

**BEFORE THE WASHINGTON
UTILITIES AND TRANSPORTATION COMMISSION**

WASHINGTON UTILITIES AND
TRANSPORTATION COMMISSION,

Complainant,

v.

CASCADE NATURAL GAS
CORPORATION,

Respondent.

DOCKET UG-210755

TESTIMONY OF SHAWN M. COLLINS

EXHIBIT SMC-1T

DIRECTOR OF THE ENERGY PROJECT

April 25, 2022

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I. Introduction

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

2 A. My name is Shawn Collins. My business address is 3406 Redwood Avenue,
3 Bellingham, WA 98225.

4 **Q: By whom are you employed and in what capacity?**

5 A: I am the Director of The Energy Project (TEP), a program of the Opportunity
6 Council in Bellingham, WA, working in collaboration with the Washington State
7 Community Action Partnership, Washington State Department of Commerce, and
8 low-income service providers statewide.

9 **Q: How long have you been employed by the Opportunity Council?**

10 A: I have been employed by the Opportunity Council since 2006. I have served as
11 the Director of TEP since 2015.

12 **Q: Please state your educational and professional background.**

13 A: Prior to joining TEP, I held several positions with the Opportunity Council
14 including Associate Director of the Home Improvement Department, Community
15 Energy Challenge Manager, and Community Services Outreach and Development
16 Coordinator. I am a member of the Bonneville Power Administration Low-
17 income Energy Efficiency Workgroup Steering Committee, the Washington State
18 Low Income Home Energy Assistance Program Advisory Committee, and the
19 Washington State Low-income Weatherization Advisory Committee. I earned a
20 Bachelor of Arts degree from Eastern Illinois University in 2002 with a major in
21 English and a minor in Philosophy. I have provided testimony on behalf of TEP in
22 numerous Commission proceedings. Recently these included the General Rate

1 Cases of Puget Sound Energy (PSE), UE-190529/UG-190530; Avista Utilities
2 (Avista), UE-190334/UG-190335; Northwest Natural, UG-200994; Pacific
3 Power, UE-191024; and Cascade Natural Gas (Cascade), UG-200568.

4 **Q: On whose behalf are you testifying?**

5 A: I am testifying for TEP, an intervenor in this proceeding. TEP represents low-
6 income customers and vulnerable populations in Washington state, as well as the
7 Community Action Partnership (CAP) agencies that provide low-income energy
8 efficiency and bill payment assistance for customers in Cascade's service
9 territory. These agencies include Community Action Connections; Blue Mountain
10 Action Council; Community Action Council of Lewis, Mason, Thurston
11 Counties; Coastal Community Action Council; Chelan-Douglas Community
12 Action Council; Kitsap Community Resources; Lower Columbia Community
13 Action Program; Northwest Community Action Program; Opportunities
14 Industrialization Center of WA; Opportunity Council; Community Action of
15 Skagit County; and Snohomish County Human Services Department.

16 **Q: Are you sponsoring any exhibits?**

17 A: Yes. Exhibit SMC-2 is TEP's report, *Summary of the Effects of COVID-19 on*
18 *Washington's Investor-Owned Utility Residential Customers.*

II. Purpose and Summary of Testimony

19 **Q: What is the scope of your testimony?**

20 A. My testimony addresses programs that provide assistance to low-income
21 customers in Cascade's service territory and the impact of Cascade and Staff's
22 proposed settlement on low-income customers.

1 **Q. Could you please summarize your testimony?**

2 A. My testimony starts with an overview of the need for low-income assistance in
3 Cascade's service territory. Then I propose three improvements to the
4 Washington Energy Assistance Fund (WEAF) program: (1) increasing the income
5 eligibility threshold, (2) establishing a dedicated low-income outreach effort using
6 trusted messengers and community-based outreach, and (3) requiring the low-
7 income Advisory Group to annually review funding levels. Finally, I conclude
8 that the settlement proposed by Staff and Cascade is not in the public interest
9 because it fails to promote equity and harms low-income customers with a large
10 rate increase.

