

**BEFORE THE  
WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION**

WASHINGTON UTILITIES AND  
TRANSPORTATION COMMISSION,

Complainant,

v.

CASCADE NATURAL GAS  
CORPORATION,

Respondent.

DOCKET UG-240008

**CASCADE NATURAL GAS CORPORATION  
DIRECT TESTIMONY OF DANIEL L. TILLIS**

**March 29, 2024**

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- Exh. DLT-2 J.D. Power Summary for Cascade Natural Gas
- Exh. DLT-3 Rule 20 and Schedule 302
- Exh. DLT-4 WEAFA Advisory Group Meeting Minutes
- Exh. DLT-5 Comments of The Energy Project on The Cascade Arrearage Relief Energy Savings (“CARES”) Program
- Exh. DLT-6 Cascade Low-Income Rate Analysis for Washington (“LINA Report”)
- Exh. DLT-7 CARES Advisory Group Agenda and Recap for February 2024
- Exh. DLT-8 Community-Based Organization Quarterly Reports
- Exh. DLT-9 Low-Income Propensity Model Summary Presentation
- Exh. DLT-10 Highly Impacted Community Report for December 2023
- Exh. DLT-11 Geographical Information System Highly Impacted Community Maps
- Exh. DLT-12 Docket U-210800 Joint Advocates 10-17-2022
- Exh. DLT-13 Provisional Plant Additions - Minor

1 **I. INTRODUCTION**

2 **Q. Please state your name and business address.**

3 A. My name is Daniel L. Tillis. My business address is 555 S. Cole Rd, Boise, Idaho,  
4 83709.

5 **Q. By whom are you employed and in what capacity?**

6 A. I am employed by the Montana-Dakota Utilities, a subsidiary of MDU Resources  
7 Group that provides centralized utility services to MDU Resources Group's  
8 subsidiary energy utilities, including Cascade Natural Gas Corporation ("Cascade"  
9 or "Company"). I am the Director of Customer Services for Cascade, Intermountain  
10 Gas Company, Montana-Dakota Utilities, and Great Plains Natural Gas.

11 **Q. How long has Cascade employed you?**

12 A. I have been employed by MDU Resources since January 28, 2019.

13 **Q. What are your duties as Director, Customer Services?**

14 A. As the Director, Customer Services, I lead Cascade's Customer Experience Team,  
15 which includes customer experience and journey management; digital experience on  
16 self-service platforms; energy assistance programs, and credit and collections  
17 operations; partnerships with external advisory groups; and emergency and outage  
18 event response. These groups are charged with enhancing Cascade's end-to-end  
19 customer experience for all customers, expanding and improving digital customer  
20 service platforms, equitably increasing access to energy assistance programs, and  
21 managing customer arrearages and collections with the goal of keeping customers  
22 connected to their natural gas service.

1 **Q. Briefly describe your educational and relevant employment experience.**

2 A. I am a 2001 graduate of Webster University with a Bachelor of Arts degree in  
3 Business Administration. In 2008, I earned my Master of Business Administration  
4 (“MBA”) degree from Keller Graduate School of Management. In June 2022 I  
5 completed the Energy Executive Course at the University of Idaho. I joined  
6 Montana-Dakota Utilities as the Director of Customer Services in January 2019.  
7 Prior to joining Montana-Dakota Utilities I worked at CenturyLink for 19 years with  
8 the majority of that time in Customer Service leadership positions.

9 **II. SCOPE AND SUMMARY OF TESTIMONY**

10 **Q. What is the scope of your testimony in this proceeding?**

11 A. My testimony addresses the following customer service-related topics:

- 12 • First, I provide an overview of Cascade’s Customer Service.
- 13 • Second, I discuss the changes that were implemented because of the COVID-19  
14 pandemic.
- 15 • Third, I discuss the bill payment assistance services and programs available to  
16 customers, including the Cascade Arrearage Relief and Energy Savings  
17 (“CARES”) program, which is a bill discount and arrearage relief program that  
18 was developed in 2022-2023 and implemented October 1, 2023.
- 19 • Fourth, I provide an overview of the Company’s vigorous efforts to inform  
20 customers, including hard-to-reach customers, about the available assistance  
21 services and programs.
- 22 • Fifth, I talk about how the Company is applying an equity lens on its customer  
23 service activities to identify inequities so that mitigating measures can be  
24 developed in collaboration with the Company’s CARES Advisory Group,  
25 community-based organizations, or members of the community, whichever is  
26 appropriate for the issue.
- 27 • Finally, I discuss provisional plant additions that I am sponsoring.

