, the Commission has initiated a broad implementation effort that includes both interim actions to provide customers near-term relief under the new authority and a longer-term investigation to fully explore and establish the Commission's policies for differential rate design and administration.[2]

This Commission authority provided in HB 2475 represents a significant evolution in Oregon utility rate design. Prior to the passage of HB 2475, in September 2018, OPUC published a report on Senate Bill (SB) 978, entitled "Actively Adapting to the Changing Energy Sector."[3] The report, in part, addressed legislative and commission action spurred by increased customer interest in having more electricity options and an emerging awareness of social equity as a policy objective. In a section specifically addressing environmental justice at the PUC and differential rates based on factors other than cost-of-service or service characteristics, the report stated:

> Direction from the Legislature would allow the Commission to prioritize how to integrate social equity and differential energy burdens into rate design and the Commission decision-making process more generally. The Legislature may be prepared to conclude that the Commission should be given express authority to establish a separate, low-income rate to

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[1] The Energy Affordability Act (HB 2475 – 2021 Regular Session) amended ORS 756.610, ORS 757.230, and ORS 757.072 and enacted new provisions to address equity in rate setting and participating in PUC proceedings, effective January 1, 2022. Or Laws 2021 Ch. 90.
[2] *See* Docket No. UM 2211.
[3] *SB 978 Actively Adapting to the Changing Energy Sector,* Oregon Public Utility Commission, September 2018; https://www.oregon.gov/puc/utilities/Documents/SB978LegislativeReport-2018.pdf.

> address the energy burden of Oregon's low-income ratepayers. For example, this could be in the form of a bill discount, a percentage of income payment program, or other approach. However, the Commission would need express authority with detailed criteria to create a low-income rate for customers while keeping rates just and reasonable for other customers.

The Energy Affordability Act now serves to provide that authority. Further, ORS 757.695 specifically authorizes the Commission to implement bill reduction measures such as discounts or credits for qualifying customers.

Since 2006, the Company offered the Oregon Low-Income Bill Assistance Program (OLIBA). The OLBIA is funded by a Public Purpose Charge (Cascade Schedule 31) and provides additional funding to Community Action Agencies (CAA) to supplement Low-Income Housing and Energy Assistance Program (LIHEAP) assistance. A total of 3,205 energy assistance pledges have been provided totaling $880,115 in direct payments to residential customers. During the 2020-2021 Program Year, the CAAs in Cascade's service territory distributed $101,354 of OLIBA funds to 260 households with an average pledge amount of $389.82.[4]

On January 31, 2022, the Company filed a deferral for the costs and revenues associated with HB 2475, Energy Affordability Act, which is docketed as UM 2230.

In March of 2022, Cascade received approval to extend and enhance temporary arrearage management options offered through the Company's Schedule 35, Temporary COVID-19 Residential Bill Assistance Program. The additional funding and program options were intended to provide near term relief to residential customers in advance of a differential rate proposal. Schedule 35 offers income-qualified residential customers two arrearage management no-match grant options through Cascade's "Big HEART" Program. Following the March 2022 revisions, customers would be able to access up to $2,500 in arrearage assistance, with all outstanding balances eligible for the discount.[5] Customers were also given the opportunity to enroll in the program more than once, as long as the total benefit received stayed within the $2,500 participation maximum. As of May 2022, Cascade has issued 3,625 Big HEART grants, totaling approximately $901,634. These amounts do not capture the full extent of grant activity from the recent revisions to the program; however, Staff will not receive AMP updates from the utilities for Quarter 2 2022 until mid-July. Staff remains supportive of Cascade's Big HEART program as a benefit to customers experiencing financial hardship in advance of a differential rate offering.

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[4] *See* RG 6 CNGC OLIBA 2020-2021 Annual Report, https://edocs.puc.state.or.us/efdocs/HAQ/rg6haq134131.pdf.

[5] In the original Big HEART program, customers would only receive a one-time benefit, regardless of whether or not the participation maximum was met.

On June 1, 2022, following an informal stakeholder engagement process, Cascade filed for approval of the proposed Schedule 36 AMPED and an associated Schedule 37 cost recovery mechanism. The Company requested a July 1, 2022 effective date to ensure sufficient implementation time for customer enrollment to begin on October 1, 2022. With this filing, the Company is also requesting the following:

- Approve the Schedule 36 AMPED;
- Approve the Schedule 37 cost recovery mechanism;
- Discontinuance of OLIBA under Schedule 31, in which all Company resources currently dedicated to it will be transferred to the AMPED program model; including resources, agreements, and training for CAA partners who help administer Cascade's low-income programs; and
- Continue the Schedule 35 Temporary AMP until it fully expends the authorized funding or the proposed Schedule 36 AMPED begins enrolling customers.

Staff has endeavored to perform its review of this filing in the 21 days between Cascade's initial filing and the internal deadlines required to bring the proposal before the Commission at the June 28, 2022, public meeting. However, Staff has found it necessary to identify key issues with the tariffs, as filed. The remainder of this Staff report will provide an overview of the filings, Stakeholder feedback, and Staff's review and recommendations to address key issues prior to approval of the tariff.

Cascade's Proposed Schedule 36 Arrearage Management Program and Energy Discount

In Docket No. 1409, Cascade is proposing a broad income-qualified residential customer assistance program that provides:

- Direct grants for outstanding past due balances; and
- Energy discounts on the customer's monthly gas bill.

Monthly bill discounts are calculated as a percentage of bill and the level of relief afforded to qualifying customers via both the AMP and bill discount portion are based on four income-tier levels.

Table 1. Cascade AMPED Tiers Income Tiers and Benefits

Tier Levels	Energy Discount	Arrearage Management
0-25% FPL, 0-15% SMI	95%	100%
26-50% FPL, 16-30% SMI	70%	100%
51-100% FPL, 31-45% SMI	45%	100%
101-150% FPL, 46-60% SMI	15%	90%

The AMPED is applicable to all Cascade residential customers with a gross household income less than or equal to 150 percent of the Federal Poverty Level (FPL) or less than or equal to 60 percent Oregon State Median Income (SMI), adjusted for household size.[6] Providing FPL and SMI ranges for each tier provides flexibility to offer the best level of relief to customers that fall into different income tiers depending on the income measure used.

The bill discount applies to all components of a customer's bill (base rates and pass-through charges). At the time of enrollment or soon thereafter, the Company will reduce the qualifying customer's past due balance by the percentage of their qualifying income listed in Table 1, above. The arrearage management instant grant is limited to once per program year per account and may not create a credit balance on the account.

Customers may apply for AMPED energy assistance by scheduling an appointment with a local CAA. CAAs qualifying customers for energy assistance will use their existing income verification documentation process to determine which AMPED discount tier the customer qualifies for and enroll them into the program. Customers may also enroll in AMPED by calling Cascade's customer service number. Customers applying through the Company would be able to self-certify their household income in order to qualify. The Company plans to launch an online assistance portal for CAAs to help facilitate enrollment, and eventually an online application and benefit eligibility tool for customers; however, Cascade is still working on when and how that will be implemented. Under the current terms, a customer must be the account holder or person, able and authorized to act on the account holder's behalf to apply for the AMPED. Cascade has also included an auto-enrollment feature to the AMPED. The intention is for auto-enrollment to be informed by data sharing agreements with state agencies administering other forms of assistance at the time the Company begins enrolling customers in October; however if this component is not ready by that time, Cascade customer accounts with a history of receiving EA in the prior 12-months will be queried internally and automatically enrolled into the lowest discount tier (15 percent) with the ability for a customer to call-in and self-attest to qualifying for a higher tier.