11 **Q. Does TEP propose any changes to the low-income weatherization program in
12 Cascade's service territory?**

13 A. No. TEP is pleased with Cascade's recent refinements to its low-income
14 weatherization program. Cascade, TEP, Commission Staff, Public Counsel, and
15 other stakeholders worked together to improve the low-income weatherization
16 program so that it delivers more impactful energy efficiency projects to a larger
17 number of eligible low-income households throughout Cascade's Washington
18 service territory. These changes, implemented via modifications to Schedule 301
19 in Docket UG-220136, will allow the low-income weatherization program, after a
20 two-year COVID-related lull in completed projects, to improve its trajectory and
21 serve an increased number of households annually. TEP appreciates Cascade's
22 dedication to serving low-income households and their collaboration with
23 agencies delivering low-income weatherization services. Accordingly, TEP does

1 not recommend any changes to Cascade's low-income weatherization program at
2 this time.

III. Cascade's Washington Energy Assistance Fund

A. Low-income customers in Cascade's service territory have a substantial unmet need for bill assistance, and the Washington Energy Assistance Fund program has available funds to help them.

3 **Q. How would you assess the level of need for low-income energy assistance in**
4 **Cascade's service territory?**

5 A. There continues to be a substantial need to help Cascade's low-income customers
6 meet their energy needs. While more current and accurate data is needed,
7 estimates from a 2017 Eastern Washington University analysis of Cascade's Low-
8 Income Heating Assistance Programs suggest that approximately 24 percent of
9 the households served by Cascade live in poverty, defined as at or below 150
10 percent of the Federal Poverty Level (FPL).¹ Of these households, only 8.4
11 percent received support from the Company's assistance programs.² This means
12 that 91.6 percent of eligible households at or below 150 percent of FPL need but
13 do not receive energy assistance.³ Other Washington investor-owned utilities

¹ Dkt. UG-152286, Cascade General Rate Case, Eastern Washington University Institute for Public Policy and Economic Analysis, Analysis of Low-Income Heating Assistance Programs Administered by Cascade Natural Gas in its Washington State Service Area: Based on the 150% Federal Poverty Level (FPL) with Revisions to the 125% FPL at 8 (dated Nov. 2017) (filed Dec. 11, 2017) (using 2013-2015 customer data) (Eastern Washington University Needs Assessment).

² The report calculated the penetration ratio across Cascade's service area, or the ratio of the number of households receiving heating assistance compared to the total eligible households (for households using methane gas as a primary heating source). Eastern Washington University Needs Assessment at 1.

³ Eastern Washington University Needs Assessment at 1.

1 meet a greater share of their low-income customers' need. For example, Avista
2 estimates that its low-income assistance programs serve 21 percent of eligible
3 customers, more than double Cascade's 8.4 percent.⁴

4 The Eastern Washington University analysis likely underestimates the
5 penetration rate for two reasons. First, the analysis, due to limited available data,
6 assumes that low-income households use methane gas as a heat source in the
7 same proportion as the overall population.⁵ According to the report, "this is not
8 likely the case, as lower income neighborhoods do not enjoy equal access to this
9 heating source as average or higher income ones do."⁶ Second, the scope of the
10 analysis was limited to customers with household incomes at or below 150
11 percent FPL.⁷ While this was the WEAFF eligibility threshold in 2017 when the
12 report was released, in 2019 the Commission raised the threshold to 200 percent
13 of FPL.⁸

14 **Q. Turning to the bill assistance program, how was the WEAFF budget cap set?**

15 A. The Commission set a WEAFF budget cap in Cascade's 2015 General Rate Case

⁴ Dkts. UE-010436/UG-010437, Evergreen Economics, Avista Low Income Needs Assessment, at 2 (Jan. 3, 2020) (Evergreen Economics did not separately identify electric and natural gas customers, so 21 percent represents Avista's "overall penetration of energy assistance.").

⁵ Eastern Washington University Needs Assessment at 2.

⁶ Eastern Washington University Needs Assessment at 2.

⁷ Eastern Washington University Needs Assessment at 1.

⁸ See Dkt. UG-152286, Cascade General Rate Case, Washington Energy Assistance Fund (WEAFF) Program Year 2019-2020 Annual Report at 1 (Jan. 15, 2021); see Dkt. UG-190826, Cascade Advice No. W19-09-06 Cover Letter, at 2 (Sep. 30, 2019) (The Commission allowed this advice letter, which increased the WEAFF eligibility threshold to 200 percent of FPL, to become effective by operation of law at its Oct. 24, 2019 meeting).