1 **Q. Do you sponsor any exhibits in support of your recommendations?**

2 A. Yes, I sponsor the following exhibits in support of my testimony:

- 3 • Exh. DLT-2, J.D. Power Summary for Cascade Natural Gas
- 4 • Exh. DLT-3, Rule 20 and Schedule 302
- 5 • Exh. DLT-4, WEAFA Advisory Group Meeting Minutes
- 6 • Exh. DLT-5, Comments of The Energy Project on the Cascade Arrearage Relief  
7 Energy Savings (CARES) Program
- 8 • Exh. DLT-6, Cascade Low-Income Rate Analysis For Washington (“LINA  
9 Report”)
- 10 • Exh. DLT-7, CARES Advisory Group Agenda and Recap for February 2024
- 11 • Exh. DLT-8, 2023 Community-Based Organization Quarterly Reports
- 12 • Exh. DLT-9, Low-Income Propensity Model Summary Presentation
- 13 • Exh. DLT-10, Highly Impacted Community Report for December 2023
- 14 • Exh. DLT-11, Geographical Information System Highly Impacted Community  
15 Maps
- 16 • Exh. DLT-12, Docket U-210800 Joint Advocates 10-17-2022
- 17 • Exh. DLT-13, Provisional Plant Additions Minor

18 **III. CUSTOMER SERVICE OVERVIEW**

19 **Q. Please provide an overview of the customer service options available to Cascade**  
20 **customers.**

21 A. Cascade’s Customer Experience Team (“CXT”) provides customers multiple options  
22 for communicating with and requesting service from the Company. Cascade  
23 customer service representatives communicate with customers through U.S. mail,

1 email, telephone, smart phone, social media platforms, text, web-based applications,  
2 and other online applications.

3 Cascade provides customers with toll-free access to customer service  
4 representatives who handle utility service requests and service or billing inquiries.  
5 The call center answers calls received from 7:30 a.m. to 6:30 p.m. Pacific time,  
6 Monday through Friday. The Company is also staffed to handle emergency calls 24  
7 hours a day, seven days a week. A scheduling center, which is part of the CXT,  
8 transmits electronic service orders to the mobile terminals placed in the Company's  
9 fleet of service and construction vehicles. This network allows Cascade to respond  
10 quickly to customer requests and emergency situations.

11 The Company's customer support team monitors email and responds to  
12 customers' requests during regular business hours. Additionally, the CXT provides  
13 online chat assistance through Cascade's online customer portal from 9:00 a.m. to  
14 3:00 p.m., Monday through Friday, as well as 24/7/365 messaging through Facebook  
15 and Instagram Messenger. The CXT also continues to increase and improve online  
16 self-service options on its website. Customers can easily enroll and manage their  
17 utility accounts through online account services found on [www.cngc.com](http://www.cngc.com). The CXT  
18 provides customers with many means to make a payment, request to start or stop  
19 service, set up electronic billing, review usage and payment history, transfer service,  
20 and enroll for account, outage, energy efficiency, and industry or Company news  
21 email and text notifications.

1 **Q. How does Cascade’s customer service compare with the customer service**  
2 **provided by peer utilities?**

3 A. According to J.D. Power, Cascade is a top performer among its peers. J.D. Power  
4 assesses customer satisfaction of natural gas customers annually by surveying  
5 residential customers on a number of key index factors including safety and  
6 reliability; billing and payment; price; corporate citizenship; communications, and  
7 customer care. In 2023 Cascade finished second in overall customer satisfaction in  
8 the West Midsize segment in the J.D. Power Residential Natural Gas Customer  
9 Satisfaction Study, with only two points separating it from the first-place utility,  
10 Intermountain Gas Company, which is Cascade’s affiliate. Over the last eleven  
11 years, Cascade placed either first or second in the West Midsize segment, ranking  
12 first six times and second five times. Please see Exh. DLT-2.

13 **IV. CHANGES TO CUSTOMER SERVICE PRACTICES**  
14 **DUE TO THE COVID PANDEMIC**

15 **Q. Did the COVID-19 pandemic result in any changes to Cascade’s customer**  
16 **service?**

17 A. Yes. Cascade, like all other utilities in the state, changed several utility practices  
18 during the COVID-19 pandemic.

19 **Q. What notable changes were made?**

20 A. During the early stages of the COVID-19 pandemic, the Company proactively  
21 paused disconnections for nonpayment on March 16, 2020. Later, Cascade complied  
22 with Governor Inslee’s Proclamation 20-23.2 and the Commission’s subsequent  
23 COVID-19 Response Term Sheet, as approved and modified in Order 01 through



1 Order 06 in Docket U-200281. The COVID-19 Response Term Sheet required  
2 utilities to forgo disconnecting residential customers for nonpayment for the  
3 timeframe April 17, 2020, through July 31, 2021. It also required utilities to place a  
4 moratorium on the collection of residential deposits and fees relating to late  
5 payments, disconnections, and reconnections for residential customers from April  
6 2020 to present. Docket U-200281 was initiated in response to the financial  
7 insecurity faced by numerous Cascade customers during the COVID-19 pandemic.  
8 As stated above, Cascade complied with these customer service changes and was  
9 active in Docket U-200281. The work done in Docket U-200281 led to the opening  
10 of Docket U-210800, which is currently investigating the advantages and  
11 disadvantages of lifting the Commission prohibition on customer fees. While  
12 Cascade has reinstated disconnections for non-payment, the Company has not  
13 resumed collecting deposits or late payment fees.

14 **Q. Did Cascade incur expenses as a result of its ongoing cessation on the collection**  
15 **of deposits and late payment fees?**

16 A. Yes. Jacob Darrington, in his direct testimony, Exh. JAD-1T, discusses the costs  
17 incurred as a result of these COVID-19 protections. See his supporting exhibit, Exh.  
18 JAD-2, for an itemized breakdown of the costs the Company incurred by not  
19 collecting deposits or late payment fees in 2023.

