



Cascade Arrearage Relief and Energy Savings Program Annual Report Program Year 2023-2024

BACKGROUND

On October 1, 2023, Cascade launched its Cascade Arrearage Relief and Energy Savings (CARES) program. This program was developed in compliance with Order No. 09 issued in Cascade’s 2021 general rate case, Docket UG-210755. CARES was designed in collaboration with Cascade’s Advisory Group (currently known as the CARES Advisory Group) which consists of key stakeholders, including Public Counsel, Commission Staff, The Energy Project, NW Energy Coalition, Cascade, and representatives from each Community Action Agency (Agency) within the Company’s service territory.

CARES replaced Cascade’s Washington Energy Assistance Fund (WEAF) program, which offered income-qualified customers a traditional grant that was applied towards an amount due on a customer’s account or as a credit for future usage. Unlike WEAF, CARES offers five tiers of generous monthly discounts and, if needed, arrearage relief grants covering 50% to 100% of past due amounts. CARES seeks to offer durable and right-sized assistance coupled with crisis relief. In the first year, CARES has proven to have a broad appeal and is reaching far more income-qualified customers than Cascade was able to reach with WEAF.

OBSERVATIONS

When CARES was established, the CARES Advisory Group determined that the program design and any subsequent program changes would be data driven. Using a results-oriented, data-driven perspective, Cascade summarizes below what went well, what was corrected, and what to expect in the future:

What Went Well

Initial Implementation

The initial implementation of CARES was a significant undertaking. The Company’s billing system had to be programed to conform to the CARES offering without generating billing errors. Cascade and Agency employees had to be trained to offer the program. The tariff and other communications had to be written. The implementation timeline was short relative to the program complexity. This was a stretch goal for all parties, and yet, in spite of the challenges, the program was launched without significant issues starting October 1, 2023.

Coordination with the Advisory Group

Prior to the launch of CARES on October 1, 2023, a CARES Advisory sub-group met weekly to shape the program and prepare for its commencement. After the start of the program year, Cascade and its CARES Advisory Group met no less than monthly. Open communications and collaboration proved useful towards designing and launching the program, and then meeting income-qualified customers’ needs.

Program Penetration

Cascade's filing to implement CARES (Advice No. W23-06-02, docketed as UG-230551) included assumptions for the first program year, including the forecast that 10% of Cascade's estimated low-income customers would be enrolled in CARES by the end of the first program year. At the time of the filing, this seemed like an ambitious stretch goal. However, this goal was not only met; it was exceeded. By September 30, 2024, Cascade and the Agencies had enrolled 6,320 customers, which is 10.5 percent of the estimated low-income premises as identified in the Company's energy burden assessment.

As part of Cascade's filing in Docket UG-240141 to recover the costs it incurred to comply with the Carbon Commitment Act, Cascade agreed with The Energy Project's proposal and the Commission ordered that Cascade increase its CARES enrollment to 20% by December 31, 2024. By the end of 2024, Cascade enrolled 13,070 customers, exceeding the year-end goal of enrolling 11,982 customers by 1,088 or 9 percent. While the requirement was adopted in Program Year 2023-2024, compliance occurred in Program Year 2024-2025, and, therefore, the path to compliance will be detailed in next year's annual report.

What Was Improved or Corrected

Co-administration – In recognition that Cascade customer service representatives talk to hundreds of customers a day, many of whom may benefit from CARES discounts, Cascade filed Advice No. W24-06-01, docketed as UG-240477 to allow CARES to be administered by both the Agencies and Cascade. The Commission approved Cascade's filing effective August 1, 2024.

Grants

In Advice No. W24-08-01, docketed as UG-240627, Cascade revised the CARES arrearage relief grants from being offered once per 24 months and up to \$1,000 to twice per 12 months and up to \$500. The two-year waiting period for additional arrearage relief proved to be too long for some customers and was revised effective October 1, 2024.