1 (GRC).⁹ On June 28, 2017, the Commission increased the WEAFF spending cap
2 by 15 percent, and authorized an additional five percent soft cap.¹⁰ While the
3 initial five-year period has passed, the WEAFF budget remains unchanged.¹¹

4 **Q. Please describe the recent status of WEAFF program expenses.**

5 A. Table No. 1 below depicts the last six complete program years of WEAFF program
6 expenses, as provided in Cascade's annual reports. The table shows total WEAFF
7 expenses and the total available budget for each program year.

8

⁹ Dkt. UG-152286, Cascade General Rate Case, Order 04, Final Order Approving Settlement Agreement, Exhibit A, Joint Settlement Agreement, ¶ 42 (July 7, 2016).

¹⁰ Dkt. UG-152286, Cascade General Rate Case, Order 05, Order Amending Order 04, ¶ 11 (June 28, 2017).

¹¹ Dkt. UG-200568, Cascade Natural Gas Co. Washington Energy Assistance Fund (WEAFF) 2021-2022 Year to Date Program Year Results at 1 (Mar. 25, 2022).

1

2

Table No. 1 - WEAFF Expenses and Available Budget¹²

Program Year	Total Expenses	Total Available Budget (Initial Budget Cap + 15 Percent Increase)	Percent of Budget Spent (Total Dollars Spent ÷ Total Available Budget)
2015-2016	\$873,268	N/A	N/A
2016-2017	\$1,011,827	\$1,204,050	84%
2017-2018	\$926,350	\$1,265,000	73%
2018-2019	\$815,912	\$1,329,400	61%
2019-2020	\$1,059,028	\$1,397,250	76%
2020-2021	\$1,084,253	\$1,467,400	74%

3

Q. How much of the available budget has the WEAFF program used in the past three years?

4

5

A. The WEAFF program has left a remaining unspent balance of approximately 25-40

6

percent of available funds for the last three program years.¹³ In its WEAFF

7

Program Year 2020-2021 Annual Report, Cascade observed that the WEAFF

8

program's structure over the past five years did not produce increases in the

9

number of households served or grants issued year over year as desired.¹⁴ TEP

10

agrees that this data clearly shows a need for improvements to the WEAFF

¹² Dkt. UG-152286, Cascade General Rate Case, Washington Energy Assistance Fund (WEAF) Program Year 2015-2016 Annual Report, at 2 (Jan. 13, 2017); Dkt. UG-152286, Cascade General Rate Case, Washington Energy Assistance Fund (WEAF) Program Year 2016-2017 Annual Report, at 2 (Jan. 26, 2018); Dkt. UG-152286, Cascade General Rate Case, Washington Energy Assistance Fund (WEAF) Program Year 2017-2018 Annual Report, at 2 (Jan. 31, 2019); Dkt. UG-152286, Cascade General Rate Case, Washington Energy Assistance Fund (WEAF) Program Year 2018-2019 Annual Report, at 1 (Jan. 15, 2020); WEAFF Program Year 2019-2020 Annual Report at 1; Dkt. UG-152286, Cascade General Rate Case, Washington Energy Assistance Fund (WEAF) Program Year 2020-2021 Annual Report, at 1 (Jan. 10, 2022).

¹³ WEAFF Program Year 2018-2019 Annual Report at 1; WEAFF Program Year 2019-2020 Annual Report at 1; WEAFF Program Year 2020-2021 Annual Report, at 1.

¹⁴ WEAFF Program Year 2020-2021 Annual Report, at 5.

1 program.

2 While this trend predates the COVID-19 pandemic, it is important to
3 acknowledge that over the past two years, Cascade addressed the burdens caused
4 by COVID-19 by implementing other programs to provide bill assistance. For
5 example, Cascade provided grants up to \$2,500 to customers who lost income due
6 to the pandemic via the Hardship Economic Assistance Receivable Temporary
7 (Big HEART) program.¹⁵

8 **Q. Does TEP propose increasing the WEAFF budget cap in this case?**

9 A. No. Because WEAFF program expenditures were well below the budget cap in
10 recent years, TEP does not propose to increase the budget in this case.

11 **Q. How can the WEAFF program reach more customers?**

12 A. TEP proposes three changes to increase the likelihood that the WEAFF program
13 will reach more customers: 1) raise the income eligibility threshold, 2) establish a
14 trusted messenger outreach program, and 3) direct the low-income Advisory
15 Group to perform an annual review of funding levels.

B. Customers with incomes up to 80 percent of area median household income (AMI) or 200 percent of the FPL, whichever is higher, should be eligible for the WEAFF program.