20 **Q. Does Cascade expect it will continue to incur costs due to the moratorium on**  
21 **charging deposits or late payment fees?**

22 A. This depends on the Commission's anticipated order in rulemaking Docket U-  
23 210800. When the Commission issues a final rule in this collaborative docket, the

1 Company will comply with it, whether it is to forgo the collection of customer fees  
2 or to reinstate them. If the Commission orders a permanent or long-term prohibition  
3 on collecting customer fees or deposits, all utilities, including Cascade, will likely  
4 experience significant long-term costs related to customer arrearages.

5 **V. BILL PAY ASSISTANCE PROGRAMS AND SERVICE OFFERINGS**

6 **Q. How does Cascade assist customers struggling to pay their bills?**

7 A. Cascade offers numerous programs that assist customers in paying their natural gas  
8 bill. The offerings can be divided into two categories: 1) bill management options or  
9 programs, and 2) financial assistance for qualifying low-income customers.

10 **Q. What bill management programs are available to Cascade customers?**

11 A. Cascade offers the following options to customers:

- 12 • Budget Payment Plan. A residential customer on Cascade's Budget Payment Plan  
13 receives a monthly bill in the amount of one-twelfth of their average annual  
14 usage. This payment option allows residential customers to avoid extreme  
15 fluctuations from month to month due to weather or usage changes. Budget  
16 Payment Plans are offered to residential customers in accordance with the  
17 Company's Rule 6, Billings and Payments.
- 18 • Time Payment Arrangements. A residential customer who expresses difficulty in  
19 paying a bill may enter into a time payment arrangement from two to 24 months,  
20 extending the due date on any unpaid prior balance.
- 21 • Auto-Pay. Auto-pay withdraws a customer's monthly payment for natural gas  
22 usage from the customer's credit card, debit card, or bank account, as authorized  
23 by the customer. This option allows customers to attend to their busy lives  
24 without the concern that they may miss making a payment for service received.

25 **Q. What low-income financial assistance programs does Cascade offer?**

26 A. Cascade offers the following programs to qualifying low-income customers:

- 27 • CARES. As of October 1, 2023, Cascade began offering the CARES program.  
28 CARES, which is ratepayer funded, was designed in collaboration with the  
29 Company's CARES Advisory Group. CARES replaces the Washington Energy

1 Assistance Fund (“WEAF”), a ratepayer-funded program that offered grants to  
2 customers to be applied to past due or future natural gas billings. Since October  
3 1, 2023, customers have had access to the CARES program, which offers  
4 qualifying low-income customers a percentage off from their monthly bill and, if  
5 necessary, an upfront payment to pay or assist in paying down the customer’s  
6 arrearage. Cascade offers five tiers of generous discounts and arrearage  
7 forgiveness commensurate with the customer’s household income and number of  
8 household occupants measured as the percentage of area median income or  
9 federal poverty level.

- 10 • Winter Help. Winter Help, which is funded by customer donations and Cascade  
11 shareholders, provides assistance to low-income customers who are at risk of  
12 disconnection for non-pay. A Winter Help grant of up to \$300 is applied to a  
13 qualifying Washington residential customer’s account, when the customer is  
14 scheduled to be disconnected from service due to an unpaid past due amount, and  
15 the Low-Income Home Energy Assistance Program (“LIHEAP”) and/or CARES  
16 grants, which are applied first, are less than the amount required to prevent the  
17 disconnection. A Winter Help grant is intended to keep qualifying customers  
18 connected to service and is available once per household per program year.
- 19 • LIHEAP. Cascade partners with Community Action Agencies within its service  
20 territory to provide customers with access to federal grants that can be used to  
21 pay down a past due balance or future billings for natural gas service.
- 22 • Conservation. Cascade offers rebates to all Washington-based core customers for  
23 the installation of weatherization measures or high efficiency gas-fired  
24 appliances. The installation of conservation measures provides customers with an  
25 enduring means to lower bills through reduced energy consumption.
- 26 • Washington Incentive Program (“WIP”). WIP is a Cascade program  
27 administered by Community Action Agencies. WIP offers qualifying low-income  
28 customers the installation of energy efficiency measures at no direct cost. As  
29 stated previously, conservation is the most enduring way to lower a customer’s  
30 bill while improving the home’s comfort level.

## 31 VI. CARES

32 **Q. What does CARES provide to qualifying customers?**

33 A. A customer receiving CARES benefits is placed on one of five tiers of generous  
34 energy discounts. The tier on which the customer receives CARES service is  
35 commensurate with that customer’s household income and the number of residents in  
36 the customer’s home. Placement on a CARES tier entitles the customer to 24 months

1 of discounted bills and, if needed, a grant of up to \$1,000 offered once per 24 months  
2 to pay down or pay off an arrearage. For the specific program parameters see Exh.  
3 DLT-3, Rule 20 and Schedule 302.