Web Assist

The Web Assist portal, which is the data sharing network that Agencies use to enroll customers into CARES, was continuously updated throughout the program year based on feedback from Agencies.

CARES Customer Communications

Cascade updated the CARES application and translated other CARES communications into various non-English languages based on feedback from the CARES Advisory Group. This is discussed further in the section titled, Language Access Plan.

What to Expect in the Future

As Cascade enters program year two of CARES, it will continue to have an open forum with its CARES Advisory Group. When the program was implemented, the CARES Advisory Group developed a list of questions and topics to consider after the program had been in place for some time. Two of those topics that the Company expects to examine in program year 2024-2025 and which will likely require significant time to consider are the following:

Income Verification

Since customers may qualify for CARES by self-attesting their household income, the program includes an income verification process. With this, up to 5% of customers enrolled in the CARES bill discount are randomly selected to provide documentation to their local Community Action Agency verifying their self-attested income. Customers who do not follow through with this request are removed from the CARES program after 180 days. Cascade and its CARES Advisory Group will review the income verification data from program year 2023-2024 and will evaluate if the process is preventing fraud or if it is unnecessarily removing vulnerable customers from the CARES program. The answers to these questions will determine what revisions, if any, may be made to the process. Table 1 below includes the results of the income verifications performed in program year 2023-2024. The data for the year is incomplete since the process takes up to 180 days to be finalized.

Agency Renumeration

Cascade and its CARES Advisory Group are considering if Agency renumeration is fair and sufficient as designed. The CARES Advisory Group will review the costs Agencies are incurring in time and labor for each enrollment and compare with the amount they are currently reimbursed.

COMMUNITY BASED ORGANIZATION PILOT

As part of the conditions applied to the Multiparty Settlement Stipulation approved in Order 09, issued in Docket UG-210755, Cascade agreed to partner with its CARES Advisory Group to develop and begin piloting a “trusted messenger” outreach program by using community based organizations (CBOs) to communicate WEAFF benefits and later CARES benefits to hard-to-reach communities within Cascade’s service territory.¹ Five Community Action Agencies opted to participate in the pilot program and worked with CBOs in program year 2022-2023 to promote WEAFF. Eight Community Action Agencies worked with CBOs in program year 2023-2024 to promote CARES.

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

Below is an overview of the Agencies’ collaboration with CBOs within Cascade’s service territory:

- Chelan-Douglas Community Action Council hired an AmeriCorps employee to perform outreach to Spanish speaking and elderly customers. Chelan-Douglas Community Action Council has also attended events sponsored by Wenatchee Valley College Waterville Town Hall, Brewster Food Distribution Mobile Pantry, and Café, where program materials were provided to event attendees.
- Opportunity Council has partnered with Vamos Outdoors Project, Immigrant Resources & Immediate Support (IRIS), The Chardi Kala Project, Mercy Housing, The Lighthouse Mission, World Relief, IRIS, Blaine Community Assistance Program, Project Hope, and Bellingham Public Library, and has attended Maple Alley Inn’s free meal events, food bank events, wellness fairs, and school district and other community resource fairs. Opportunity Council

¹ WUTC Docket UG-210755, Order 09 at ¶ 231.

has also provided the CBOs with CARES communications in English, Spanish, Russian, Ukrainian, and Punjabi. Opportunity Council was honored at a One Whatcom event for their CBO partnership with Chardi Kala.