16 **Q. Please describe WEAFF's current household income eligibility threshold.**

17 A. The current income eligibility threshold is less than or equal to 200 percent of
18 FPL, adjusted for household size.¹⁶

¹⁵ Direct Testimony of Nicole Kivisto, Exh. NAK-1T, at 12:12-20.

¹⁶ Cascade Schedule 303, Washington Energy Assistance Fund (WEAFF) Program, Sheet 303 (effective Oct. 1, 2020).

1 **Q. Does TEP propose to change WEAF’s household income eligibility**
2 **threshold?**

3 A. Yes. Customers with incomes up to 80 percent of area median household income
4 (AMI) or 200 percent of the FPL (the current threshold), whichever is higher,
5 should be eligible for the WEAF program.

6 **Q. Why should the Commission adopt this proposal?**

7 A. Using both 200 percent FPL and 80 percent AMI will increase the number of
8 customers eligible for assistance, expanding the program’s opportunity to help
9 more customers experiencing financial hardship. As Cascade has previously
10 noted, helping more customers aligns with the WEAF’s goal of “provid[ing]
11 service to more customers than are currently served.”¹⁷

12 Prior changes to the WEAF income eligibility threshold increased the
13 distribution of funds to customers in need. For example, in response to the
14 COVID-19 pandemic the Commission authorized the calculation of customer
15 income using the most recent 30 days in addition to the previous method, a three-
16 month average.¹⁸ Cascade indicates that this change provided assistance to
17 applicants who would otherwise have been ineligible for WEAF¹⁹ and resulted in

¹⁷ Dkt. UG-152286, Cascade General Rate Case, Petition for Approval (i) to Exceed its Washington Energy Assistance Fund Program Annual Budgets as established in Order No. 04 of UG152286 and (ii) to Defer Program Costs as Necessary, ¶ 4 (June 13, 2017).

¹⁸ See Dkt. UG-200769, Cascade Advice No. W20-08-01, Cover Letter, at 2-3 (Aug. 31, 2020).

¹⁹ Dkt. UG-200769, Cascade Advice No. W20-08-01, Cover Letter, at 2.

1 the second-most successful year in distributing funds to customers.²⁰

2 **Q. What is the household income eligibility threshold currently used by Avista**
3 **Corporation and Puget Sound Energy?**

4 A. Avista and PSE's low-income assistance programs for electricity and methane gas
5 customers serve customers with incomes up to 200 percent FPL or 80 percent
6 AMI, whichever is higher.²¹ TEP proposes that all investor-owned utility low-
7 income programs use this income eligibility threshold.

8 Consistency in income eligibility thresholds for low-income programs
9 among methane gas utilities, and between methane gas utilities and electric
10 utilities, is a reasonable goal. If a customer in a certain area and with a certain
11 income is eligible for bill assistance for one type of energy, that customer should
12 also have access to bill assistance for other types of energy. For electric utilities,
13 the Clean Energy Transformation Act defines low-income customers using this
14 eligibility threshold.²² Such consistency is more equitable for low-income
15 customers who otherwise may have varying access to bill assistance depending on
16 their location and utility. Finally, consistency simplifies agency messaging,
17 streamlines outreach efforts, and reduces confusion, all of which will facilitate
18 increased program participation.

²⁰ Dkt. UG-200568, Cascade General Rate Case, Response Testimony of Shawn M. Collins, Exh. SMC-1T, at 5:10-12 (Nov. 19, 2020).

²¹ Avista Schedule 92; Avista Schedule 192; Puget Sound Energy Gas Tariff Schedule 129; Puget Sound Energy Electric Tariff G Schedule 129.

²² See RCW 19.405.020(25).

1 **Q. How will the proposal be implemented?**

2 A. Cascade and the low-income Advisory Group should work together to establish a
3 detailed plan to implement this change. The Commission should require Cascade
4 to revise its tariff to reflect this change within six months of its final order in this
5 proceeding.