4 **Q. How was CARES developed?**

5 A. Cascade developed its CARES program in collaboration with its CARES Advisory  
6 Group in compliance with paragraph 76 of Order 09 issued in Cascade’s most recent  
7 general rate case, Docket UG-210755 (“Final Order 09”). All meeting transcripts and  
8 meeting materials detailing the collaborative program design process were filed in  
9 Docket UG-210755 and are included with my testimony as Exh. DLT-4.<sup>1</sup> In its July  
10 21, 2023, comments filed in Docket UG-230551 and provided here as Exh. DLT-5,  
11 The Energy Project described the development of Cascade’s CARES program as “in-  
12 depth collaboration with [Cascade’s] low-income Advisory Group.”<sup>2</sup> The Energy  
13 Project added, “TEP commends Cascade for the time and effort it devoted to  
14 designing the CARES program, including its extensive collaboration with the  
15 Advisory Group.”<sup>3</sup>

16 **Q. What entities comprise Cascade’s CARES Advisory Group?**

17 A. Cascade’s CARES Advisory Group consists of key stakeholders, including Public  
18 Counsel, Commission Staff, The Energy Project, NW Energy Coalition, Cascade,

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<sup>1</sup> Please note that the documents included in Exh. DLT-4 refer to WEAFF meeting agendas and minutes because WEAFF was the current bill assistance program name during the development of CARES. As of October 1, 2023, the advisory group and the meetings are now referred as the CARES Advisory Group or CARES meetings.

<sup>2</sup> Exh. DLT-5 at p. 3.

<sup>3</sup> Exh. DLT-5 at p. 4.

1 and representatives from each Community Action Agency within the Company’s  
2 service territory.

3 **Q. To whom is CARES applicable?**

4 A. A Cascade customer may receive service in CARES on a residential account if their  
5 household income does not exceed either 80 percent of area medium income or 200  
6 percent of the federal poverty level. This definition of low-income complies with  
7 paragraph 75 in Final Order 09, which broadened eligibility, first to WEAFF and then  
8 to CARES:

9 Accordingly, we accept TEP’s three proposals to improve the WEAFF  
10 program’s ability to reach more customers. These proposals are to: (1) raise  
11 the income eligibility threshold to 80 percent of area median household  
12 income (AMI) or 200 percent of the federal poverty level, whichever is  
13 higher; (2) require Cascade’s Low-Income Advisory Group to annually  
14 review funding levels to ensure the WEAFF program has adequate funds  
15 available; and (3) establish a “trusted messenger” community-based outreach  
16 program.<sup>4</sup>

17 **Q. What is the CARES program annual budget?**

18 A. The CARES budget is limited by RCW 80.28.425(2), which caps low-income bill  
19 payment expenditures to five percent of a company’s revenue requirement. Other  
20 than this, CARES has no budget ceiling in its design, and it follows customers’  
21 needs.

22 **Q. Is Cascade’s CARES program accomplishing its intended purpose?**

23 A. Yes, so far. In its first program year, the Company estimated that it would achieve  
24 ten percent program penetration based on the study of total low-income customers

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<sup>4</sup> *WUTC v. Cascade Nat. Gas Corp.*, Docket UG-210755, Final Order 09 at ¶ 75 (Aug. 23, 2022) (internal citations omitted) (“Final Order 09”).

1 within Cascade’s service territory provided in Exh. DLT-6, Cascade Low-Income  
2 Rate Analysis for Washington (“LINA”). Cascade is on track to achieving this,  
3 having enrolled over 4,375 customers as of February 29, 2024, which is over seven  
4 percent program penetration in five months. This sets forecast first-year expenditures  
5 at about \$3.3 million.

6 **Q. Will CARES funding increase during the timeframe covered in this multi-year**  
7 **rate plan?**

8 A. Yes, Cascade will submit a revised tariff Schedule 592, CARES Cost Recovery  
9 charge, effective November 1, 2024. Cascade’s Schedule 592, CARES Cost  
10 Recovery charge, will then be updated annually to reconcile the prior program year’s  
11 actual expenditures and collections, as well as to collect the forecasted program  
12 expenditures for the upcoming program year. With additional and targeted program  
13 outreach, Cascade expects that CARES spending will increase each year of the  
14 multiyear rate plan such that by December 2026, CARES spending will be at a  
15 minimum twice the base rate increase, as required per RCW 80.28.425(2).

16 **Q. Is Cascade proposing any changes to the structure of CARES within this rate**  
17 **case?**

18 A. No. Cascade is not requesting any structural changes to CARES, as the program was  
19 implemented recently, on October 1, 2023. At the beginning of the collaborative  
20 process with the CARES Advisory Group, members agreed Cascade would use data  
21 to inform the program design. The program is in its first year and the Company is  
22 still accumulating the programmatic data necessary to observe issues or trends. The  
23 CARES Advisory Group has considered waiting to discuss possible substantive

1 changes until the program has been in effect for no less than six months. See Exh.  
2 DLT-7, which is the CARES Advisory Group Agenda and Recap for February 2024.  
3 This exhibit provides a meeting summary explaining that new program changes will  
4 be discussed for implementation October 1, 2024. Waiting at least six months from  
5 program inception will avoid reactive changes based on anecdotes in favor of  
6 thoughtful, proactive decisions based on data-driven trends. Making substantive  
7 changes to the program during the middle of its first year would be premature.  
8 Further, substantive changes to the program are best made through the CARES  
9 Advisory Group collaborative process instead of a general rate case.