Initially, Cascade plans to audit up to three percent of self-attestation enrollments on a semi-annual basis. After the initial audit results, Cascade indicated it plans to work with its newly formed advisory group to discuss future audit durations and ways of conducting the audit process. Cascade anticipates that CAAs are likely a good option to administer income verification and is supportive of providing the agencies compensation to provide this service, as outlined in the initial AMPED terms and conditions. Cascade is continuing to work out specific post-enrollment income verification processes and has said that it will engage with stakeholders on how to best implement this process. In conversations with Staff, Cascade indicated it expects the first verification audit to take

[6] For customers in single-person households, eligibility is extended to those with gross household incomes up to the greater of 60 percent SMI or $30,700.

place in April 2023.

Cascade's Planned AMPED Outreach and Engagement

The Company plans to establish a low-income advisory group that includes all interested stakeholders and utilize the opportunity for broad collaboration on various elements of the AMPED, including funding levels and modifications. Cascade expects the group will meet at least twice a year.

Cascade also is in the process of developing and implementing a Community-Based Organization (CBO) program that will help access assistance for marginalized communities, including but not limited to rural, immigrant, tribal, or people of color. The CBO program will focus on outreach and target harder to reach customers such as those with disabilities, language barriers, and limited access to communications within the Cascade service territory. The Company will fund the CBO engagement up to three percent of the annual program budget with a floor of $35,000 annually. [7] Additionally, Cascade has committed to independently promote and engage in program outreach efforts and administering the AMPED program. The Company's initial filing proposes to include the funding for these efforts in Schedule 37 cost recovery.

In terms of the accessibility of outreach and enrollment, will utilize multiple languages in its outreach and website materials[8], has Spanish-speaking representatives for customers that call in, and access to a language line interpretation service for customer service representatives with 240 language options.

Cascade's Proposed Schedule 37 Low Income Assistance Cost Recovery

In Docket No. ADV 1409, Cascade has included the proposed Schedule 37, Low Income Assistance Cost Recovery, as the Automatic Adjustment Clause (AAC) tariff related to AMPED cost recovery. The mechanism is applicable to all Cascade customers. The Company has proposed a rate spread using a percentage of base revenues across all customer schedules in an attempt to yield the most equitable impacts in terms of percentage of bill increases when compared to other traditional rate spread methodologies. Under this approach and using the year one forecast of AMPED program costs of $1.417 million, Cascade estimates that the average residential customer on Schedule 101 will experience a bill increase equal to $1.09 per month. An average core commercial customer on Schedule 104 will see a bill increase of approximately $3.00 per month. A summary of estimated rate impacts across all affected schedules was generated by the Company for its initial filing and has been included here.

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[7] See Docket No. ADV 1409, Cascade Natural Gas Company's Advice No. 22-06-01 Arrearage Management Program and Energy Discount Proposal, p. 3.

[8] Cascade states that its website will include English, Chinese, Indonesian, Japanese, Korean, Russian, Spanish, Ukrainian, and Vietnamese, and all print, social media, and radio outreach will be provided in full Spanish translation or information in Spanish about where to learn more.

Table 2. Year 1 Estimated Rate Impacts of Cascade AMPED

OR	Sch. 101	Sch. 104	Sch. 105	Sch. 111	Sch. 163	Sch. 170
AMPED Portion	$884,171	$368,442	$31,146	$19,345	$104,538	$9,357
Avg. Bills	$50.77	$174.06	$1,141.60	$7,717.41	$7,041.09	$20,689.21
$ Increase	$1.09	$3.00	$17.19	$80.61	$235.44	$194.94
% Increase	2.1%	1.7%	1.5%	1.0%	3.3%	0.9%
$ per Therm	$0.01845	$0.01191	$0.00974	$0.00642	$0.00278	$0.00488

The Company program year one cost estimates are potentially conservative as a result of using the FPL income percentages as opposed to SMI, such that using the FPL exclusively tends to forecast a greater number of customers in higher income percentages than the SMI or SMI/FML hybrid eligibility that will be used in actual benefit determination. Staff had the opportunity to recalculate the cost estimates using SMI with the Company's underlying data and found that SMI resulted in an approximate bill impact of $1.74 for residential customers. Staff expects the actual cost is likely a moving target dependent on a number of variables that could impact year one enrollment and benefit activity. For example, if the Company successfully implements a data sharing component with a third party, such as Oregon Housing and Community Services (OHCS), auto-enrollments and thus participation rates are likely to increase more rapidly than current estimates account for.

Schedule 37 is proposed to function as a two-way balancing account and thus, will enable concurrent spending and collections. The balancing account is to be reviewed annually with adjustments made for the following year to close the gap between benefits and collections in either direction. This approach is intended to protect both the Company and customers from significant variance between forecasted and actual program costs.

Stakeholder Feedback

Cascade initially announced its intention to file a proposal for an energy discount program to a broader stakeholder audience in February 2022 during a workshop on the Company's Big HEART program modifications. Later in May 2022, the Company hosted a pre-filing workshop that presented summary findings from the Oregon low-income rate analysis Cascade contracted with Forefront Economics Inc. and H. Gil Peach & Associates, LLC. Shortly thereafter, on June 1, 2022, Cascade made its official filing proposing the AMPED to the Commission.

Despite the condensed review process, Stakeholders have expressed general favorability towards Cascade's discount levels and AMP features, which the Company has indicated was informed by stakeholder feedback heard while participating in peer utilities' HB 2475 engagement processes. In addition, Stakeholders are appreciative of Cascade's effort and investment in a low-income rate analysis.

In comments filed on June 9, 2022, Community Action Partnership of Oregon (CAPO), in partnership with Klamath & Lake Community Action Services provided feedback on various elements of the AMPED. Oregon Citizens' Utility Board (CUB) filed comments on June 17, 2022. CAPO and CUB comments include the following issues/themes:

Positives:

- Intake incorporates self-attestation of income.
- Auto-enrollment.
- Level of relief.
- Use of low-income rate analysis to inform program design.

Opportunities for further development:

- Shareholder contributions to offset AMPED costs.
- Make the AMPED "risk-free" to program participants.[9]
- Exempt Asset Limited Income Constrained Employed (ALICE) customers from AMPED cost-recovery (Schedule 37).
- Collect income and demographic data at enrollment.
- Quarterly reporting.
- Refer participants to Community Action Programs, including weatherization, energy assistance, and other cost-free benefits as a default feature of enrollment.
- Prioritization of energy efficiency and demand response programs with state and community partners.
- Change cost recovery across residential class from volumetric per therm charge to a "flat" monthly customer charge.