C. WEAF program outreach should include community-based organizations.

6 **Q. What is the community-based outreach program proposed by TEP?**

7 A. A community-based outreach program would connect low-income customers to
8 WEAF and weatherization programs via trusted messengers and community-
9 based organizations (CBOs). These CBOs could include entities that serve
10 marginalized communities, including but not limited to rural, immigrant, tribal, or
11 people of color, and are often recognized as trusted sources for information and
12 support among their communities.²³ Such organizations are typically established
13 members of the communities they serve.²⁴ The community-based outreach
14 program would complement existing outreach programs, such as digital
15 advertising, radio advertising, and bill inserts.²⁵

16 **Q. What is community-based social marketing?**

17 A. Community-based social marketing is based on the concept that behavior change
18 is most effective when it involves direct contact with people and is carried out at

²³ Dkts. UE-010436/UG-010437, Avista Low-Income Rate Assistance Program Annual Summary Report for Oct. 2020-Sept. 2021, at 26-27 (Dec. 30, 2021).

²⁴ See Dkt. UE-210115, Avista Tariff WN U-29, Schedule 173, Residential Debt Relief Program, Cover Letter, at 6 (Feb. 19, 2021).

²⁵ WEAF Program Year 2019-2020 Annual Report at 2-3.

1 the community level.²⁶ In this “by the community, for the community” model,
2 trusted messengers speak to their respective communities about opportunities to
3 help community members meet their needs. Community-based social marketing
4 has been proven to be effective at fostering sustainable behavior change.²⁷
5 Community-based social marketing can be targeted to bring information about bill
6 assistance and low-income conservation programs to the hardest-to-reach
7 customers, including those with disabilities, language barriers, and limited access
8 to telecommunications.

9 **Q. Is community-based outreach used to promote low-income assistance**
10 **programs in Washington State?**

11 A. Yes, Avista and Washington State University have similar programs. The
12 Commission authorized Avista’s Community Partner Network (CPN) to increase
13 customer engagement in hard-to-reach and underserved areas by enlisting the help
14 of organizations with established representatives in those communities.²⁸ The
15 focus of the outreach was to help customers pay off past due balances during
16 COVID-19.²⁹ As a result, the low-income assistance programs expanded their

²⁶ University of Pennsylvania, *Your Quick Guide to Community-Based Social Marketing*, at 1 (accessed April 14, 2022), <https://www.sustainability.upenn.edu/sites/default/files/Guide%20to%20Community-Based%20Social%20Marketing.pdf>, citing Doug McKenzie-Mohr, *Fostering Sustainable Behavior: An Introduction to Community-Based Social Marketing*.

²⁷ *Id.*

²⁸ See Dkt. UE-210115, Avista Tariff WN U-29, Schedule 173, Cover Letter, Residential Debt Relief Program, at 6-7 (Feb. 19, 2021).

²⁹ Avista Low-Income Rate Assistance Program Annual Summary Report for Oct. 2020-Sept. 2021, at 25.

1 reach through nontraditional organizations that represent and support vulnerable
2 populations.³⁰

3 This established program has proven to be effective. And as a result of its
4 success, the Commission authorized Avista to make permanent and expand the
5 program. Commission Staff supported this proposal:

6 Lastly, Staff supports the Company's proposal to incorporate the CPN as
7 an administration source for the [low-income assistance program] grant.
8 The CPN has demonstrated its efficacy in the rollout of the temporary
9 COVID-19 Debt Relief Program. With this proposal, the CPN entities can
10 continue their work of supporting low-income program outreach and
11 administration by engaging hard-to-reach and underserved customers.³¹
12

13 It is important to note that the CPN was deployed with urgency during the
14 beginning of the COVID-19 pandemic at a smaller scale, focusing on addressing
15 immediate financial crises. TEP proposes a similar model to expand access to
16 WEAF and low-income conservation, permanent programs. Accordingly, the
17 WEAF trusted messenger program may need more time to mature.

18 In addition, since 2009, the Washington State University's Energy
19 Program has run a Community Energy Efficiency Program that is based on
20 community-based outreach.³² The program targets outreach for weatherization
21 and energy efficiency upgrades to hard-to-serve customers, including low- to
22 moderate-income households, as well as customers in rental units, manufactured

³⁰ Dkts. UE-210490 and UG-210491, Avista Tariff WN U-28, Schedule 92, Low-Income Rate Assistance Program Cover Letter, at 5 (June 29, 2021).

³¹ Dkts. UE-210490/UG-210491, Avista Tariff WN U-28, Schedules 92 and 192, Open Meeting Memo, at 3 (July 29, 2021).

³² Washington State University Energy Program, *Community Energy Efficiency Program*, <https://www.energy.wsu.edu/BuildingEfficiency/CommunityEEProgram.aspx> (accessed April 15, 2022).