- Community Action of Skagit County provided program information to Goodwill, Skagit County Housing Authority, the Skagit County Weatherization Program, the Department of Social and Health Services, the Boys and Girls Club, Skagit County Schools, the Skagit County Fair, Meals on Wheels, school districts, and churches participating in Back-to-School Blessing campaigns. Community Action of Skagit County has attended community events such as Senior Day in the Park, Skagit County Fair, El Grito, and National Night Out Event in the Park, where program materials are provided to attendees.
- Northwest Community Action Program partnered with the Yakima Valley Farmworkers Clinic and a local Spanish language radio station for program promotion.
- Blue Mountain Action Council and Kitsap Community Resources used funding to create fliers and communicate directly with clients. Blue Mountain Action Council has partnered with Sonsbridge, County Soldiers and Sailors, Blue Mountain Heart-to-Heart, Salvation Army, and Walla Walla Housing Authority.
- Coastal Community Action Agency struggled in finding CBO partners but was able to hire a bilingual staff person to assist in communicating with clients.
- Kitsap Community Resources has also struggled to find CBOs to work with but has done in-house printing of program communications for clients.

Pilot hurdles include a limited number of CBOs with which Agencies can collaborate and the limited number of gas customers in some of the Agencies' counties. Creative solutions to limitations include Agencies' using their own employees to staff CBO events. However, not all the Agencies are staffed for additional outreach. When the Agencies do have the capacity to work with CBOs, the CBO Pilot funds are not provided directly to CBOs but are used by the Agencies to bring employees and program communications to the CBO led events. Chelan-Douglas Community Action Council has had success hiring an AmeriCorp representative to perform outreach in its county.

While the CBO pilot's launch was easily eclipsed by the design and implementation of CARES, Cascade is increasing its focus on the CBO pilot in PY 2024-2025. CBO Pilot activities will be discussed no less than quarterly at CARES Advisory Group meetings to encourage the sharing of ideas.

INCOME VERIFICATION PLAN

Cascade's CARES program includes a process to verify up to five percent of the accounts enrolled in the program through self-attestation. Each month Cascade randomly selects up to 5% of customers who were enrolled in the bill discount through self-attestation the prior month. The Company sends each selected customer a letter advising them that they have been chosen for income verification. Agencies then contact the customers asking them to provide documentation of their income. A customer has 90 days to respond. A customer who does not respond is removed from the CARES program at Day 120, which is an additional 30-day grace period after the 90-day response time. The customer removed then has an additional 60 days to respond to have the discount restarted and a credit applied retroactively for the timeframe it was removed. Customers that do respond to the initial request for documentation

either have their income verified as self-attested resulting in no change to their CARES service; have their income verified as either higher or lower than self-attested resulting in a change to their tier on which they receive CARES; or have their income verified as outside of the eligibility standards resulting in removal from CARES service. The results of program year 2023-2024 income verification process are provided below in Table 1. Results are provided through May since the process takes half a year to complete.

Table 1 Income Verification Results

CARES Post-Income Evaluation Verification (PEV) Process Results														
	Oct-23	Nov-23	Dec-23	Jan-24	Feb-24	Mar-24	Apr-24	May-24	Totals	Jun-24	Jul-24	Aug-24	Sep-24	Totals
	Y	Y	Y	Y	Y	Y	Y	Y		N	N	N	N	
180 day verification period concluded														
Number of customers randomly selected	10	10	16	20	19	15	12	25	127	19	17	15	11	189
Number of customers with existing tier verified	4	5	6	7	8	7	4	2	43	7	7	4	3	64
Number of customers with a tier change due to verification (discount increased)	1	0	0	0	1	0	1	1	4	0	0	0	0	4
Number of customers with a tier change due to verification (discount decreased)	1	1	3	1	1	0	1	0	8	1	1	1	0	11
Number of customers with BDR removed due to verification (over-income)	0	1	0	0	0	0	0	0	1	0	0	0	0	1
Number of customers with BDR removed due to customer declined to verify*	1	0	0	0	0	0	0	0	1	2	4	0	0	7
Number of customers with BDR removed due to no response by customer*	2	3	7	12	8	3	6	4	45	0	3	7	0	55
Outcome not received from agency, no action taken*	1	0	0	0	1	4	0	14	20	6	1	1	0	28
Account stopped during process up to Day 95, no action taken*	0	0	0	0	0	1	0	1	2	3	1	0	0	6
PEV process halted due to customer self-attesting income in PY 24-25	0	0	0	0	0	0	0	3	3	0	0	2	0	5
Total	10	10	16	20	19	15	12	25	127	19	17	15	3	181
Re-enrolled within 180 days after BDR removed for not verifying income	0	0	0	0	0	0	0	1	1					1
Month the 180 day verification period will conclude										Jan-25	Feb-25	Mar-25	Apr-25	
<i>Process Timeline:</i>														
<i>Day 1 - 90: Agencies attempt to contact customers and verify income</i>														
<i>Day 95: Verification results are due from the agencies</i>														
<i>Day 120: Discount is stopped on accounts if verification is not complete</i>														
<i>Day 180: Final day for customers to verify income</i>														
<i>Day 181: Verification processes is closed</i>														
* result to be finalized during Day 120 review														