Other general feedback provided in either or both published comments and workshop engagement, include:

- AMPED design is acceptable as an interim relief measure and should not limit future differential rate and program design options.
- Interest in Percentage of Income Payment Plans (PIPP).
- Interest in additional analysis of households at very low incomes.[10]

In Cascade's reply comments, the Company addressed each of the issues brought forward by CAPO. The Company provided some additional detail on expectations for the post-enrollment income verification audit but stated that the process was not yet finalized and looked forward to working with its advisory group on implementation. Regarding the risk-free element of the program, Cascade did not find this intuitively

[9] Customers will not have to payback discounts if they were for some reason to un-enroll from the program or be moved to a lower discount tier.
[10] *See* ADV 1409, Oregon Citizens' Utility Board comments, Page 3; June 17, 2022.

appropriate for the program. Specifically stating that "Cascade is having a hard time seeing the distinction between individuals that falsify their information to receive AMPED benefits and tampering with equipment to receive unlawful benefits." Regarding shareholder contributions, Cascade points to the Winter Help fund, where shareholders voluntarily contribute funds for available assistance.[11] Cascade indicated it is open to reallocating current shareholder's contributions from the Winter Help to AMPED if that is the preference.

CAPO also highlights the vulnerabilities called out in Cascade's low-income rate analysis regarding ALICE customers; specifically, that ALICE customers will be subject to the costs of the AMPED without qualifying for the benefit. Cascade responds by noting the increased administrative demands and associated costs of addressing the ALICE group in the AMPED with some form of rate relief. The Company said it would work with CAPO and its advisory group on whether future adjustments to ensure program efficacy are appropriate.

In terms of tracking and accountability, while the Company is willing to perform quarterly reporting, it remains hesitant about the collection of income data beyond what is needed to initially qualify a customer and cites concerns around privacy, liability, and storing the data. Regarding referrals to other services, Cascade points to its ongoing collaboration efforts with OHCS for a data sharing agreement that will enhance auto-enrollment populations. The Company also has plans to track high consumption level patterns for AMPED customers and will use their account information to provide priority energy efficiency services within Cascade's conservation group.

Staff Review
Cascade's filing created a tight timeline for Staff and interested parties to engage and review the proposal in advance of a July 1, 2022, effective date. That being said, the proposal was shared with an increasing amount of detail in the months prior to the June 1, 2022, filing. This pre-filing engagement, in addition to the Low-Income Rate Analysis report, deeper bill discounts, arrearage management features, and interim arrearage management offerings garnered positive feedback from stakeholders and helped Staff feel more comfortable with an accelerated post-filing review timeline. Staff believes the Company may have benefited from earlier and more material engagement from stakeholders when developing the terms and conditions of the AMPED design, however, Staff is hopeful that regular engagement with a broad group of stakeholders and Cascade's advisory group will help inform timely as-needed adjustments to the AMPED going forward. The sections below summarize Staff's review of Cascade's filing and rationale for the recommended changes.

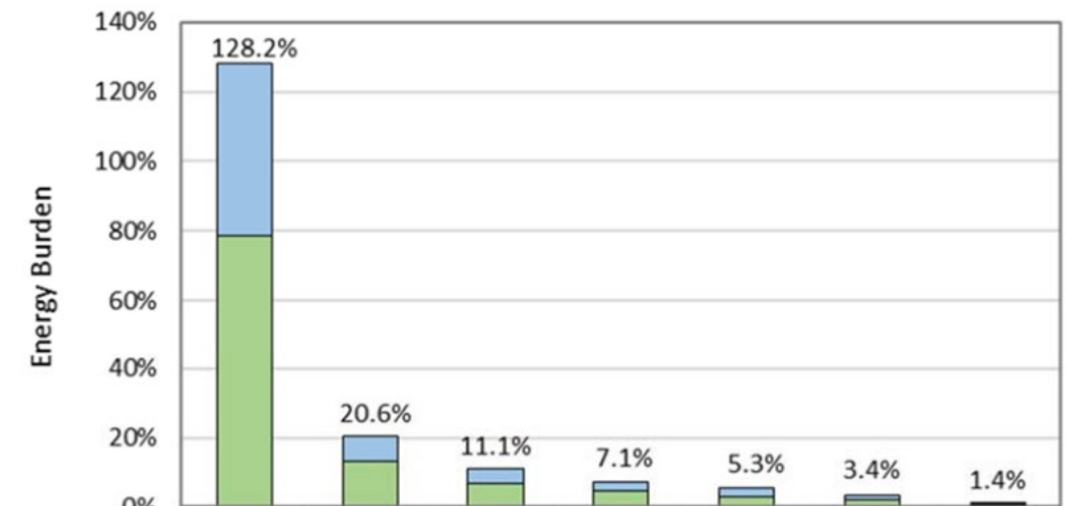
[11] Winter Help is a customer contribution fund that provides payment assistance to customers at or below 200 percent FPL. It is funded by customer donations, plus an annual company contribution. Between October 2021 and May 2022, Winter Help has made 432 pledges to Cascade customers, distributing a total of $89,657 with an average $191.71 pledge amount.

Cascade's Oregon Low-Income Rate Analysis
In January 2022, Cascade selected Forefront Economics Inc. and H. Gil Peach and Associates to conduct a third-party study to analyze the energy burden of its current Oregon customer base and to better determine the impacts and benefits of a low-income discount program for customers in Oregon.[12] The analysis is based on data from Cascade, the Low-Income Energy Affordability Data (LEAD) tool, and Low-Income Home Energy Assistance Program (LIHEAP) applicant data. Cascade used the findings to determine what income tier categories based on FPL or SMI were most appropriate for the program and which discount ratios would direct the most benefit to the customers groups most in need of support. Cascade included the report in its initial filing and Staff has some of the notable findings in the paragraphs below.

Regarding specific income metrics in the Cascade service territory, Forefront Economics Inc. found that the total energy burden for Cascade customers below 100 percent of the Federal Poverty Level (FPL) is 15.5 percent. In other words, for a household of one,[13] earning at or below $19,320[14] per year, annual household electric and natural gas bills is equivalent to 15.5 percent of the customer's annual household income.[15] For Cascade customers between 0-25 percent of the FPL the energy burden is estimated to be at 128 percent, the 25-50 FPL group is at 21 percent, and the 50-100 percent FPL group at 11 percent.[16] Figure 1 shows energy burden by FPL group for Cascade's Oregon customers.[17]

[12] Docket No. ADV 1409, Cascade Natural Gas Company's Advice No. 22-06-01, Arrearage Management Program and Energy Discount Proposal.
[13] Add $6,810 for each additional person.
[14] Cascade Low-Income Rate Analysis, Page 28.
[15] *Id.*, Page 2
[16] *Id.*
[17] *Id.*, Page 3

Figure 1. Energy Burden by FPL Group, Cascade Oregon Residential Customers



	0-25%	25-50%	50-100%	100-150%	150-200%	200-400%	400%+
Natural Gas	49.7%	7.5%	4.4%	2.6%	2.2%	1.3%	0.6%
Electric	78.5%	13.1%	6.7%	4.5%	3.1%	2.1%	0.8%
Total	128.2%	20.6%	11.1%	7.1%	5.3%	3.4%	1.4%

For households with less than 100 percent of FPL, electric heated homes outnumber gas homes by nearly a 2 to 1 margin. Income distribution for gas heated homes is skewed more toward higher incomes and less toward lower incomes, compared to electrically heated homes.[18]

The study estimates that nearly 10,000 Cascade customers are below 150 percent of the FPL, and of those 10,000, roughly 1,600 are below 50 percent of the FPL.[19]

Using energy bill discounts ranging from 95 percent for the 0-25 percent FPL group to 15 percent for the 100-150 percent FPL group and assuming 20 percent of the 10,000 eligible customers sign-up for a discounted bill program, the study estimates that the total energy discount cost of the program would be 0.7 percent of retail revenue requirements. If all 10,000 customers below 150 percent of FPL enrolled in the discounted bill program, the total energy discount cost of the program would come to 3.4 percent of retail revenue requirements.[20]

The report highlights several key considerations when designing low-income programs.