10 However, Cascade does propose that its compliance filing that will be  
11 submitted upon the resolution of this multiyear rate plan include an analysis of the  
12 impact that the approved rate change will have on income-qualified customers  
13 receiving a bill discount on CARES. If the analysis shows that CARES customers'  
14 natural gas energy burden is higher than three to three and a half percent (the  
15 program goal as stated in Schedule 302 and included as Exh. DLT-3) the Company's  
16 compliance filing will also include revisions to the Schedule 302 discount  
17 percentages so that low-income customers' natural gas energy burden will remain  
18 within the three to three and a half percentage range. Cascade is not proposing any  
19 revisions with its initial filing because it does not want Schedule 302 to be suspended  
20 in the event Cascade and its CARES Advisory Group choose to propose any  
21 programmatic changes with the start of the new program year on October 1, 2024.

1 **VII. COMMUNITY-BASED ORGANIZATIONS**

2 **Q. Please provide more detail on Cascade’s collaboration with Community Based**  
3 **Organizations.**

4 A. As part of the conditions applied to the Multiparty Settlement Stipulation approved  
5 in Final Order 09, Cascade agreed to partner with its CARES Advisory Group to  
6 develop and begin piloting a “trusted messenger” outreach program by using  
7 community based organizations to communicate WEAFF benefits (and then CARES  
8 benefits) to hard-to-reach communities within Cascade’s service territory.<sup>5</sup> Five  
9 Community Action Agencies opted in to the pilot program and worked with  
10 community-based organizations in program year 2022-2023 to promote WEAFF.  
11 Eight Community Action Agencies are working with community-based  
12 organizations in program year 2023-2024 to promote CARES.

13 **Q. What costs were incurred as a result of the collaboration and pilot program?**

14 A. In compliance with paragraph 76 in Final Order 09, Cascade spent \$73,000 on  
15 community-based organization outreach in year one of the pilot and \$77,466 in year  
16 two of the pilot, which is five percent of the forecasted arrearage relief payout in  
17 program year 2023-2024. Final Order 09 allows Cascade to spend up to five percent  
18 of its annual WEAFF budget on the pilot. Since WEAFF is no longer offered, the  
19 Company used the arrearage relief grants as a proxy for WEAFF.

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<sup>5</sup> Final Order 09 at ¶ 231.



1 **Q. What kinds of outreach have the community-based organizations performed on**  
2 **behalf of Cascade?**

3 A. Following is an overview of how agencies are working with community-based  
4 organizations within Cascade's service territory:

- 5 • Chelan-Douglas Community Action Council hired an AmeriCorps employee to  
6 perform outreach to Spanish speaking and elderly customers.
- 7 • Opportunity Council participated in outreach at Bellingham Public Library,  
8 Mercy Housing locations, and at school district led community resource fairs.  
9 Additionally, Opportunity Council provided outreach materials to CBOs  
10 including The Chardi Kala Project, World Relief, and IRIS. Materials on CARES  
11 were provided in English, Spanish, Russian, Ukrainian, and Punjabi.
- 12 • Community Action of Skagit County provided program information to Goodwill,  
13 Skagit County Housing Authority, the Skagit County Weatherization Program,  
14 the Department of Social and Health Services, the Boys and Girls Club, Skagit  
15 County Schools, and the Skagit County Fair.
- 16 • Northwest Community Action Program partnered with the Yakima Valley  
17 Farmworkers Clinic and a local Spanish language radio station for program  
18 promotion.

19 For support regarding the above-referenced actions and more detail on the  
20 Community Action Agencies' efforts with community-based organizations, please  
21 see Exh. DLT-8, 2023 CBO Quarterly Reports.

22 **Q. How effectively has community-based organization outreach performed so far?**

23 A. Cascade and its CARES Advisory Group will need the full three-year term of the  
24 pilot to evaluate how beneficial using community-based organizations is for  
25 outreach. Cascade is optimistic that collaboration with community-based  
26 organizations will prove valuable, but the Company is also aware that demonstrating  
27 the success or failure of the pilot will prove challenging since traditional cost-  
28 effective metrics cannot be applied to activities where the primary purpose is to

1 promote equitable outcomes. Effectively reaching vulnerable populations may be  
2 costly. For instance, since community-based organizations are performing outreach  
3 to hard-to-reach customers, a community-based organization’s cost to enroll a  
4 customer is likely higher than the Company’s cost to enroll customers in non-  
5 marginalized communities. The Company will address these considerations with its  
6 CARES Advisory Group at the end of the three-year community-based organizations  
7 pilot.

## 8 VIII. OUTREACH

9 **Q. How does Cascade communicate its bill assistance and other service options to**  
10 **its customers?**

11 A. Cascade understands that effective communication is imperative if its service options  
12 are going to mitigate inequities among vulnerable, marginalized, or disadvantaged  
13 customers. Cascade considers many factors when it communicates with its  
14 customers. Since customers’ preferences and their ability to access certain  
15 communications channels vary, the Company generally communicates a message  
16 using multiple types of media including, bill inserts, bill onserts,<sup>6</sup> the Company’s  
17 website, emails, social media, public service announcements, and audio messages on  
18 the Company’s interactive voice response (“IVR”) system.

19 **Q. What are Cascade’s plans for communicating its new CARES program?**

20 A. Cascade is communicating information about CARES using multiple media  
21 channels, including the following:

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<sup>6</sup> While most people are familiar with bill inserts, a bill onsert conveys similar information as inserts but instead of being included inside a consumer’s bill envelope, an onsert is printed “on” the bill itself.