1 housing, and homes heated with oil, propane, or wood.³³ The Community Energy
2 Efficiency Program is funded by the Legislature and currently partners with
3 Avista, PSE, Clark Public Utilities, the Opportunity Council, and Sustainable
4 Living Center.³⁴

5 **Q. Why should WEAFF include community-based outreach?**

6 A. Community-based outreach is an effective way to raise awareness of WEAFF and
7 low-income conservation programs because CBOs are experienced in cultivating
8 relationships and communicating with vulnerable communities that likely have
9 more energy assistance need. CBOs are well-positioned to inform and assist
10 customers in need because their staff are personally familiar with the communities
11 where there is need. They can meet customers where the customers are, instead of
12 having customers come to them. These trusted messengers may also be non-
13 traditional entities that offer new opportunities to engage with customers.

14 **Q. What is the role of Community Action Partnership agencies in this process?**

15 A. CAP agencies would identify the qualified CBOs in each community and closely
16 coordinate with them to implement the program. Selected CBOs would rely on
17 CAP agencies to provide detailed, technical, and/or programmatic information
18 and training.

³³ Washington State University Energy Program, *Community Energy Efficiency Program Update*, at 1 (2019), <https://www.energy.wsu.edu/documents/Brief%20CEEP%20Update%202019.pdf>.

³⁴ Washington State University Energy Program, *Community Energy Efficiency Program*, <https://www.energy.wsu.edu/BuildingEfficiency/CommunityEEProgram.aspx> (accessed April 15, 2022).

1 **Q. How long will it take to established and ramp up this program?**

2 A. The program will likely need at least three years to mature. It will take time for
3 Cascade and CAP agencies to establish the program, CAP agencies to identify
4 and train CBOs, and then for outreach activities to occur. In addition, TEP does
5 not expect every CAP agency to use the program in its early stages. However,
6 some funding should be made available now so that CAP agencies can begin
7 identifying and connecting with CBOs.

8 **Q. What annual budget will this program need?**

9 A. The available budget for the community-based outreach program should include
10 at least five percent of the annual WEAFF program budget and be made available
11 for at least three years. Based on the 2020-2021 WEAFF program budget, this
12 amounts to at least \$73,000 (five percent of \$1,467,400) for the 2022-2023
13 program year. This is comparable to Avista's annual budget of \$65,000 for a
14 similar program.³⁵

15 **Q. How should the community-based outreach program be implemented?**

16 A. Cascade and the low-income Advisory Group would work together to determine
17 the details of implementing this program.

D. The low-income Advisory Group should annually review funding levels.

18 **Q. Should the WEAFF budget remain at the same level for the foreseeable**
19 **future?**

20 A. No. Ideally, with the improvements recommended in my testimony, WEAFF will

³⁵ See Dkt. UE-210115, Avista Tariff WN U-29, Schedule 173, Cover Letter, Residential Debt Relief Program, at 7 (Feb. 19, 2021).

1 provide assistance to more customers and approach or exceed its current budget
2 cap in the future. As I mentioned earlier, however, WEAFF program expenses are
3 currently below the budget cap, so TEP does not propose increasing the budget at
4 this time.

5 **Q. Does Cascade propose a bill discount program in this case?**

6 A. No, however pursuant to RCW 80.28.425(2), Cascade may propose a bill discount
7 program as a part of its next general rate case.

8 **Q. How can the Commission and stakeholders prepare for more successful bill
9 assistance programs in the future?**

10 A. The low-income Advisory Group can annually review the sufficiency of funding
11 levels for the WEAFF program and any future bill discount program to suggest any
12 necessary adjustments. The goal of requiring an annual review is to establish
13 regular monitoring of the budget for bill assistance programs. Cascade and the
14 low-income Advisory Group monitored the WEAFF budget for the last five years.
15 As part of a settlement agreement, the low-income Advisory Group was directed
16 to annually “recommend the program’s budget for the next year” and “decide how
17 to use the current WEAFF balance.”³⁶ However, the five-year WEAFF funding plan
18 has expired; thus TEP proposes extending this existing practice. The Commission
19 should additionally require Cascade to bring to the Commission’s attention
20 proposals for budget adjustments to bill assistance programs suggested by the
21 low-income Advisory Group.

³⁶ Dkt. UG-152286, Cascade General Rate Case, Order 04, Final Order Approving Settlement Agreement, Exhibit A, Joint Settlement Agreement, ¶¶ 29, 31, 35.

