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January 13, 2017

Records Center  
Washington Utilities and Transportation Commission  
1300 S. Evergreen Park Drive SW  
Olympia, WA 98504

**Re: Washington Energy Assistance Fund (WEAF) Program 2015-2016 Annual Report  
UG-152286 Compliance Filing**

In compliance with the terms established in the Company's last general rate case (UG-152286) as well as Cascade Natural Gas Corporation's (Cascade or the Company) Schedule 303, Cascade herewith files its Washington Energy Assistance Fund (WEAF) Program 2015-2016 Annual Report. The programmatic changes adopted in UG-152286 became effective at the beginning of the 2016-2017 program year--- not the 2015-2016 program year, which is the timeframe of the attached report.

If you have any questions regarding this filing, please contact Jennifer Gross at 509-734-4635.

Sincerely,

Michael Parvinen  
Director, Regulatory Affairs

Attachment

# CASCADE NATURAL GAS CORPORATION

## Washington Energy Assistance Fund (WEAF)

### Program Year 2015-2016 Annual Report

#### Washington Energy Assistance Fund (WEAF) Program Overview

The Washington Energy Assistance Fund (WEAF) program provides bill pay assistance to qualifying low income residential customers of Cascade Natural Gas Corporation (Cascade or the Company). The program is administered and delivered through the Community Action Agencies (Agencies) located throughout the Company's service territory in Washington. Customers are qualified for WEAF assistance if their combined household income is less than or equal to 150% of the Federal Poverty Level. A qualified customer is awarded a grant of up to \$500 per household per program year. The WEAF grant is applied directly to that customer's natural gas bill. The program helps customers stay connected by reducing arrearages and seeks to reduce the overall cost of bad debt by preventing the accrual of large unpaid balances for all customers.

#### WEAF Program Funding

Program funding is collected from all customer through a charge established in Schedule 593 of the Company's Tariff.

#### Outreach

In the subject program year, Cascade used a number of marketing channels to inform of the WEAF program.

- *Bill insert.* A bill insert notifying customers of the available low income assistance programs including WEAF was issued in September 2015 and 2016.
- *Customer Service Agents.* Customers who call Customer Service to request a payment plan are provided information about the available assistance programs as well as the contact information for the agency in their area.
- *Cascade Website.* The Company maintains a website that informs customers about the program and directs them to the appropriate agency administering the program.<sup>1</sup>
- *Agency Handouts.* The Company also provided Agencies with program brochures and other Cascade logoed handouts to aid in informing customers about assistance programs.
- *Radio.* Cascade was able to procure twenty to forty English and Spanish radio messages per month on three stations during 2015 with Cherry Creek Radio. These radio spots informed listeners in the greater Benton-Franklin county area about the available assistance programs.

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

## 2015-2016 Program Year Results

The program year results provided below are for the timeframe October 1, 2015, through September 30, 2016.

Table 1 summarizes the program dollars spent. Please note that during the 2015-2016 Program-Year, Cascade paid Agencies an administrative fee of 20% of each total grant awarded.

<b>TABLE 1</b>	
Grants Awarded to Customers	\$731,058.97
Administrative Fees to Agencies	\$141,558.84
Dollars spent on Marketing By CNGC Agencies	\$650.00 \$0
Total Dollars Spent	\$873,267.81
Unspent Dollars (Carryover)	(\$444,840.23)

Table 2 shows the number of household awarded WEAf grants per Agency as well as the total awards granted.

<b>TABLE 2</b>	
<b>Agency</b>	<b>Number of Grants Issued</b>
Community Action Connections	152
Blue Mountain Action Council	145
Community Action Council of Lewis, Mason & Thurston	40
Coastal Community Action Council	35
Chelan-Douglas Community Action Council	0
Kitsap Community Resources	380
Lower Columbia Community Action Program	1
Northwest Community Action Program	123
Opportunities Industrialization Center of WA	428
Opportunities Industrialization Center of WA	598
Community Action of Skagit County	356
Snohomish County Human Services Department	39
<b>TOTAL</b>	<b>2297</b>

Table 3 provides the average grant amount in the subject program year.

<b>TABLE 3</b>	
Average Grant per Household	\$335

## Program Performance

Table 4 compares 2015-2016 program year with prior program years.

TABLE 4		
Program Year	Homes Served	Average Grant
2012-2013	2341	\$316
2013-2014	2430	\$320
2014-2015	3207	\$292
2015-2016	2297	\$335

## Conclusion

The number of WEAf grants issued is down from the prior program year while the average grant amount had a slight increase. Other than noting that gas costs have been very low reducing the gas energy burden for each household and resulting in a low uncollectible rate for Cascade, the Company cannot conclusively state why the program years have seen such deviations in the number of grants issued by the Agencies.

In 2015, Cascade filed a general rate case docketed as UG-152886. This case, which was settled in 2016, resulted in a number of program changes that are impacting the 2016-2017 Program Year. A discussion of the changes and their impact on the program will be discussed in next year's WEAf Annual Report. Most significantly, the adoption of program goals and the formation of an oversight advisory are likely to result in improved program penetration this next year or at a minimum, a plan for improving program penetration in the following years.