



Oregon

Kate Brown, Governor

Public Utility Commission

201 High St SE Suite 100

Salem, OR 97301-3398

Mailing Address: PO Box 1088

Salem, OR 97308-1088

503-373-7394

September 6, 2022



BY EMAIL

Cascade Natural Gas Corporation

cngcregulatory@cngc.com

lori.blattner@intgas.com

RE: Advice No. O22-08-01

At the public meeting on September 6, 2022, the Commission adopted Staff's recommendation in this matter docketed as ADV 1424. The Staff Report and a receipted copy of the sheets in your advice filing are attached.

A handwritten signature in blue ink, appearing to read "Nolan Moser".

Nolan Moser

Chief Administrative Law Judge

Public Utility Commission of Oregon

(503) 378-3098

**PUBLIC UTILITY COMMISSION OF OREGON
STAFF REPORT
PUBLIC MEETING DATE: September 6, 2022**

REGULAR **CONSENT** **EFFECTIVE DATE** September 12, 2022

DATE: August 29, 2022

TO: Public Utility Commission

FROM: Bret Farrell

THROUGH: Bryan Conway, Caroline Moore, and Scott Gibbens **SIGNED**

SUBJECT: CASCADE NATURAL GAS:
(Docket No. ADV 1424)
Low-Income Assistance Program Tariff Revision.

STAFF RECOMMENDATION:

Approve Cascade Natural Gas Corporation's (Cascade or Company) Advice Filing No. O22-08-01 request to modify its Tariff PUC OR No. 10, Rule 32, Oregon Low-Income Assistance Program, effective with service on and after September 12, 2022.

DISCUSSION:

Issue

Whether the Oregon Public Utility Commission (Commission) should approve the Company's proposed revisions to Tariff PUC OR No. 10, Rule 32, Oregon Low-Income Assistance Program, with an effective date of September 12, 2022.

Applicable Law

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.

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; 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 House Bill (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 August 12, 2022, Cascade filed a request to modify its Tariff PUC OR No.10, Rule 32 pertaining to the Company's Oregon Low-Income Assistance Program, whereby the tariff will be more adaptable to Cascade's newly created Schedule 36 Energy Discount Program (EDP). The purpose of the filing is to do three things:

1. Allow either Cascade or Community Action Agencies (CAAs) to enroll customers into the Oregon Low-Income Bill Pay Assistance Program (OLIBA)
2. Allow Cascade customers to perform self-attestation to either the Company or a CAA for the purpose of enrollment in OLIBA.
3. Updating the method with which customer eligibility is determined for OLIBA from the Low-Income Home Energy Assistance Program (LIHEAP) matrix to a new energy assistance calculator developed by Cascade.

On July 26, 2022, the Commission adopted Staff's recommendation to approve Cascade's Advice Filing No. 22-06-01 establishing Schedule 36, Energy Discount and Schedule 37, the corresponding Low Income Assistance Cost Recovery Mechanism. In their memo recommending approval, Staff highlighted that the Company was no longer proposing to roll its OLIBA program into Schedule 36, so that OLIBA would not be subject to the same cost recovery provisions as the EDP. Staff indicated that they would like to revisit the consolidation of OLIBA and the EDP into a holistic energy burden offering with the Company and stakeholders at some point in the future.

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.

Additionally, on July 15, 2022, the Oregon Citizens' Utility Board (CUB) filed comments under Docket No. UG 437, urging the Company to investigate incremental improvements to combine the enrollment process for OLIBA and EDP.

On July 27, 2022, Staff and stakeholders met with the Company to discuss tariff changes meant to address differences in the enrollment process, self-attestation process, and eligibility matrix between OLIBA and EDP. Staff and stakeholders reached broad agreement to support the proposed tariff revisions.

Summary of Cascade's Proposed Revisions

The proposed revisions filed by Cascade address three specific arrears pertaining to the OLIBA program which Staff summarizes here.

Enrollment

The proposed tariff revisions will allow Cascade customers to become enrolled in OLIBA by contacting either Cascade or the CAA. Previously, Cascade customers could only become enrolled in OLIBA through contacting a CAA. Staff believes this modification will allow for greater access to the OLIBA program by removing a barrier to becoming enrolled and allowing customers to sign up for OLIBA directly with the Company. This modification will also allow customers to become enrolled in both OLIBA and the EDP when contacting the Company about assistance opportunities.