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[18] *Id.,* Page 2/Page 5.
[19] *Id.,* Page 2.
[20] *Id.,* Page 2/Page 21.

One example being the bottom effect,[21] where in the lowest poverty category, for example 0-25 percent of FPL, all mathematically based logical rate structures break down. Households in these categories have so little income that they simply cannot pay their bills and a program design that may function well for higher ranges of poverty simply breaks down.

Cascade's report also discusses the ALICE problem of which there is a substantial group of customers who have insufficient income but have income over the range for the program. The study asserts that assessing a subsidy charge to customers who do not qualify for the program but are also income insufficient is counter-productive to the goal of maintaining overall continuity of service (and of affordable payment).[22]

Staff believes that, in total, the study provides important estimates surrounding the current energy burden situation for Cascade's Oregon customers and highlights how subsets of customers living well below the FPL face extremely high levels of energy burden. In addition, the study raises important considerations for low-income program design moving forward. Due to the importance of addressing energy burden and the rate impact of these programs, rooting these programs in robust utility-specific data will provide the greatest relief at the lowest rate impact. In general, Staff is encouraging regulated utilities to move towards more robust data collection practices and recurring energy burden needs assessments in their service territories. Staff acknowledges Cascade's proactive approach in this regard and encourages the Company to continue exploring how to continue with and build upon findings from low-income rate analysis.

Key Baseline Evaluation Criteria for HB 2475 Interim Differential Rates
In Docket No. UM 2211, Staff published a set of baseline criteria for evaluating utility interim action proposals that incorporates feedback from utilities and other stakeholders. Staff provided this upfront, transparent information about its minimum evaluation criteria to facilitate timely and meaningful development of interim actions. Staff's approach to developing the baseline evaluation criteria was to first identify high level areas that would benefit from standardization and then reflect on feedback from prior stakeholder engagements and literature for practicable design elements that could be applied in interim designs.

Attachment A provides Staff's current baseline evaluation criteria and key design elements in the context of interim filings.

As intended, Staff's review of the Company's proposal was oriented around said baseline evaluation criteria. The following section describes Staff's review of the AMPED proposal through the shared evaluation criteria.

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[21] *Id.*, Page 5.
[22] *Id.,* Page 18.

Eligibility
Staff advised that interim proposals support low-barrier enrollment practices, such as self-certification and categorical eligibility; incorporate auto-enrollment for EA recipients and allow for third-party enrollment with CBOs.

Staff finds that Cascade has included or addressed most of these features in its AMPED terms and conditions. Staff supports the self-attestation component of income eligibility and is appreciative of the Company's inclusion of categorical eligibility, auto-enrollment, and third-party enrollment through CAAs. Staff has heard from stakeholders that data sharing with State agencies such as OHCS is a preferred means of enhancing auto-enrollment capacity and Staff notes that Cascade has committed to exploring this type of agreement with both OHCS and other state agencies to maximize customer accessibility and AMPED enrollments. Staff appreciates that Cascade has incorporated auto-enrollment for EA recipients in advance of finalizing an agreement with OHCS and looks forward to future sophistications in auto-enrollment that benefit customers.

Staff believes that it is important for enrollment through CAA referral to be low barrier, as well. CAAs perform income verification for other services and Staff does not want this program to interfere with the effective provision of wraparound services, however, Staff requests that Cascade work with the CAAs to ensure that self-attestation for the AMPED is available to customers working with CAAs that have not or otherwise cannot provide income verification documentation required for other programs.

Staff supports changes to the proposed tariff that ensure all customers are able to verify household income through self-attestation regardless of whether they contact the Company or a CAA.

Stakeholders propose that assistance programs should allow for relatives and support organizations representing the primary account holder to enroll. Currently, Cascade's program allows for the primary account holder to work with CAAs to enroll, but not relatives or other organizations that do not have existing agreements with Cascade. Staff is not recommending that Cascade expand third party enrollments beyond the CAAs at this point; however, Staff encourages continued dialogue about how such a thing might be implemented in the future.

Level of Relief
Staff advised that energy burden mitigation structures prioritize based on level of need and asked that utility proposals be transparent as to how the interim rate was designed to meaningfully reduce energy burden. Staff also recommended that the program allow for flexibility that is responsive to customer needs that may exist beyond the terms of the tariff.

Cascade's proposed income tiers utilizing both FPL and SMI brackets, to the benefit of the customer, and the depth of the discounts and arrearage forgiveness proposed is one of the most robust differential rate structures proposed in Oregon to date. In addition to providing 100 percent arrearage forgiveness for customers who qualify in the top three tiers, and 90 percent arrearage forgiveness for the bottom tier, monthly energy discounts are offered up to 95 percent of a customer's monthly gas bill. Cascade's Low-Income Rate Analysis report discusses how the lowest income group of 0-25 percent FPL shows an energy burden well in excess of 100 percent, meaning household energy costs exceed annual income. In Cascade's service territory, this income bin has relatively few customers, but their total energy burden is extreme. This compares to an energy burden of 21 percent in the next highest income group, 25-50 percent of FPL. Based on this, the report illustrates a tiered discounted rate design with discounts set at each income bin to bring the income group to the targeted energy burden of six percent.

Table 3. Tiered Discounted Rates by Income Group[23]

	Energy Burden Targets			Bill Multiplier to Achieve Goal	
FPL %	**Electric**	**Natural Gas**	**Total**	**Electric**	**Natural Gas**
0-25%	3.7%	2.3%	6.0%	0.047	0.047
25-50%	3.8%	2.2%	6.0%	0.292	0.292
50-100%	3.6%	2.4%	6.0%	0.537	0.537
100-150%	3.8%	2.2%	6.0%	0.845	0.845

The energy burden for each fuel in Table 3 reflects the proportion that each fuel makes up of the total energy cost for that income group. A bill multiplier to achieve the energy burden target is also shown in Table 3 and is the same for each fuel. The multiplier of 0.047 for the lowest income group means that if customers are asked to pay 4.7 percent of their natural gas bill and 4.7 percent of their electric bill, their natural gas, electric and total energy burden would be reduced to the targets of 2.3 percent, 3.7 percent and 6.0 percent, respectively. For the highest income group shown in Table 3, a discount of 15.5 percent (0.845 bill multiplier) is sufficient to achieve energy burden targets.[24]

Cascade used this and other findings in the Low-Income Rate Analysis report to inform the level of discounts needed to meaningfully address energy burden in its service territory. Staff finds this approach to be thoughtful, fact based, and data grounded. While there are other considerations that may be necessary to incorporate as the program progresses toward participation maturity, particularly with regard to cost recovery bill impacts, Staff is supportive of the proposed discount structure in Cascade's AMPED.

[23] *Id.,* Page 21.
[24] *Id.*

Tracking
Staff requested monthly zip code level reporting on participants for at least the first 12 months and provided some examples of desired metrics. Staff also addressed the need for further investigation into data collection, particularly with regard to more granular reporting on demographic and income data.