CARES COMMUNICATIONS

In program year 2023-2024, Cascade continued to conduct many of the same outreach efforts as in past years while also adding in new efforts and attempting to improve the ability to identify and engage with customers who need assistance by utilizing its low-income propensity model to send communications to customers identified as most likely to benefit from CARES. Before the start of the program year, Cascade reviewed its CARES outreach plan with the CARES Advisory Group for awareness as well as feedback and input. CARES communications included the following:

- Information included on the Company's website on an ongoing basis.
- Bill inserts at launch in October 2023 and again in January 2024.
- Bill inserts on every residential customer's bill at launch and on every non-final residential bill with a past-due balance greater than \$50 each month thereafter (as space allowed).
- Postcards in November and December 2023 and June 2024 to every customer who had a past due balance greater than \$50 and who was not enrolled in the CARES bill discount rate, as well as to every customer not yet enrolled in the CARES bill discount rate, regardless of past due balance, who resides in a premise designated as likely to be low-income (deciles 1 and 2) as determined by Cascade's low-income propensity model.
- Emails to customers who opted in to receive energy assistance emails and who had a past-due balance greater than \$50 each month from November 2023 through April 2024, and who had not enrolled in the CARES bill discount rate, as well as to every customer not yet enrolled in the CARES bill discount rate, regardless of past due balance, who resides in a premise designated as likely to be low-income (deciles 1 and 2) as determined by low-income propensity model.
- Social media posts starting in October 2023 and every other month through April 2024.
- Google Ads, consisting of graphic, text, and video ads, displayed across Google search results and websites in October 2023 and in January and March 2024 for the demographic target market for energy assistance.
- Third-party website banner ads for the demographic target market for energy assistance, including graphic and text ads, displayed beginning in October 2023 and running throughout the heating season.
- Streaming audio and video ads played during the heating season in October 2023, December 2023, February 2024, and April 2024 on streaming services/programs likely utilized by the demographic target market for energy assistance.
- Automated outbound and recurring monthly calls from December 2023 – April 2024 to customers who were not enrolled in the CARES discount rate and who had a past-due balance greater than \$50, as well as to every customer not yet enrolled in the CARES bill discount rate, regardless of past due balance, who resides in a premise designated as likely to be low-income (deciles 1 and 2) as determined by Cascade's low-income propensity model.

- Agent-initiated outbound calls to customers who were not enrolled in the CARES discount rate and who had a past-due balance greater than \$50.
- Personal outreach through CARES door tags placed on customer doors for past due accounts not yet enrolled in the CARES bill discount rate and also if the premises is designated as likely to be low-income (deciles 1 and 2) as determined by Cascade’s low-income propensity model.
- Distribution of CARES door tags by Cascade Service Mechanics when at a customer’s premise to process a disconnection for non-payment.

Cascade presented its CARES program information to its Equity Advisory Group (EAG). The EAG provided feedback that eligibility information provided both in the online program descriptions as well as in the tariff was insufficient for understanding if a person was likely to qualify for the program. An EAG member explained that navigating enrollment can be difficult for the elderly, people with mental health or medical issues, and advocates trying to assist multiple people. The Company took this feedback and revised its webpage to provide significant detail about the income eligibility requirements for CARES. The revised website was shared with the EAG at the next EAG meeting, where it was well received.