- 1 • Information included on the Company’s website on an ongoing basis;
- 2 • Bill inserts at launch and with at least two additional bill cycles each year;
- 3 • Bill inserts on every residential customer’s bill at launch and on every non-final  
4 residential bill with a past-due balance greater than \$50 each month thereafter;
- 5 • Postcards to every customer in November and December 2023 who has a past-  
6 due balance greater than \$50 and who is not enrolled in the CARES bill discount  
7 rate, as well as to every customer not yet enrolled in the CARES bill discount  
8 rate, regardless of past due balance, who resides in a premise designated as likely  
9 to be low-income (deciles 1 and 2) as determined by Cascade’s Low-Income  
10 Propensity Model Summary Presentation provided as Exh. DLT-9;
- 11 • Emails to customers who opted in to receive energy assistance emails and who,  
12 in November 2023 through February 2024, have a past-due balance greater than  
13 \$50 and who have not enrolled in the CARES bill discount rate, as well as to  
14 every customer not yet enrolled in the CARES bill discount rate, regardless of  
15 past due balance, who resides in a premise designated as likely to be low-income  
16 (deciles 1 and 2) as determined by Cascade’s Low-Income Propensity Model  
17 Summary Presentation provided in Exh. DLT-9;
- 18 • Social media posts starting in October 2023 and running periodically throughout  
19 the heating season;
- 20 • Google Ads, consisting of graphic, text, and video ads, displayed across Google  
21 search results and websites starting in October 2023 and periodically throughout  
22 the heating season for the demographic target market for energy assistance;
- 23 • Third-party website banner ads for the demographic target market for energy  
24 assistance, including graphic and text ads, displayed beginning in October and  
25 running throughout the heating season;
- 26 • Streaming audio and video ads played during the heating season in October,  
27 December, February, and April on streaming services/programs likely utilized by  
28 the demographic target market for energy assistance;
- 29 • Automated outbound and recurring monthly calls to customers who are not  
30 enrolled in the CARES discount rate and who have a past-due balance greater  
31 than \$50, as well as to every customer not yet enrolled in the CARES bill  
32 discount rate, regardless of past due balance, who resides in a premise designated  
33 as likely to be low-income (deciles 1 and 2) as determined by Cascade’s Low-  
34 Income Propensity Model Summary Presentation provided in Exh. DLT-9;
- 35 • Agent-initiated outbound calls to customers who are not enrolled in the CARES  
36 discount rate and who have a past-due balance greater than \$50, and

- 1           • Personal outreach through door tags placed on customer doors for past due  
2           accounts not yet enrolled in the CARES bill discount rate and also if the premises  
3           is designated as likely to be low-income (deciles 1 and 2) as determined by  
4           Cascade’s Low-Income Propensity Model Summary Presentation provided in  
5           Exh. DLT-9.

6   **Q.    What languages does Cascade use to communicate with its customers?**

7   A.    Cascade’s Customer Service team is sensitive to its linguistically isolated customers.  
8           To address this, Cascade offers inbound call support in both English and Spanish as  
9           well as interpretive services for over 240 other languages utilizing LanguageLine  
10          Solutions®. Written communications are generally provided in English and Spanish.  
11          Users can translate Cascade’s website into Spanish, Chinese, Hmong, Indonesian,  
12          Japanese, Korean, Vietnamese, Romanian, Russian, Somali, Swahili, Ukrainian, and  
13          French. Cascade is also working on providing links to all PDFs posted on its website  
14          in both English and Spanish; this would include all of Cascade’s tariff.

15                 All CARES program communications are provided in English and Spanish,  
16                 and based on feedback from its Community Action Agencies, Cascade is translating  
17                 CARES flyers and paper applications into Tagalog, Burmese, Filipino, Punjabi,  
18                 Chinese, Vietnamese, Ukrainian, Arabic, and Russian.

19   **Q.    Does Cascade verify the readability of the translations it uses?**

20   A.    Yes. Cascade recently formed its Equity Advisory Group, which is discussed more  
21          fully by the direct testimony of Noemi Ortiz, Exh. NO-1T, and Cascade sought  
22          feedback from the Equity Advisory Group related to translation readability. Based on  
23          that feedback, Cascade upgraded its website language translation service for  
24          improved readability in over 100 languages. Cascade and members of its Equity

1 Advisory Group also reviewed certain Spanish outreach materials for clarity and  
2 readability.

3 **Q. How does Cascade make sure information on CARES is reaching customers in**  
4 **its most vulnerable communities?**

5 A. Cascade is planning to utilize the Washington State Department of Health’s highly  
6 impacted community data in conjunction with Cascade’s Low-Income Propensity  
7 Model provided in Exh. DLT-9 to improve identification of and outreach to  
8 vulnerable populations and highly impacted communities. Outreach to hard-to-reach  
9 vulnerable communities will also be conducted in partnership with community-based  
10 organizations, as previously discussed.

11 **IX. EQUITY CONSIDERATIONS**

12 **Q. The Commission has stated that it will apply an “equity lens” in all public**  
13 **interest considerations going forward.<sup>7</sup> What does Cascade understand “equity**  
14 **lens” to mean?**

15 A. Cascade understands the term equity lens, as used by the Commission in Final Order  
16 09 and as defined in RCW 43.06D.010(4), as “providing consideration to those  
17 characteristics for which groups of people have been historically, and are currently,  
18 marginalized to evaluate the equitable impacts of an agency’s policy.”<sup>8</sup> Equity is  
19 further described in the direct testimony of Noemi Ortiz, Exh.-NO-1T.

