

CASCADE NATURAL GAS CORPORATION

Washington Energy Assistance Fund

Program Year 2022-2023 Annual Report

Overview

In accordance with the terms established in Schedule 303 Washington Energy Assistance Fund (WEAF) Program, Cascade Natural Gas Corporation (Cascade or the Company) provides the following annual report for its 2022-2023 program year beginning October 1, 2022, and ending September 30, 2023.

Washington Energy Assistance Fund Program

The WEAFF program was established to provide bill payment assistance to Cascade's low-income customers. The program, which was replaced on October 1, 2023, with the Cascade Arrearage Relief and Energy Savings (CARES) program, was administered and delivered through the Community Action Agencies (Agencies) located throughout the Company's service territory in Washington. Customers qualified for WEAFF assistance if their combined household income was less than or equal to 200% of the Federal Poverty Guidelines or 80% area median income, whichever was more favorable to the customer. Historically, a WEAFF customer was awarded a grant of up to \$500, which was applied directly to the customer's natural gas bill. In January 2023, the maximum grant was increased to \$625 to account for increases in natural gas rates. The Company retroactively applied supplementary grants to 786 accounts that had received WEAFF dollars since the start of the program year through January 2023, to ensure that the increased maximum grant amount benefited all program year customers. The WEAFF program has consistently helped customers stay connected to energy service by directly applying financial aid onto customer's bills.

Program Budget

The 2022-2023 WEAFF program year budget was \$1,531,200. The Agencies were on track to exceed this amount, so Cascade filed to increase the budget to \$1,800,000 in Advice No. W23-06-02, docketed as UG-230551. Program year spending exceeded the revised budget by \$5,105, for a total program year expenditure of \$1,805,105. Commission Order No.04 issued in UG-152286 establishes the programmatic goal of serving more customers. The Company stated previously and continues to contend that achieving this goal may require overspending the program budget.

WEAFF Program Funding

Program funding is collected from all customers through a charge established in Schedule 593 of the Company's Tariff. The WEAFF fund began the program year with a balance of \$439,602 and added \$1,174,469 through Schedule 593 collections. In accordance with Order No. 04 issued in UG-152286, the Company intends to collect the unrecovered portion of its 2022-2023 WEAFF expenditures in its 2023-2024 CARES Cost Recovery filing, which has replaced the WEAFF Cost Recovery mechanism.¹

Program Promotion

In this program year, Cascade used various channels to inform customers of the WEAFF program.

- Bill Inserts: Bill inserts notifying customers of the available low-income assistance programs were issued. A bill insert for WEAFF was issued in January 2023.

¹ WUTC, UG-152286 Order No. 04, ¶12 states. ("If actual WEAFF expenditures exceed the amounts collected, Cascade will collect the deficiency from customers through surcharges in the following year.")

- Bill Inserts: Energy assistance information was included on the monthly billing statements for residential customers with a past due balance for the entirety of the program year.
- Customer Service Agents: Customers who called Customer Service to request a payment plan or indicated they were having difficulty paying their bill were provided information regarding the available payment options, bill payment assistance programs, and the contact information for the Agency in their area.
- Cascade Website: The Company’s website informs customers about available assistance programs and directs them to enroll by calling the appropriate Agency.²
- Radio: The Company worked with two companies, Cascade Radio Group in Mount Vernon and Crista Media internet radio based in northwestern Washington, to place English and Spanish ads promoting the WEAFF program on their radio stations. Radio ads in English and Spanish were aired on two stations which reached most of the Company’s Washington service territory. Both stations also provided space on their websites for additional promotions in English and Spanish.
- Digital Advertising: Cascade Natural Gas continued to utilize digital outreach for WEAFF advertising. JD Power Surveys, Chartwell surveys, and Cascade in-house research and survey results reveal customers prefer digital mediums to traditional media. The challenge is the increasingly diverse number of digital channels. The Company used Facebook, Twitter, and Google AdWords for terms customers may use when searching for energy assistance resources. The Company also partnered with Genius Monkey to display third party website banner ads and with Univox Media for targeted streaming audio ads in October and December 2022, and again in February and April 2023. The Univox Media campaign produced 149,529 ads at an average cost per thousand of \$23.41. The ads impacted more than 24,600 unique households and had a listen-through rate of 97.6%. This listen-through rate reveals that more than 141,500 ads were heard from start to finish.
- Community-Based Organizations: In compliance with paragraph 249 of Order No. 09 issued in UG-210755, the Company partnered with its Advisory Group to design and begin a three-year pilot program where agencies would partner with community-based organizations (CBOs) in their areas for the purpose of performing outreach to hard-to-reach customers. In this first year, five of the twelve agencies volunteered to participate. The Company allocated the first-year pilot program budget of \$73,000 to the participating agencies. Below is an overview of the work done in 2022-2023 PY.
 - Chelan-Douglas Community Action Council hired an AmeriCorps employee to perform outreach to Spanish speaking and elderly customers.
 - Opportunity Council participated in outreach at Bellingham Public Library, Mercy Housing locations, and at school district led community resource fairs. Additionally, Opportunity Council provided outreach materials to CBO’s including The Chardi Kala Project, World Relief, and IRIS. Materials were provided in English, Spanish, Russian, Ukrainian, and Punjabi.
 - 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, and the Skagit County Fair.
 - Northwest Community Action Program partnered with the Yakima Valley Farmworkers Clinic and a local Spanish language radio station for program promotion.

² See <https://www.cngc.com/customer-service/low-income-assistance-programs>.