Cascade looks forward to improving its ability to identify and engage with customers who may qualify for assistance through the CARES program by partnering with BlastPoint, a customer intelligence and data analytics company that can identify the most financially at-risk customers and the best communication channels for reaching them.

LANGUAGE ACCESS PLAN

Cascade’s Customer Service team is sensitive to its linguistically isolated customers. To address this, Cascade has taken significant steps towards mitigating linguistic barriers between the Company and the customers it serves. Cascade offers inbound call support in both English and Spanish as well as interpretive services for over 240 additional languages utilizing LionBridge translation services. Written communications are generally provided in English and Spanish. Users can translate Cascade’s website into Spanish, Chinese, Hmong, Indonesian, Japanese, Korean, Vietnamese, Romanian, Russian, Somali, Swahili, Ukrainian, Punjabi, and French. Cascade also provides links to all PDFs posted on its website in both English and Spanish; this includes all of Cascade’s tariff. Additional languages are available upon customer request. In 2024, Cascade asked its EAG to review its CARES communications. Their feedback was to improve the translation readability, which Cascade did by upgrading its website language translation application.

All CARES program communications are provided in English and Spanish, and based on feedback from its Community Action Agencies, Cascade translated CARES flyers and paper applications into Burmese, Dari, Filipino, Punjabi, Chinese, Vietnamese, Ukrainian, Arabic, and Russian.

The multi-party settlement that was filed in Cascade’s Multi-Year Rate Plan (MYRP) docketed as UG-240008, includes the agreement that Cascade will work with its CARES Advisory Group and its EAG to create and implement a language access plan that will improve the Company’s ability to communicate effectively with its diverse customer base. Subject to Commission approval of the filed settlement agreement, Cascade will begin discussing the development of the language access plan with its two advisory groups in early 2025 to begin developing the plan before the end of the year. The 2024-2025 Program Year CARES annual report will include a discussion on the development of the language access

plan and the 2025-2026 Program Year CARES annual report will include a narrative on the implementation of the plan.

DEMOGRAPHICS

Cascade has demographic data starting in June 2024. At the start of the program year, Cascade was not retaining copies of the customer applications containing demographic data that it received as the applications were forwarded to Agencies for entering into Assist. Cascade did not want to unnecessarily retain sensitive customer demographical and income information. However, mid-way through the program year, Cascade discovered that 730 applications were not processed. Cascade discussed this with the Agencies and many were processed months after the customer submitted them. Since Cascade did not retain those initial applications, it has no way of providing the demographical information or auditing which applications were never processed even after discovery of the issue. Cascade has since revised its processes so that it retains all applications and audits the Agencies’ follow through on processing the applications. The attached appendix (UG-230551-CNGC-CARES-ARpt-Apdx-01-13-2023.xlsx) is the demographic data that Cascade received and retained. The first tab titled, “Graphed Data Points,” presents an interactive data sheet. The workpaper titled, “2023-2024 Data Set,” provides the complete raw data set.

PROGRAM YEAR STATISTICS

The following section provides a number of tables that provide programmatic data for program year 2023-2024. Table 2 below provides a breakdown of program year 2023-2024 costs.

Table 2 - CARES Total Costs

Costs	Dollars Spent
Total Dollars Spent	\$2,147,004
Total Dollars Discounted from Bills	\$921,783
Total Arrearage Relief Grants	\$374,713
Program Delivery Costs	\$97,591
Agency Administrative Costs	\$611,142
CBO Pilot Program	\$77,466
Deferral Interest	\$64,309

Table 3 and Table 4 provide an overview of the discounts and grants issued per tier, respectively.