Cascade's current proposal provides for annual reporting on or before January 31 on AMPED performance. Specific metrics and measures include total customers enrolled, customers' average therm usage, total dollars spent, grant dollars awarded to customers, dollars spent on CAAs' administrative costs, number of households served per CAA, and program dollars spent on outreach and administration that is done by Cascade, CBOs, or CAAs. After the first year, the report will include a comparison of the program's performance to prior years. In reply comments to CAPO, Cascade indicated it would be willing to adjust performance reporting to a quarterly basis.

Staff recommends quarterly reporting on AMPED data to ensure regular evaluation of performance and costs, particularly for the interim terms. Staff appreciates the metrics detailed by the Company but feels it is appropriate to include collection and aggregate reporting of customer data collected at enrollment and subsequent surveys. While Cascade indicated several concerns related to income data collection, Staff finds that understanding the income levels of participants and the impact the program makes on energy burden is of value. To the extent that the Company is comfortable providing this information within the income bracket tiers, collection and retention of specific individual customer income levels is likely not necessary. Additionally, if the Company pursues regular low-income needs assessments and can incorporate additional analyses that consider AMPED participation and survey data, Staff believes data needs may be met.

In the near term, it seems practical for the utility to offer an optional post-enrollment survey that includes questions on energy affordability and demographics. If the survey response can be tied anonymously to the self-verified income level, then there need not be an additional income question within the optional survey. This approach has been recommended by multiple non-utility parties and can help stakeholders understand who generally is accessing the differentiated rates and identify potential gaps in outreach and/or messaging. In the future, Staff anticipates utilizing one or more of the Docket No. UM 2211 topical workshops to further explore the importance and feasibility of utilizing objective-based customer intelligence. These conversations will likely explore, at a minimum, the use of third-party data analytics firms, State agency partnerships, peer utility data clearing houses, and any other reasonable and cost-effective means to collect and apply customer demographics to better serve Oregon residents.

Bundling
Staff revised initial draft guidance related to energy efficiency (EE) bundling in interim programs in response to utility and CAAs that obligatory service bundles may be unfeasible from a capacity standpoint and create additional barriers from a participant

standpoint. Staff's revisions recommended that utilities engage in information sharing with the Energy Trust of Oregon (ETO) and other EE and weatherization administering agencies; collaborate with said agencies on complementary services and cross referrals; and make EE/weatherization informational resources available to applicants. To the extent that these criteria do not oblige the Company to incorporate anything into the actual tariff, Staff simply reinforces its recommendation that utilities find ways to partner with ETO and EE/weatherization agencies and mitigate energy burden as effectively as possible (i.e., reducing energy needs + reducing the cost of energy).

Staff is supportive of Cascade's effort to incorporate priority EE services for AMPED participants that exhibit high usage patterns. Staff believes routine energy audits for the purposes of assessing need and flagging households that may benefit from targeted weatherization efforts and EE services. Staff encourages the Company to continue to work with ETO and other weatherization administrating organizations on data sharing, program partnerships, and EE referral opportunities that can benefit AMPED customers and energy burden mitigation efforts more broadly.

CAPO recommends an EE automatic referral feature for AMPED enrollments with an opt-out box on the application. Cascade indicated that it would be connecting all AMPED with EE resources and preferred not to do an opt-out feature that might reduce potential referrals, particularly for those households that would be identified in subsequent energy audits. To the extent EE referrals from the AMPED are equally robust as that envisioned by CAPO, Staff is not recommending any changes to Cascade's EE referral plans at this time. That said, Staff is also sensitive to the points made by CUB regarding EE and demand response. Staff would like to see the utility work collaboratively with advocates and EE, weatherization, and demand response partners to pursue the feasibility and efficacy of earlier opportunities for EE and weatherization bundling with the AMPED.

Outreach and Engagement
Staff's expectations for outreach and engagement are that it be performed in a way that is transparent and informative; that the utility provide regularly scheduled monthly or quarterly discussions with partnering agencies and community representatives in a way that is mindful of stakeholder time; demonstrate meaningful engagement in advance of filing; and administer optional surveys to participating customers and CAP agencies at three, six, and 12 months from implementation.

In terms of outreach and ongoing customer engagement, Staff is supportive of Cascade's plans to stage and implement portal features that promote information, accessibility, and enrollments. Initially, the Company plans to roll out a portal for CAA partners that makes it easier for the agencies to input information, determine benefit amounts, and enroll qualifying customers. Later, Cascade indicated it hopes to enhance online accessibility for customers via an online application and benefit eligibility tool where account holders can apply for the AMPED. Staff encourages the Company to make sure these resources incorporate the language accessibility features currently utilized on their website and work with stakeholders to get feedback on the user experiences with these tools.

Staff has some concerns that there are not currently online enrollment options available to Cascade customers for the AMPED and hopes this can be addressed in the near term rather than be put on hold as a component of the larger customer portal.

Post-enrollment Verification

Post-enrollment verification was not an issue linked to Staff's baseline evaluation criteria but is an important consideration. Staff appreciates that the Company will exempt categorically eligible customers from AMPED post-enrollment verification sampling and finds this to be an appropriate accessibility feature for customers. Staff recognizes the importance of maintaining the integrity of the program by employing some verification of need and eligibility among participating customers. At the same time, Staff is sensitive to the additional burden and stress post-enrollment verification can put on customers, particularly those who are individuals or families with higher barriers.[25]

Staff and stakeholders share concerns that for some customers, their inability to produce the necessary documentation requested in income verification processes may not be rooted in fraud. There are likely circumstances where undocumented households, households with no income to report, poor record keeping, or document retention and other scenarios could cause a customer to fail a post-enrollment verification despite true need. The harm associated with these possibilities is worsened if the Company does not implement the program as a risk-free option for customers. Under its current plan, the Company would set out to recover discounts and grants it deems were inappropriately administered.

As described earlier, the Company believes a misrepresentation of information to garner higher discounts on bills is demonstrative of fraud where the utility would be authorized to recover for under-billed amounts. While Staff agrees that malicious and intentional fraud would qualify as a scenario where recovery of funds paid out is an appropriate outcome and expectation; Staff's concern is that if the risk-free feature were omitted, recovery of benefits resulting from post-enrollment verification outcomes would not distinguish between malicious and intentional fraud and scenarios where a qualified customer simply could not produce the requisite documentation, thus creating significant and additional harms to energy burdened and vulnerable households.
In Staff's opinion, more robust information on fraud rates in self-certification programs is needed to determine whether recovering funds where customers have not been able to meet post-enrollment verification requirements outweighs avoiding the potential harms the practice could cause. Staff expects some of this information to emerge from post-enrollment verification data after the first year of implementing differential rates and

[25] *See* Docket No. ADV 1365, CEP Comments, page 2; submitted March 10, 2022.

programs in Oregon, at which time the issue might be revisited. Staff recommends the Commission require the Company to implement the AMPED as a risk-free program until such a time that Cascade can evidence a level of fraud and abuse in post-enrollment verification that would warrant reconsideration of the issue, but no sooner than twelve months following initial implementation. This will require the Company to clarify that customers will not be subject to collection of underbilled amounts based on enrollment in AMPED.

