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December 20, 2024

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

RE: Cascade Advice No. W24-12-01, Rule 20  
CARES Agency Fees

Director Killip

Cascade Natural Gas Corporation ("Cascade" or "Company") herewith submits to the Washington Utilities and Transportation Commission the following revisions to its Tariff WN U-3, stated to become effective with service on and after January 31, 2025

First Revision of Sheet No. 20-B

This filing revises the methodology Cascade will use to renumerate Community Action Agencies ("Agencies") for their administration of the CARES program as established in Schedule 20, Cascade Arrearage Relief Energy Saving (CARES) Program.

The CARES Program was established in Docket UG-230551. The initial program design included a first-year agency fee of 25% of the benefits forecasted to be paid to customers in the 2023-2024 program year, and in subsequent program years, 25% of actual benefits paid to customers in the prior program year. After the close of the first program year on September 30, 2024, Cascade learned that the methodology for paying Agencies is insufficient. This is largely due to an overstated forecast of the program's first-year CARES arrearage benefit amounts, which makes the renumeration plan appear more generous than it actually is and will not empower agencies to staff CARES enrollment at sufficient levels prospectively. Cascade now seeks to revise how it determines agency fees such that the Company will pay \$75 per Agency touchpoint in the prior program year. A touchpoint is defined as an Agency-processed CARES enrollment whether initiated independently or through the processing of a Low-Income Home Energy Assistance Program ("LIHEAP") grant; an Agency-processed CARES grant; or an Agency's verification of a CARES customer's self-attested income.

The attached workpaper, "NEW-CNGC-Advice-No.-W24-12-01-CARES-Agency-Fees-WP-DATE.xlsx," provides an overview of the number of touchpoints Agencies completed in program year 2023-2024 and the

resulting agency fee for program year 2024-2025 should this proposed remuneration methodology be approved.

Cascade's CARES Advisory Group has reviewed this filing and agrees that the proposed remuneration method is preferred for the current program year, and plans to analyze and explore optimal remuneration models for the CARES program in 2025.

This electronic filing is comprised of the following files:

- NEW-CNGC-Advice-No.-W-24-12-01-CARES-Agency-Fees-CLtr-12-20-2024.pdf
- NEW-CNGC-Advice-No.-W-24-12-01-CARES-Agency-Fees-Trf-12-20-2024.pdf
- NEW-CNGC-Advice-No.-W24-12-01-CARES-Agency-Fees-WP-12-20-2024.xlsx

Please direct any questions regarding this filing to me at (208) 377-6015 or Jennifer Gross at (509)-975-9473.

Sincerely,

*/s/ Lori Blattner*

Lori Blattner  
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Attachments

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

**AGENCY PAYMENT**

Cascade will reimburse Agencies for CARES program administration by paying Agencies \$75 for each customer touchpoint completed in the prior program year. A touchpoint is defined as an Agency-processed CARES enrollment whether initiated independently or through the processing of a LIHEAP grant; an Agency-processed CARES grant; and an Agency’s verification of a CARES customer’s self-attested income.

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**AUTO-ENROLLMENT**

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

**PROGRAM MARKETING**

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

The use of CBOs will be piloted for three years (October 1, 2022, through September 30, 2025). The annual budget authorized for CBO activities will be between \$73,000 and 5% of the program budget. At the end of the pilot period, the Advisory Group will assess the CBOs’ work and determine if any refinements are needed.

(continued)