

BEFORE THE WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

**Docket UG-210755
Cascade Natural Gas Corporation
2021 General Rate Case**

BENCH REQUEST NO. 003:

Please provide any cost benefit analyses the Company has conducted regarding the recommended changes to the WEAFF program. For each, include any projections based on this analysis.

Response:

Cascade Natural Gas Corporation (“Cascade”) has been working with its Washington Energy Assistance Fund (“WEAF”) advisory group and stakeholders for over nine months to implement SB 5295 (now codified in RCW 80.28) to help address equity and energy burden as part of recommended low-income program changes.

As stated on page 31, line 14, of Exh. MAC-4T, Cascade filed a disconnection reduction plan on May 18, 2022. During the evidentiary hearing in this case on June 1, 2022, the Commissioners took official notice of Cascade’s Disconnection Reduction Plan in Docket UG-200568. Attached as Attachment A to Cascade’s Response to Bench Request No. 003, please find a copy of the Disconnection Reduction Plan.

As explained on pages 7 and 9 of Attachment A, Cascade intended to file its evaluation of a new energy burden discount program proposal in June 2022. Cascade’s proposed Arrearage Management Program and Energy Discount (“AMPED”) will replace its current WEAFF program. The AMPED program will enhance assistance, provide a more comprehensive approach to low-income assistance, and reduce energy burdens.

In developing the program, Cascade commissioned a third-party to develop a Low-Income Rate Analysis for Washington State. Attached as Attachment B to Cascade’s Response to Bench Request No. 003, please find a copy of such analysis. Attached as Attachment C, please find a timeline of events and a complete program proposal for Cascade’s AMPED. Attached as Attachment D, please find an analysis of the projected program costs and the potential rate impacts to customers of Cascade’s proposed AMPED program. Attached as Attachments E and F, please find an outline the Community Based Organization (“CBO”) referral proposal and draft agreement, respectively. Finally, Attachments G and H show the draft program and cost recovery schedules.

On May 25, 2022, the Energy Project, Public Counsel, and Staff requested Cascade delay its proposed AMPED filing and implementation until October 2023 to align with

other utility low-income filings and to allow time for additional stakeholder meetings to resolve any remaining questions or issues. Cascade did not receive feedback from any other stakeholders related to the AMPED proposal or its third-party study to analyze the energy burden of its current Washington customer base and to better determine the impacts and benefits of a low-income discount program for customers in Washington State.

On May 27, 2022, Cascade responded to the entire advisory group agreeing to delay filing the AMPED program to allow for additional follow-up meetings with the advisory group. Cascade's new target filing date is June 2023, with a program start date of October 2023.

Keeping in mind that the AMPED program is still being reviewed by stakeholders and may undergo changes in response to their feedback, the following is a summary of the program's key components: 1) a new holistic arrearage management and energy discount low-income program in lieu of the current WEAFF program and cost recovery; 2) significantly increased billing assistance relief with direct grants to customer accounts; 3) monthly bill discounts; 4) a new Community Action Agencies (CAA) portal to assist with getting customers information and to facilitate more rapid assistance; 5) an option for self-attestation into AMPED with an eligibility audit performed by Cascade; 6) funding of up to three percent of the annual program budget with a floor of \$70,000 annually for CBO engagement that includes entities that serve marginalized communities, including but not limited to rural, immigrant, tribal, or people of color; 7) continuation of the historic process of CAAs receiving an administrative fee of \$75 per household qualified; 8) continuation of Cascade independently promoting and engaging in program outreach efforts; 9) continuation of engagement with interested stakeholders within a low-income advisory group; 10) enhanced annual reporting on AMPED program performance; 11) customer auto-enrollment, and 12) internal referral for energy efficiency services with Cascade's conservation group to help reduce future energy burden, bills, and carbon emissions. These measures would help reduce the enhanced assistance plus reduce eligible and disparate energy burdens in a more comprehensive approach.

Cascade also identified essential goals for its proposed AMPED low-income program to help customers who are experiencing a significant energy burden. These goals are 1) reducing low-income customers' total energy burden, 2) increasing the number of customers reached by Cascade's billing assistance programs, and 3) keeping customers connected to their energy service.

**ATTACHMENTS A through H to
Cascade's Response to
Bench Request No. 003**