20 **Q. What is Cascade doing to apply an equity lens to the programs and services that**  
21 **you oversee?**

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<sup>7</sup> Final Order 09 at ¶ 58.

<sup>8</sup> Final Order 09 at note 39.

1 A. The list below is an overview of ways in which Cascade is applying an equity lens to  
2 the programs and services offered under the Customer Services department:

3 **A. The CARES Program**

4 The CARES program seeks to address distributional justice by providing  
5 substantially more generous and enduring energy discounts as well as 50 to 100  
6 percent arrearage relief. Customers receiving energy discounts are enrolled for 24  
7 months. To reduce barriers to entry into the program and to allow the program to be  
8 available “on demand,” as required per RCW 80.28.068(5), customers may enroll by  
9 simply self-declaring their household income and the number of household members.

10 Also, customers who received LIHEAP, Winter Help, or WEAFF in the  
11 program year prior to the launch of CARES were automatically enrolled into the  
12 CARES program. Customers who qualify for LIHEAP or Winter Help, thereafter,  
13 automatically have their 24-month CARES term of service restarted.

14 These program attributes help guarantee that the program is accessible to  
15 those who need it. As enrollment in the program grows, Cascade, in collaboration  
16 with its CARES Advisory Group, will assess the program’s uptake for hard-to-reach  
17 populations. Overall, Cascade expects CARES to reduce financial disparities within  
18 its communities and improve customers’ outcomes. See Exh.DLT-3, Rule 20 and  
19 Schedule 302.

20 **B. Low-Income Rate Analysis (“LINA”) Report**

21 Cascade’s LINA Report, provided as Exh. DLT-6, is a study Cascade procured from  
22 Forefront Economics and H. Gil Peach and Associates "to better understand the  
23 current energy burden of [its] customer base and the likely impacts of a discounted

1 rate program designed to lower the energy-burden of low-income customers in  
2 accordance with the objectives of SB-5295.”<sup>9</sup> The LINA report is integral in  
3 understanding poverty within Cascade’s service territory and designing CARES to  
4 reduce customers’ energy burdens.

5 **C. Propensity Model**

6 As part of the CARES design and implementation work, Cascade engaged Forefront  
7 Economics to develop a propensity model to identify locations of qualifying low-  
8 income residences, including marginalized and vulnerable populations who could  
9 likely benefit from CARES services. Cascade is currently using this model for  
10 targeted CARES outreach. Documentation on the model is attached as Exh. DLT-9,  
11 Low-Income Propensity Model Summary Presentation.

12 **D. Highly Impacted Communities**

13 The Washington State Department of Health identifies census tracts that face  
14 economic or environmental health disparities, termed Highly Impacted  
15 Communities. In early 2024 Cascade started importing Highly Impacted Community  
16 data into its Geographic Information System (“GIS”) and then overlaying the Highly  
17 Impacted Community designations with its Customer Care and Billing System data  
18 on customer disconnections, arrearages, bill pay assistance participation, and low-  
19 income propensity model data as requested by Cascade’s CARES Advisory Group.  
20 This provides Cascade with both Excel spreadsheets and a graphical representation  
21 of the data, allowing the Company to compare Cascade’s Customer Care and Billing

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<sup>9</sup> Exh. DLT-6 at p. 5.

1 System data for the Highly Impacted Communities and non-Highly Impacted  
2 Communities within Cascade’s service territory with the goal of identifying  
3 inequities that require mitigation.

4 Reports containing data for Highly Impacted Communities’ disconnection,  
5 arrearage, low-income assistance participation, and low-income propensity data for  
6 December 2023 are provided as Exh. DLT-10, Highly Impacted Community Report  
7 for December 2023. This information is mapped in Cascade’s geographical  
8 information system, providing Cascade employees with an interactive means for  
9 viewing and extracting the highly impacted community data. Graphic representations  
10 of this data source are provided in Exh. DLT-11, Geographical Information System  
11 Highly Impacted Community Maps and Data. The first map shows the census tracts  
12 in Cascade’s Washington service territory, color-coded based on their Department of  
13 Health rating of one through ten where nine and ten are considered highly impacted  
14 communities. The second graphic is a heat map illustrating where past due balances  
15 are clustered within the Tri-Cities area. This second graphic is one example of how  
16 the Company’s billing data can be merged with census tract data, including highly  
17 impacted community ranking, and graphically depicted. The third graphic is a heat  
18 map showing clusters of low-income household as determined in the Cascade’s Low-  
19 Income Propensity Model, the summary of which is included as Exh. DLT-9.  
20 Cascade will be reviewing the resources included as Exh. DLT-10 and Exh. DLT-11  
21 with its CARES Advisory Group to collaborate on identifying disparities and  
22 developing plans to address those disparities.



1           **E.     Demographic Data**

2           As mentioned above, Cascade does not require that customers provide demographic  
3           data, and when customers voluntarily provide demographic data, the Company does  
4           not retain it in a database. However, the Community Action Agencies’ enrolling  
5           Cascade’s customers in CARES will be collecting demographic data and reporting it  
6           to the CARES Advisory Group so the group can assess whether CARES outreach or  
7           enrollment is effectively reaching vulnerable populations and Highly Impacted  
8           Communities. Additionally, the demographic data will inform the group whether  
9           CARES outreach is potentially, inadvertently biased or whether more targeted  
10          marketing or other program modifications are necessary to promote distributional  
11          justice within the Company’s service territory.