Additional Considerations
Staff notes that in addition to the proposed AMPED, there are other forms of energy assistance available to Cascade customers. While the Company has proposed to consolidate OLIBA benefits with the AMPED, traditional EA via LIHEAP and Cascade's Winter Help are also available to income-qualified customers. Cascade's partnership with CAAs for AMPED enrollment options helps facilitate accessibility for customers that may qualify for multiple forms of assistance, functioning as an EA one-stop-shop. Cascade has also highlighted its commitment to promoting energy efficiency for AMPED recipients. The Company shared plans to perform energy audits that will flag high usage consumption patterns and inform internal referral processes for priority energy efficiency services. Finally, Staff notes that HB 2475 interim action guidance is expected of regulated electric utilities as well. Thus, if a Cascade customer is also an electric customer of a regulated utility, they will likely have access to an interim relief measure through arrearage assistance and/or discounted rates.

As discussed in greater detail earlier in this report, Cascade offers a temporary arrearage management program for income-qualified customers called Big Heart. The Company is authorized a total of $1,061,276 for direct residential arrearage assistance. This amount includes an initial authorization of $707,517[26] at the program's inception in April 2021 and a second authorization of $353,759[27] from an extension granted in March 2022. Funds were expended and committed through two AMP options that included an instant grant for customers who had a history of receiving energy assistance and an application-based grant where customers could self-certify their household size and income to qualify. At the start of the Big Heart program, Cascade residential arrears had nearly doubled from a pre-pandemic[28] $565,904 to $1,045,589. Also concerning was that an increasing percentage of total arrears was represented by the 90+ day arrears. In other words, more customers were remaining in arrears and accumulating significant past due balances. As of April 2022, Cascade residential past-due balances are approximately $601,124. This amount represents a month over month increase from March, but a significant reduction from pandemic highs.

Staff is continuously monitoring utility arrears and appreciates that Cascade has endeavored to incorporate long-term arrearage management options for energy

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[26] *See* Docket No. ADV 1246.
[27] *See* Docket No. ADV 1367.
[28] January 2020.

burdened customers.

See Appendix B for the latest Cascade residential arrears figures.

Effects of Filing
Proposed Schedule 36 states that “Program costs incurred for this program and outreach will be recovered through tariff rates presented on Schedule 37, Low-Income Assistance Cost Recovery.” To estimate the initial costs and customer impacts of the AMPED, Cascade used the data and findings from its Low-Income Rate Analysis for Oregon report and assumed a 20 percent participation rate among eligible Cascade customers. Based on these inputs and using FPL income percentages, rather than SMI, the Company estimates program year one AMPED costs to be approximately $1.417 million. This includes $617,747 for arrearage management grants; $444,831 for energy discounts applied to low-income customer bills; $35,000 in the first year for CBO outreach; and $234,225 for payments to assist Community Action Agencies. Staff has included a table summarizing these costs that was provided in Cascade’s initial filing.

Table 4. Year 1 AMPED Program Cost Breakout

AMPED Program Cost		
Cost Component	*Amount*	*Percentage*
Arrearage Management	$ 617,747	43.6%
Energy Discount	$ 444,831	31.4%
Adminstrative	$ 85,006	6.0%
Community Based-Org	$ 35,000	2.5%
Agency Fee	$ 234,225	16.5%
Total (rounded)	**$ 1,417,000**	100.0%

As discussed earlier in the memo, the Company estimates that in program year one, the average residential customer on Schedule 101 will experience a bill increase equal to $1.09 per month and the average core commercial customer on Schedule 104 will see a bill increase of approximately $3.00 per month.

In its initial filing, the Company also briefly mentions potential costs at program maturity (100 percent enrollment). Specifically, that the AMPED program at full enrollment could reach a total program cost of $11.4 million annually and cost the average residential customer an additional $8.70 per month. Currently, full enrollment is not an expectation in year one; however, Staff is sensitive to the level of these potential costs. In its review, Staff found that the arrearage management costs forecasted by the Company takes a historical look at arrears balances as customer arrears forgiven as a percentage of average bills. Staff expects this approach may overestimate the costs associated with arrearage management grants to the extent past due balances decrease resulting from

1) lower customer bills for enrolled customers (i.e., past due amounts would be inherently lower); and 2) improved timely customer payment activity, because monthly bills are more affordable. The Company indicated that the reduced AMP costs may be partially offset by increases in energy tier discounts due to increases in pass-through and base rates. Ultimately, it is difficult for both Staff and the Company to precisely determine potential costs of the program, and it will take some time and data to better inform our forecasts. Staff is concerned that a potential bill impact of more than $8.00 a month on top of any other rate increases that Cascade may propose between now and a fully matured AMPED may create an entirely new cohort of energy burdened customers that would not qualify under the current income-eligibility criteria. While this may not be a near term issue, Staff plans to monitor the relationship between AMPED participation rates and AMPED costs to evaluate the efficacy of the program at reducing energy burden sustainably. The Company has said that all AMPED costs will be reviewed annually as part of the cost recovery true-up mechanism and with increased enrollment, interested parties will gain a better sense of customer discounts and arrearage forgiveness. If costs begin to rise beyond what is deemed reasonable, the Company may discuss the practicality of implementing program caps or other modifications that help to address concerns around full participation cost. In this same vein, Staff notes that while many of the utilities have expressed hope that the interim differential rate designs and programs are representative of their “post-HB 2475 implementation” permanent programs, the programs are interim by nature and the first of their kind in Oregon. To this end, Staff’s evaluation, review, and recommendations regarding the interim proposals are provided without all the desired data, such that the programs have yet to roll out, and subject to change in future HB 2475 proceedings.

Schedule 37, Low Income Assistance Cost Recovery, provides for a two-way balancing account that will inform annual adjustments to customer rates based on a review of collections and payments from the account. On January 31, 2022, Cascade had filed an application for authorization of deferred accounting for costs and revenues associated with HB 2475; however, that has not been taken before the Commission at the time of writing this memo. Cascade’s Schedule 37 would allow the Company to successfully amend this position, clarify the accounting treatment, and initial estimated costs associated with AMPED. Staff is endeavoring to separately track the administrative costs associated with interim differential rates for later review and has only authorized the recovery of direct assistance in automatic adjustment clauses such as Schedule 37. Consistent with this approach in peer utility interim differential rate programs, Staff finds it appropriate to reserve Schedule 37 for direct assistance in year one and defer administrative costs associated with the program in a separate account to be established and authorized under the pending UM 2230 application, where balances will accrue at the Modified Blended Treasury Rate (MBTR). This recommendation would require the Company to recalculate Schedule 37 rates less $354,231, which is what the Company has estimated as AMPED costs above direct assistance amounts. This leaves $1,062,578 associated with direct assistance amounts to be included in Schedule 37. Upon the annual review of Schedule 37 rates and actual program costs, Staff would recommend that the Company may then propose to include administrative costs in the mechanism to the extent they are deemed reasonable in Staff's broader and utility specific assessment. Cascade has noted that it would like to see agency costs (i.e., payments to CAAs) included in the Schedule 37 cost recovery, such that it is part of OLIBA. Staff is not necessarily opposed to this from a policy perspective, provided the accrued costs are reviewed for prudency. However, in the interest of consistency in the direction provided to peer utilities regarding cost recovery and a desire to separately defer and assess *all* administrative costs, Staff still recommends the exclusion of agency costs in Schedule 37 at this time.

