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April 12, 2024

Via UTC Web Portal

Jeff Killip
Executive Director and Secretary
Washington Utilities and Transportation Commission
621 Woodland Sq. Loop SE
P.O. Box 47250
Lacey, Washington

Re: Cascade Natural Gas Climate Commitment Act Tariff
Docket UG-240141

Dear Jeff Killip:

The Energy Project (TEP) respectfully submits the following comments on Cascade Natural Gas's (Cascade) petition to establish a new tariff schedule to recover Climate Commitment Act (CCA) costs and provide credits to offset CCA rate impacts. TEP requests the Commission condition its approval of the tariff on Cascade identifying 12,000 eligible low-income customers and providing bill credits to those customers that offset all CCA-related costs. TEP worked with Cascade, Commission Staff, NW Energy Coalition, and Public Counsel to develop this target. In communications with this group, Cascade and TEP mutually agreed to the following condition:

Cascade will work with its low-income advisory group to increase enrollment in its CARES energy assistance program through additional outreach, qualification process enhancements, auto-enrollment, and other means to reach a target of at least 12,000 participants by December 31, 2024. This condition will remain in effect regardless of the outcome of an initiative to repeal the Climate Commitment Act.

The CCA requires gas utilities to use the revenues generated by the auction of no-cost allowances to "eliminat[e] any additional cost burden to low-income customers from

the implementation” of the CCA.¹ Cascade’s Low-Income Needs Assessment (LINA) estimates that 59,909 customers qualify as low-income.² As of March 2024, Cascade enrolled 3,973 customers, or 6.6% of estimated low-income customers. Cascade’s previously stated goal was to enroll 10% of estimated low-income customers, or 5,909 customers.³

In this condition, Cascade agrees to double its enrollment goal to approximately 20%, or 12,000 customers. TEP thanks Cascade for agreeing to an aggressive increase to its enrollment goal, which will provide material benefits to thousands of low-income customers. To reach this goal, Cascade will work its low-income advisory group to perform additional outreach, develop qualification process enhancements, and perform auto-enrollment. TEP thanks Cascade for agreeing to automatic enrollment to achieve this important goal.

Automatically identifying and enrolling eligible low-income customers is feasible, as Cascade has available data. Cascade hired Forefront Economics to develop a propensity model to identify likely low-income customers in its service territory. Since launching the CARES program, Cascade has performed targeted outreach to customers that its propensity model shows are likely to have the lowest incomes and qualify for energy assistance. For example, in November and December 2023, Cascade sent postcards to customers that the model identified as having the lowest incomes and were not enrolled in the program. Cascade also has an ongoing outreach program to send e-mails and automated phone calls to customers that the model identified as having the lowest incomes (for customers which Cascade is allowed to send e-mails and automated phone calls). TEP thanks Cascade for developing and implementing this laudable outreach program.

The agreed-upon condition is consistent with the Commission’s condition approving Puget Sound Energy’s (PSE’s) CCA tariff. PSE originally planned to enroll

¹ RCW § 70A.65.130(2)(a).

² Cascade Natural Gas Corporation: Low-Income Rate Analysis for Washington, at 32 (May 31, 2022) (LINA). The household income threshold for low-income energy assistance used by Cascade and other utilities in Washington State is the higher of 80% of AMI or 200% of Federal Poverty Level. However, Cascade’s LINA does not identify the number of customers that meet this “higher of” two thresholds. Thus, Cascade uses the LINA’s identification of customers with incomes below 80% AMI as its definition of “estimated low-income” customers.

³ Cascade Natural Gas Cover Letter, Advice No. W24-03-01, Schedule 700, Temporary Climate Commitment Act Adjustment Schedule, at 3 (March 1, 2024).

10,000 low-income customers in CCA credits, and the Commission ultimately ordered PSE to enroll 70,000 customers, or 28% of PSE's estimated low-income natural gas customers, by automatic enrollment if necessary. The Commission's order approving PSE's CCA provided:

Third, PSE must work with its Low-Income Advisory Group between August and October 2023 to either identify additional KLI customers, or to automatically enroll low-income customers in a bill discount or bill assistance program, to reach a target of at least 70,000 participants by January 1, 2024. We agree with the commenters that PSE's proposal is insufficient, and therefore require the Company to find ways to increase its enrollment of eligible customers to ensure it complies with the CCA's requirement to eliminate any additional cost burden associated with statutory implementation to low-income customers.⁴

TEP thanks Cascade for working collaboratively to arrive at a mutually agreeable enrollment target and timeline for automatic enrollment. TEP will make a representative available for any questions you may have at the April 25, 2024 open meeting.

Very truly yours,

/s/ Yochanan Zakai

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⁴ Dkt. UG-230470, Order 01 Allowing Tariff Revisions To Become Effective Subject To Conditions, ¶ 20 (Aug. 3, 2023).