

CASCADE NATURAL GAS CORPORATION

Washington Energy Assistance Fund (WEAF)

2021-2022 Year to Date Program Year Results

Overview

In accordance with the requirement established in Docket UG-200568 Final Order 05, Cascade Natural Gas Corporation (“Cascade” or “the Company”) provides the following status report for its 2021-2022 program year beginning October 1, 2021 and ending September 30, 2022. The period for this report is October 1, 2021 and ending February 28, 2022.

Washington Energy Assistance Fund (WEAF) Program

The Washington Energy Assistance Fund (WEAF) program provides bill payment assistance to qualifying low-income residential customers of Cascade Natural Gas Corporation. The program is administered and delivered through the Community Action Agencies (“Agency” or “Agencies”) located throughout the Company’s service territory in Washington. Customers qualify for WEAF assistance if their combined household income is less than or equal to 200% of the Federal Poverty Guidelines. A qualified customer is awarded a WEAF grant of up to \$500 per household per program year and the grant is applied directly to the customer’s natural gas bill. The program helps customers stay connected to energy service by reducing arrearages and seeks to reduce the overall cost of bad debt by preventing the accrual of large unpaid balances for all customers.

Program Budget Cap

In accordance with the requirement established in Docket UG-200568 Final Order 05, the program budget cap remains unchanged from the 2020-2021 program year. This budget cap was established in the settlement concluding the Company’s 2015 rate case which established “not to exceed” spending caps for the five program years starting in 2016-2017 and ending in 2020-2021. The UG-152286 settlement agreement also contained a provision allowing Cascade to petition for additional funding if the spending caps proved insufficient to meet demand. On June 13, 2017, Cascade filed a petition with the Commission requesting authorization to increase the program year spending caps by 15%, allow an additional 5% soft cap buffer, and defer program costs that exceed the amounts collected in Schedule 593. The Commission approved this request. Table 1 below presents the program year budget as initially established in Commission Order No. 04 which adopted the UG-152286 settlement agreement, and the 15% increase and the additional 5% soft cap, both of which were authorized by Commission Order No. 05 issued in UG-152286:

Program Year	Initial Budget Cap	15% Increase	Additional 5% Soft Cap
2016-2017	\$1,047,000	\$1,204,050	\$1,256,400
2017-2018	\$1,100,000	\$1,265,000	\$1,320,000
2018-2019	\$1,156,000	\$1,329,400	\$1,387,200
2019-2020	\$1,215,000	\$1,397,250	\$1,458,000
2020-2021	\$1,276,000	\$1,467,400	\$1,531,200

WEAF Program Funding

Program funding is collected from all customers through a charge established in Schedule 593 of the Company's Tariff. The rate is established annually to collect the program year's budget. Schedule 593 collections for the period were \$645,812. The WEAF fund began the program year on October 1, 2021, with a balance of \$247,856.

Program Promotion

In the period, Cascade used various marketing channels to inform customers of the WEAF program.

- **Bill Inserts:** Bill inserts notifying customers of the available low-income assistance programs were issued. A bill insert specifically for WEAF was issued in February 2022.
- **Bill Inserts:** Energy assistance information was included on the monthly billing statements for Residential customers with a past due balance.
- **Customer Service Agents:** Customers who call Customer Service to request a payment plan or indicate they are having difficulty paying their bill are provided information regarding the available payment options, bill payment assistance programs, and the contact information for the Agency in their area.
- **Cascade Website:** The Company maintains www.cngc.com which informs customers about the program and directs them to the appropriate Agency administering the program.¹
- **Radio:** The Company worked with three companies, Cherry Creek Radio in the Tri-Cities, Cascade Radio Group in Mount Vernon, and Crista Media internet radio based in northwestern Washington to place English and Spanish ads on their stations promoting the WEAF program. A total of 967 radio ads in English and Spanish were aired on seven stations which reached most of our service territory across the state. Some stations also provided space on their websites for additional promotion in English and Spanish.
- **Digital Advertising:** Using digital media to promote the program has been in place for several years and while we find that it's a valuable tool that is inexpensive with a very wide reach, the changing rules imposed by platforms can create restrictions. We found challenges presented by Facebook and Twitter who imposed strict guidelines for posts and ads featuring financial or housing assistance messaging. Social platforms are increasingly delegating financial assistance topics to special ad categories that limit reach. Despite these challenges, the Company continues to see good results promoting WEAF and Big HEART on these platforms.
Midway through the program year, Facebook, Twitter, and Google Ads campaigns combined to achieve 901,553 impressions with 3,904 of those leading to a user engaging with the ad. The campaigns targeted residents within the CNGC Washington service territory. All ads had above average performance for both in-industry as well as cross-industry averages.

2021-2022 Year to Date Program Year Results

The results provided below are for the period of October 1, 2021 through February 28, 2022. Table 2 below summarizes the program dollars spent. Forefront Economics is an outside consultant retained to perform an analysis of special rates.

¹ See <https://www.cngc.com/customer-service/low-income-assistance-programs>

TABLE 2	
WEAF Transactions on Accounts (includes grants, refunds to WEAF GL acct, and accounting corrections)	\$ 325,627.29
Administrative Fees paid to Agencies	\$ 68,995.00
Total Dollars Spent on Marketing	\$ 53,406.86
By CNGC	
Facebook	\$ 1,266.59
Google Adwords	\$ 500.00
Twitter	\$ 665.27
Radio	\$ 50,975.00
By Agencies	\$ -
Forefront Economics (<i>Analysis of Special Rates</i>)	\$ 10,016.50
Total Dollars Spent	\$ 458,045.65

Table 3 shows the pledge detail for each Agency and the average pledge per household:

TABLE 3			
Agency	Pledges Submitted	Homes Pledged	Average Pledge
Blue Mountain Action Council	\$ 17,547.00	52	\$ 337.44
Community Action Connections	\$ 17,372.00	61	\$ 284.79
Community Action Council of Lewis, Mason, & Thurston Counties	\$ 919.00	2	\$ 459.50
Costal Community Action Council	\$ 4,817.64	12	\$ 401.47
Chelan-Douglas Community Action Council	\$ 1,515.00	4	\$ 378.75
Kitsap Community Resources	\$ 3,807.00	15	\$ 253.80
Lower Columbia Community Action Program	\$ -	0	\$ -
Northwest Community Action Program	\$ 10,670.45	39	\$ 273.60
Opportunities Industrialization Center of WA	\$ 136,611.00	327	\$ 417.77
Opportunity Council	\$ 77,930.00	212	\$ 367.59
Community Action of Skagit County	\$ 51,318.00	173	\$ 296.64
Snohomish County Human Services	\$ 2,135.00	5	\$ 427.00
Total	\$ 324,642.09	902	\$ 359.91

Remaining Program Year and Conclusion:

During the remaining months of the program year, Cascade will continue to promote the WEAF program to customers using the methods described and Customer Service agents will continue to encourage customers to contact their local Agency for energy assistance. The Company will continue to work with its advisory group and focus on the following four program goals adopted as part of the 2015 rate case settlement agreement:

1. Keep customers connected to energy service;
2. Provide assistance to more customers than are currently served;
3. Lower the energy burden of program participants; and
4. Collect data necessary to assess program effectiveness and inform ongoing policy discussions.