Finally, Staff agrees with the comments and recommendations provided by CUB regarding a preference for residential cost recovery to be assessed as a flat monthly customer charge as opposed to a volumetric per therm rate. Staff finds this to be consistent with other peer utility approaches and echoes CUB's rationale that the flat monthly customer charge will help to smooth the rate impact of this program throughout the year and avoid disproportionate impacts hitting already high winter heating bills.

Summary of Staff Recommendations
Staff recommends the Commission decline to authorize the Advice Filing, as filed.

Staff recommends the Commission authorize Cascade to re-file its proposed AMPED and recovery mechanism with the following changes:

1. Implement AMPED as a risk-free program for residential customers, under which customers will not be subject to recovery of underbilling based on enrollment in AMPED.
2. Revise proposed schedule 36 to authorize the use of self-attestation of a qualifying household income to enroll in AMPED whether the customer contacts the utility or the CAA.
3. Revise proposed Schedules 36 and 37 to limit cost recovery to AMPED direct assistance.
4. Change the cost recovery structure for residential customers from a volumetric per therm rate to a fixed monthly charge.

Staff further recommends that the Commission direct Cascade to, upon approval of an Advice Filing for AMPED:

5. With input from Stakeholders, develop and administer a short survey offered to participants at the time of enrollment and at 6-, and 12-month intervals in Year 1 and every twelve months thereafter that includes questions on energy affordability and demographics. The surveys should:
    a. Be optional;
    b. Have results trackable by income level declared at the time of self-verification; and

    c. Omit or encrypt personal identifiable information (PII).
6. Share participant survey findings and participant attributes with Staff and Stakeholders during post-implementation engagement.
7. Develop and administer an annual short survey offered to CAAs enrolling clients in AMPED for the purposes of evaluating overall experience administering the program and effectiveness with helping clients.

Conclusion

Staff and Stakeholders commend Cascade for its thoughtful proposal to mitigate energy burden and support income-eligible customers with more affordable rates and arrearage forgiveness. Staff notes that much of the AMPED proposal aligns with Staff's Baseline Evaluation Criteria despite limited development opportunities with stakeholders to contribute to the terms. Staff notes that the Company endeavored to resource information from peer utility engagement, Staff workshops, and its own low-income rate analysis to inform its differential rate design. Staff finds this demonstrative of the Company's effort to meaningfully address energy burden in its service territory and provide relief to income-constrained customers in advance of the upcoming heating season. If the Commission is supportive of the forward-looking guidance summarized above, Staff generally supports Cascade's proposed AMPED as an interim effort against energy burden, with the changes outlined above.

Staff recommends the Commission reject Cascade's Advice No. 22-06-01 and further direct the Company to implement additional features to the program as discussed in Staff's report. With regard to the Schedule 37 cost recovery mechanism, Staff recommends the Commission limit the mechanism to direct assistance payments and instruct the Company to separately defer and track administrative and other non-benefit costs in an HB 2475 deferral account. If the Commission adopts Staff' recommendation regarding the accounting of AMPED costs, Staff will proceed with open Docket No. UM 2230,[29] and recommend the Commission approve the application for deferred accounting. Staff has confirmed via informal inquiry with Cascade that the Company intends to file annual deferral reauthorizations. And, with each proposed annual rate change, upon approval of an advice filing with a cost recovery mechanism, Staff will review and verify forecast annual amounts to be collected in rates, actual assistance paid the previous year, and the over- or under-collection proposed to be included in rates from the subsequent year.

Consistent with the treatment of deferred differential rate program administrative costs in peer utility agreements, Staff will further recommend that deferred AMPED administrative costs accrue at the MBTR until such a time that the Company requests and receives approval to amortize the costs in its Schedule 37 cost recovery

[29] Cascade's application for authorization for deferred accounting of costs and revenues associated with HB 2475 Energy Affordability Act.

mechanism.

PROPOSED COMMISSION MOTION:

Reject Cascade Natural Gas Corporation Advice Filing No. 22-06-01 establishing Schedule 36, Arrearage Management Program and Energy Discount and Schedule 37, the corresponding Low Income Assistance Cost Recovery Mechanism.

Authorize Cascade to re-file its proposed AMPED and recovery mechanism with the following changes:

1. Implement AMPED as a risk-free program for residential customers, under which customers will not be subject to recovery of underbilling based on enrollment in AMPED.
2. Revise proposed schedule 36 to authorize the use of self-attestation of a qualifying household income to enroll in AMPED whether the customer contacts the utility or the CAA.
3. Revise proposed Schedules 36 and 37 to limit cost recovery to AMPED direct assistance.
4. Change the cost recovery structure for residential customers from a volumetric per therm rate to a fixed monthly charge.

Direct Cascade, upon approval of an Advice Filing for AMPED, to:

5. With input from Stakeholders, develop and administer a short survey offered to participants at the time of enrollment and at 6-, and 12-month intervals in Year 1 and every twelve months thereafter that includes questions on energy affordability and demographics. The surveys should:
    a. Be optional;
    b. Have results trackable by income level declared at the time of self-verification; and
    c. Omit or encrypt personal identifiable information (PII).
6. Share participant survey findings and participant attributes with Staff and Stakeholders during post-implementation engagement.
7. Develop and administer an annual short survey offered to CAAs enrolling clients in AMPED for the purposes of evaluating overall experience administering the program and effectiveness with helping clients.

Attachment A

Staff's 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**
	Low-barrier enrollment component(s) should be included (e.g. self-certification; categorical eligibility; etc.) Auto-enrollment for energy assistance recipients should be included Options for CBOs to submit eligible customers to the utility should be included	Prioritizes lowest income with the highest energy burden	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: • 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.	Information sharing with ETO and energy efficiency and weatherization administrating agencies about interim rate and program participants	Transparent and informative
	Eligibility criteria should be income-based in the interim (the broad investigation can explore other criteria)	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 Company considered a target energy burden ceiling (6%) when identifying the income tiers and discount levels provided by the proposed rate)	Program costs are tracked and reported quarterly in a deferral with sufficient detail for ongoing Staff review and discussion	Collaborates with energy efficiency and weatherization partnering agencies on complementary services and potential cross referrals	Regularly scheduled (monthly or quarterly) discussions and consultations with partnering agencies representing or servicing target communities; consolidating with peer utilities where possible
		Allows flexibility or direct engagement opportunities in program design to accommodate enrollments reasonably outside specific eligibility terms	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.	Makes energy efficiency or weatherization information and program resources available to participating customers	Demonstrates the Company provided meaningful engagement in advance of filing
					Surveys participating customers and CAP agencies at 3, 6, and 12 months of implementation