Advisory Group

The Company has met consistently with its WEAFF Advisory Group, which consists of key stakeholders, including Public Counsel, Commission Staff, the Energy Project, NW Energy Coalition, Cascade, and representatives from each of the Agencies. The Advisory Group discussed WEAFF program design, results, modifications, and administration, and was integral in the redesign of WEAFF into CARES. The Advisory Group continues to meet regularly to discuss CARES.

2022-2023 Program Year Results

The program year results provided below are for October 1, 2022, through September 30, 2023.

Table 1 summarizes the program dollars spent:

TABLE 1	
WEAF Transactions on Accounts (includes grants, refunds to WEAFF GL acct, and accounting corrections)	\$1,379,242.38
Administrative Fees paid to Agencies	\$ 270,036.00
Total Dollars Spent on Marketing	\$ 155,826.39
By CNGC	\$ 155,826.39
Facebook Charges	\$ 533.83
Google AdWords	\$ 282.43
Twitter	\$ -
Display Ads, Genius Monkey	\$ 30,000.00
Voiceover for Streaming Promo	\$ 50.00
Univox (streaming audio ads)	\$ 20,000.00
Speedy Spots	\$ 50.00
Printed Materials for Promo	\$ 5,909.13
Crista Media	\$ 18,000.00
Cascade Radio Group	\$ 3,000.00
CDCAC WEAFF Promo	\$ 5,000.00
BMAC CBO Program Funding	\$ 10,873.00
CDCAC CBO Program Funding	\$ 7,854.00
NCAC CBO Program Funding	\$ 15,653.00
OPPCO CBO Program Funding	\$ 23,250.00
SCCAA CBO Program Funding	\$ 15,371.00
By Agencies	\$ -

Table 2 shows the pledge detail for each Agency:

TABLE 2			
Agency	Pledges Submitted	Homes Pledged	Average Pledge
Blue Mountain Action Council	\$ 87,879.00	154	\$ 570.64
Community Action Connections	\$ 107,349.00	214	\$ 501.63
Community Action Council of Lewis, Mason, & Thurston Counties	\$ 12,663.00	26	\$ 487.04
Costal Community Action Council	\$ 26,867.86	48	\$ 559.75
Chelan-Douglas Community Action Council	\$ 3,846.92	9	\$ 427.44
Kitsap Community Resources	\$ 17,659.00	36	\$ 490.53
Lower Columbia Community Action Program	\$ -	0	\$ -
Northwest Community Action Program	\$ 31,855.00	69	\$ 461.67
Opportunities Industrialization Center of WA	\$ 420,264.00	794	\$ 529.30
Opportunity Council	\$ 345,612.00	645	\$ 535.83
Community Action of Skagit County	\$ 208,790.00	437	\$ 477.78
Snohomish County Human Services	\$ 32,754.00	57	\$ 574.63
Total	\$ 1,295,539.78	2489	\$ 520.51

Table 3 provides the average pledge amount in the 2022-2023 program year:

TABLE 3	
Average Pledge per Household	\$ 520.51

Table 4 provides the average annual natural gas bill for WEAf recipients in the subject program year:

TABLE 4	
Average Annual Natural Gas Bill	\$ 852.06

Table 5 compares program year performance over the history of the WEAf offering.

TABLE 5			
Program Year	Homes Served	Average Grant	Total Grants
2016-2017	2387	\$ 353.35	\$ 843,435.89
2017-2018	2148	\$ 357.00	\$ 768,771.69
2018-2019	2049	\$ 326.00	\$ 668,360.21
2019-2020	2638	\$ 303.38	\$ 800,326.25
2020-2021	2636	\$ 316.32	\$ 833,816.29
2021-2022	2009	\$ 376.99	\$ 757,375.94
2022-2023	2489	\$ 520.51	\$ 1,295,539.78

Low-Income Home Energy Assistance Grant Impact

The WEAf was initially designed to supplement the federal government’s Low-Income Home Energy Assistance Program (LIHEAP) which is also administered by the Agencies. Table 6 provides the number of LIHEAP pledges awarded and the total LIHEAP dollars pledged to Cascade’s natural gas customers during the 2022-2023 program year.

TABLE 6	
Number of WA LIHEAP Pledges	2,103
LIHEAP Pledge Amount	\$ 814,303.24

Table 7 provides actual expenditures and program year budgets for each program year.

TABLE 7		
WEAF Activity on Accounts		
<i>Including agency grants, account refunds, and adjustments.</i>		
Program Year	Total	PY Budget
2022 - 2023	\$ 1,379,242.38	\$ 1,800,000.00
2021 - 2022	\$ 745,492.10	\$ 1,276,000.00
2020 - 2021	\$ 806,816.94	\$ 1,276,000.00
2019 - 2020	\$ 783,299.38	\$ 1,215,000.00
2018 - 2019	\$ 643,570.62	\$ 1,156,000.00
2017 - 2018	\$ 742,581.97	\$ 1,100,000.00
2016 - 2017	\$ 813,911.05	\$ 1,047,000.00

Refunds include unused WEAf credits that were present on accounts after the final bill was issued. Adjustments include grant amount corrections provided by the issuing Agency.

Conclusion

The 2022-2023 program year was the final year Cascade would offer WEAf. The Company transitioned to offering the CARES Program as of October 1, 2023. While WEAf consistently provided customers with bill payment relief, the Company looks forward to reaching more low-income customers and offering greater assistance through CARES.

The goals of WEAf were defined in the settlement agreement adopted per Order No. 04 in Docket UG-152286 as:

1. Keep customers connected to energy service,
2. Provide assistance to more customers than are currently served,
3. Lower the energy burden of program participants, and
4. Collect data necessary to assess program effectiveness and inform ongoing policy discussions.

These goals continue to guide the Company in its provision of CARES to qualifying customers.