12          **F.     Customer Notices, Fees, Credit and Collection Rules**

13          Cascade is an active participant in Docket U-210800, the Commission’s  
14          investigation of customer notices, fees, and credit and collection rules for the  
15          purpose of promoting energy justice. Cascade is currently not collecting late or  
16          disconnect fees for any customer, and the Company will comply with any final rule  
17          adopted by the Commission in this docket.

18          **G.     Outreach**

19          As discussed above, Cascade continues to communicate messages about program  
20          offerings and services in both English and Spanish, using multiple communications  
21          channels multiple times per year. The Company is also utilizing additional tools such  
22          as, the Low-Income Propensity Model and State Department of Health Highly

1 Impacted Community data mapping in an attempt to connect with vulnerable  
2 populations more effectively.

3 **H. Collaboration**

4 Cascade agrees with the Commission, as stated in paragraph 58 of Final Order 09,  
5 that “no action is equity-neutral,” and for this reason, Cascade is committed to  
6 mitigating systematic inequities through collaboration with community  
7 representatives. Examples of such collaborations include the CARES Advisory  
8 Group and the Equity Advisory Group as discussed in the direct testimony of Noemi  
9 Ortiz, Exh. NO-1T.

10 **Q. What has Cascade learned about Highly Impacted Communities within its**  
11 **service territory?**

12 A. Cascade has reviewed its initial Highly Impacted Communities report and has  
13 provided this report as Exh. DLT-10. The December 2023 data shows that Highly  
14 Impacted Communities have a higher percentage of customers with past due  
15 accounts and who receive a higher percentage of assistance than customers living in  
16 non- Highly Impacted Communities census tracts. It also shows that Highly  
17 Impacted Communities with the highest State Department of Health rating for  
18 vulnerability of ten have a higher percentage of time payment agreements.<sup>10</sup> These  
19 are preliminary observations. Cascade will continue to collect, monitor, and assess  
20 Highly Impacted Community data to identify trends that may point to an inequity in  
21 outcomes.

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<sup>10</sup> The State Department of Health uses a combination of social and environmental factors to identify highly impacted communities. In its 1-10 ranking, communities ranked nine or ten are considered highly impacted communities.

1 Cascade will work in collaboration with its CARES Advisory Group to  
2 review the Highly Impacted Community data as well as the demographic data that  
3 the Community Action Agencies collect voluntarily from customers applying for  
4 CARES to determine the efficacy of CARES the program design and program  
5 outreach within vulnerable populations and Highly Impacted Communities.

6 **Q In what other ways is Cascade planning to use Highly Impacted Community**  
7 **data?**

8 A. Cascade will be monitoring Highly Impacted Community data for disconnections  
9 because in comments filed in Docket UG-230551 on July 21, 2023, The Energy  
10 Project, a member of the Company's CARES Advisory Group, voiced concern that  
11 utility practices perpetrate racial inequalities, specifically as disconnections for  
12 nonpayment.<sup>11</sup> Since Cascade only requests that customers provide the personal data  
13 necessary to bill them for natural gas service and does not request or store income or  
14 demographic data for its customers, compiling arrearage and disconnection data by  
15 Highly Impacted Communities is the only means the Company has to substantiate or  
16 refute this claim.<sup>12</sup> The Energy Project's concern has been repeated in multiple  
17 dockets. Therefore, the Company seeks to be proactive in providing quantifiable data

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<sup>11</sup> This concern was also stated in Docket U-210800 by Public Counsel Unit of the Washington Attorney General's Office, The Energy Project, Front & Centered, NW Energy Coalition, and Sierra Club, which jointly filed comments on October 17, 2022. This document is included as Exh. DLT-12, Docket U-210800 Joint Advocates 10-17-2022.

<sup>12</sup> Cascade only requests customers provide the data necessary to provide them with natural gas service because the Company believes it should not make access to service unnecessarily difficult, some people do not like sharing unnecessary personal data points. Cascade also seeks to limit the data points it requests for security reasons. Public companies are targets for cyber-attacks. Customers are less exposed to potential harm from a cyber-attack if Cascade limits its stored personal information to what is essential for service.

1 or other useful information towards understanding this important, potential issue  
2 while maintaining customer privacy.

3 **X. PROVISIONAL PLANT ADDITIONS**

4 **Q. Are you sponsoring any provisional plant additions?**

5 A. Yes. I am sponsoring several Specific plant additions as outlined in Table 1 below  
6 and explained in greater detail in Exh. DLT-13.

**Table 1: Provisional Additions to Plant in Service 2024-2025 - Minor Projects**

Description	WA 2024 Cascade Plant Additions	WA 2025 Cascade Plant Additions
Total Specific Projects	\$148,545	\$452,801
Total Programmatic Projects	0	0
<b>Total Provisional Additions to Plant In-Service 2024-2025 - Minor Projects</b>	<b>\$148,545</b>	<b>\$452,801</b>

7 **XI. CONCLUSION**

8 **Q. Does this conclude your testimony?**

9 A. Yes.