1 **Q. Do other utilities' low-income advisory groups undertake a similar process?**

2 A. Yes, the proposed annual review process is consistent with activities of other low-
3 income advisory groups in the state. For example, in Docket UG-200994, the
4 Commission ordered that Northwest Natural's low-income "Advisory Group will
5 annually review the sufficiency of funding levels for the [Gas Residential Energy
6 Assistance Tariff] Program and suggest any necessary adjustments."³⁷

7 **Q. Why is this proposal necessary?**

8 A. A formalized annual review allows an assessment of the budget outside of a GRC.
9 This will be critical in the years Cascade decides not to file a GRC and an
10 adjustment to the budget is necessary. Similarly, if in the future, Cascade
11 institutes a multi-year rate plan or bill discount program, this proposal will allow
12 an annual evaluation and adjustment of bill assistance program budgets, if needed.

IV. The Energy Project Opposes the Settlement

13 **Q. Does The Energy Project have any concerns about the settlement between**
14 **Staff and the Company?**

15 A. Yes. The settlement increases company revenue by approximately \$10.7
16 million.³⁸ Residential customers will see a margin increase of 10.3 percent, a
17 \$2.25 monthly increase in their average bill.³⁹ An increase of this magnitude will
18 result in rate shock, especially for low-income customers. TEP is concerned that

³⁷ Dkt. UG-200994, Northwest Natural General Rate Case, Order 05, Final Order Approving and Adopting Settlement Agreement, Attachment A, Full Multi-Party Settlement Agreement, ¶ 31.

³⁸ Exh. JT-2 (this exhibit does not use coherent page numbering, so TEP is unable to provide a pinpoint citation).

³⁹ Exh. JT-2.

1 the Settling Parties did not adequately consider the impact of such an increase on
2 low-income customers. For example, the settlement, as well as the Settling
3 Parties' testimony in support of the settlement, do not mention the rate or bill
4 impact on customers. This is a conspicuous omission.

5 Second, the settlement and Setting Parties' supporting testimony do not
6 acknowledge or take any steps to address the disparate impacts of the rate
7 increase on low-income customers, highly impacted communities, and vulnerable
8 populations. Over the past several years, TEP has consistently highlighted these
9 disparate impacts. For example, when analyzing Cascade's arrearage reporting,
10 TEP identified that the five zip codes in Cascade's service territory with the
11 highest residential arrearages also contain areas designated as highly impacted
12 communities (HIC) by the Washington Department of Health.⁴⁰ This analysis,
13 previously filed in Docket U-200281, is also provided as Exhibit SMC-2. In
14 addition, TEP's analysis shows that residential arrearages are predominantly
15 clustered in certain zip codes. Specifically, 45 percent of total residential
16 arrearages and 56 percent of known low-income residential arrearages are from
17 ten of Cascade's 76 zip codes.⁴¹ And, as described earlier, these zip codes contain
18 HIC and vulnerable populations. The rate increase would represent substantial
19 additional harm to these communities.

20 **Q. Is the settlement in the public interest?**

21 **A.** No. The settlement proposed by Cascade and Staff is not in the public interest

⁴⁰ Exh. SMC-2 at 13.

⁴¹ Exh. SMC-2 at 13. These figures are based on December 2021 data.

1 because it neither acknowledges the needs of low-income customers as a
2 vulnerable population nor takes any steps to promote equity. The Legislature
3 recently clarified that the Commission, when determining the public interest, may
4 consider “equity, to the extent such factors affect the rates, services, and practices
5 of a gas or electrical company regulated by the commission.”⁴² The Commission
6 should reject the settlement because it fails to take any step to promote equity and
7 its rate increase will harm vulnerable customers.

V. Conclusion

8 **Q. Please summarize your recommendations.**

9 A. There is substantial unmet need for low-income assistance in Cascade’s service
10 territory. To meet this need, TEP proposes three improvements to the WEAFF
11 program: 1) increasing the income eligibility threshold, 2) establishing a
12 community-based outreach program, and 3) requiring the low-income Advisory
13 Group to annually review funding levels. The settlement proposed by Staff and
14 Cascade is not in the public interest because it fails to promote equity and harms
15 low-income customers with a large rate increase. The Commission should reject
16 the settlement.

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

18 A. Yes.

⁴² RCW 80.28.425(1).