Table 3 – CARES Discounts

Discounts by Tier	Avg. No. of Customers per Month*	Average Monthly Discount	Avg. Bill before Discount	Avg. Bill After Discount	Total Dollars
Tier 1	323	\$56	\$66	\$10	\$195,372
Tier 2	382	\$46	\$68	\$22	\$196,373
Tier 3	1,294	\$24	\$65	\$41	\$345,263
Tier 4	1,356	\$9	\$67	\$58	\$139,541
Tier 5	787	\$6	\$76	\$70	\$45,234
Total	4,142				\$921,783

*Average is provided rather than total due to churn, customers entering the program and customers closing their accounts.

Table 4– CARES Grants

Grants by Tier	Total No. of Customers	Average Grant	Total Dollars
TPA*	60	\$254	\$15,228
Tier 1	151	\$332	\$50,166
Tier 2	133	\$359	\$47,729
Tier 3	376	\$360	\$135,504
Tier 4	305	\$257	\$78,533
Tier 5	228	\$208	\$47,553
Total	1,253		\$374,713

*TPA refers to time payment arrangement. CARES customers may enter a TPA to pay off an arrearage that remains on their account after the application of the CARES grant. When on a TPA, Cascade’s billing system does not associate the account with one of the five CARES billing tiers.

Table 5 provides the number of households enrolled in CARES by the Company and per Agency.

Table 5 – Households Served

Entity	Number of Households Served per Agency/Cascade
Auto-enrolled by Cascade	2,470
Cascade Agent	1,293
Blue Mountain Action Council	269
Chelan-Douglas Community Action Council	1
Coastal Community Action Council	165
Community Action Connections	494
Community Action Council of Lewis, Mason & Thurston Counties	76
Community Action of Skagit County	568
Kitsap Community Resources	630
Lower Columbia Community Action Program	1
Northwest Community Action Program	389
Opportunities Industrialization Center of WA	936
Opportunity Council	1,204
Snohomish County Human Services Department	182
Total	8,678*
*This is the number of accounts enrolled for any amount of time within the program year and is higher than the final count of CARES participants listed in Table 7.	

Table 6 provides the customers’ targeted energy burden per CARES tier as of the start of the program year. Energy burden is determined by dividing the average bill by the average income for each tier.

Table 6 – Targeted Energy Burden by CARES Tier

CARES Tier	Energy Burden
Tier 1	3.0%
Tier 2	3.6%
Tier 3	3.5%
Tier 4	3.5%
Tier 5	3.0%

PROGRAM YEAR 2022-2023 COMPARISON WITH PROGRAM YEAR 2023-2024

Since program year 2023-2024 was the first year that CARES was offered, comparing it with the prior program year, when WEAf was provided, is not an apt comparison. The two programs are vastly different. As mentioned, WEAf provided a one-time grant, whereas CARES provides ongoing discounts and, if needed, arrearage relief grants. WEAf was solely administered by the Agencies. CARES began to be co-administered by Agencies and the Company during the middle of the program year. WEAf required applicants to verify their income by bringing documentation to an appointment with an Agency. CARES allows customers to qualify by self-attesting their income over the phone, on an online form, or on a hardcopy application. A snapshot of the differences is provided in Table 7.

Table 7 – PY 2022-2023 vs PY 2023-2024

Metrics	WEAF – PY 2022-2023	CARES – PY 2023-2024	Increases in Current PY
Total Dollars Spent	\$1,805,105	\$2,147,004	\$341,899
Total Customers Served	2,489	6,320*	3,831

*The number of customers served on CARES is the number enrolled in the bill discount at the end of PY 2023-2024 (September 30, 2024).

Cascade believes the data in Table 7 demonstrates that CARES better serves the vulnerable customers within the Company’s service territory. More money is being distributed and more customers are being served. Cascade expects this trend to persist as the Company, in collaboration with its CARES Advisory Group and EAG, continues to consider the needs in the community and remove barriers to program entry as they are identified.