Self-attestation

Cascade customers will be allowed to perform self-attestation of household size and monthly income to a CAA when enrolling in the OLIBA program. Currently, customers are unable to perform self-attestation when enrolling in OLIBA with CAAs. This change brings the OLIBA program more closely in line with Cascade's EDP which allows customers to perform self-attestation.

Eligibility

Cascade will be switching from using the LIHEAP eligibility matrix for determining OLIBA pledge amounts to a new energy assistance calculator developed by the Company. The LIHEAP matrix uses an income guide of up to 150 percent Federal Poverty Level (FPL), while Cascade's proposal uses both up to 150 percent FPL and up to 60 percent State Median Income (SMI) and takes the lesser of the two so the customer can get the most benefit. In addition, the LIHEAP matrix uses a benefit matrix which is based on regions, fuel type, and income level. While Cascade is proposing a tier-based discount level based on the actual household SMI/FPL percentage income. The proposed OLIBA tiers are as follows:

Tier 1	0-25% FPL, 0-15% SMI	90% arrears forgiveness
Tier 2	26-50% FPL, 16-30% SMI	86% arrears forgiveness
Tier 3	51-100% FPL, 31-45% SMI	83% arrears forgiveness
Tier 4	101-150% FPL, 46-60% SMI	80% arrears forgiveness

The calculator only requires entry of three data points to which the Agencies have easy access. The only required entries are Current Monthly HH Income, HH Size, and Current Arrears Amount, then the calculator immediately provides the OLIBA pledge level/tier.

Staff believes that all three proposed revisions will allow for greater access to the OLIBA program especially to those customers who can least afford their current service, while also creating greater efficiency between Cascade's EDP and OLIBA programs.

Conclusion

Staff reviewed the Company's filing and redlined changes to the Company's Oregon PUC OR No. 10 Tariff, Rule 32, Oregon Low-Income Assistance Program. Staff is satisfied that the changes are appropriate and recommends that the Commission approve the Company's Advice filing effective for service on or after September 12, 2022.

PROPOSED COMMISSION MOTION:

Approve Cascade Natural Gas Corporation's Advice Filing No. O22-08-01 request to modify its Tariff PUC OR No. 10, Rule 32, Oregon Low-Income Assistance Program, effective for service on or after September 12, 2022.

RULE 32

OREGON LOW-INCOME ASSISTANCE PROGRAM

SPECIAL TERMS AND CONDITIONS (continued)

- 4. Each participating Agency will be responsible to screen and approve applicants for eligibility. Each Agency shall follow the protocols for the qualification of and disbursement to eligible participants in accordance with Cascade’s master Oregon Low-Income Bill Assistance Program (OLIBA) agreement which outlines self-attestation requirements and tiered assistance. Cascade’s master OLIBA agreement could be updated annually before the following program year if Cascade determines, at its sole discretion; however, any substantial program proposals will be brought to Cascade’s advisory group for discussion and feedback. Agencies will document enrollment into adjacent poverty programs in client files. The amount of assistance for eligible participants shall be based on Cascade’s master OLIBA agreement and accompanying energy assistance calculator. Any voucher authorization received by the Company that exceeds these guidelines will be appropriately adjusted. If a customer has a credit balance due to the receipt of low-income assistance and the customer’s service is disconnected, the credit balance will be returned to the OLIBA fund for distribution to other clients. (T)
(T)
(T)
(C)
|
(C)
(T)
(C)
- 5. Each Agency will be reimbursed from the Oregon Low-Income Bill Assistance Program account for certain administrative costs and direct program costs incurred by them in the administration and delivery of the program to Cascade’s customers. Total program administration and delivery costs shall not exceed 20 percent of the total low-income bill payment assistance funds applied to customers’ utility accounts. Should actual administrative and program delivery costs be lower than the 20 percent, the remaining funds shall be allocated into the program fund to support direct services.
- 6. Each Agency will provide a summary report providing information on the prior month’s program activities. The report must identify the number of families assisted and their location, as well as the amount of funds dispersed. The Company must receive all reports by the 20th business day of each month.
- 7. The Bill Payment Program year will extend from October 1 through September 30. Any amounts not disbursed in the program year will carry over to the next program year. The Company will provide an annual summary evaluation report on the progress of the program for review by the Commission by December 1 following the end of each program year.