Attachment B

Cascade's Residential Customer Arrears January 2020- April 2022

Figure 3 - Residential Customers in Arrears

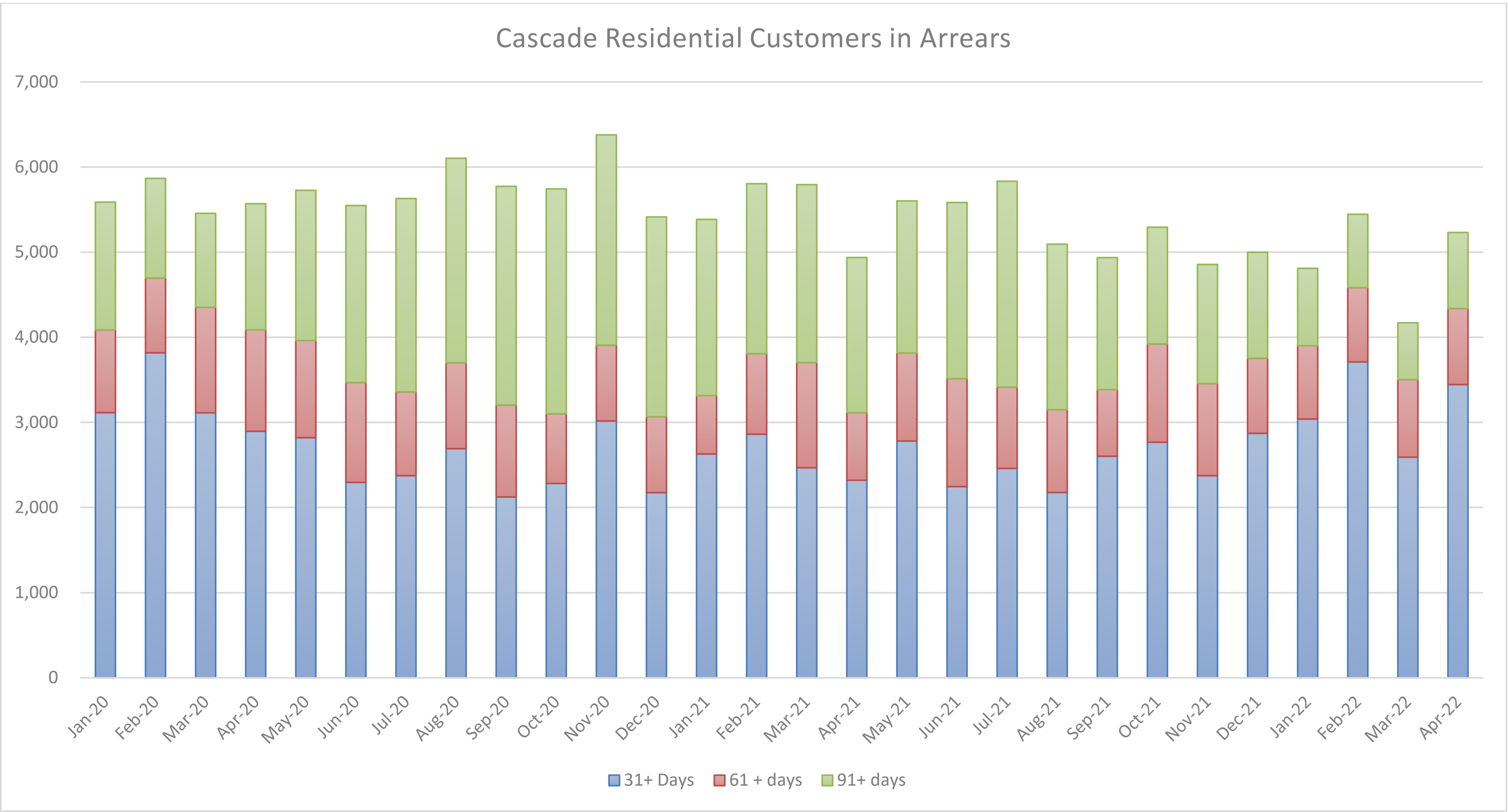

Figure 4 – Residential Arrears

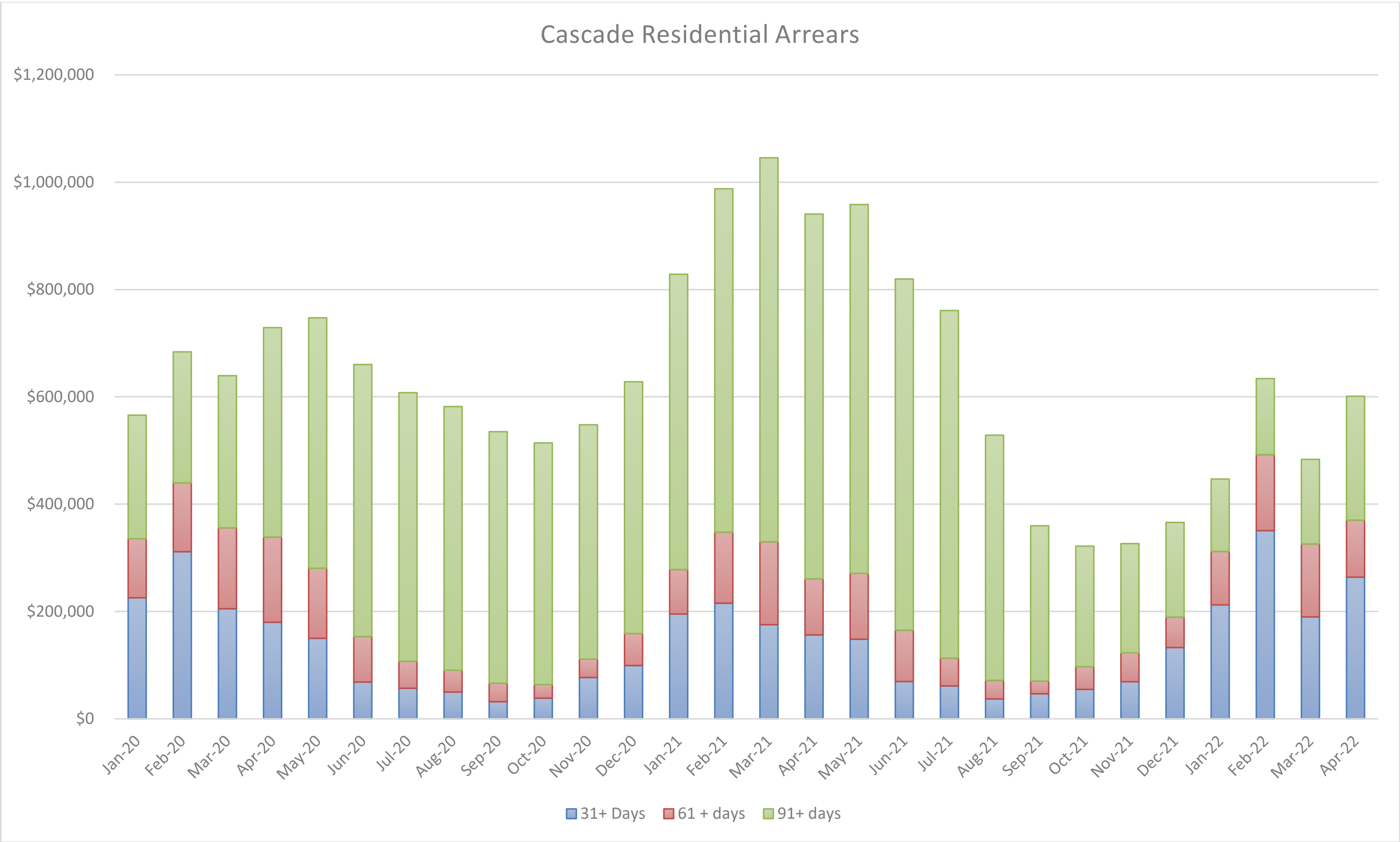

Figure 5 – Average Residential Arrears