



Oregon Citizens' Utility Board

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July 15, 2022

Public Utility Commission
Attn: Filing Center
P.O. Box 1088
Salem, OR 97308-1088

RE: UM 2211/ADV 1409/UG 437 - CUB Comments on Cascade Natural Gas's Proposed Energy Discount Program (EDP)

On July 8, 2022, Cascade Natural Gas (Cascade) held a workshop to discuss its intended modifications to the low-income discount program proposed in ADV 1409. At this workshop, Cascade shared its decision to withdraw its Arrearage Management Program and Energy Discount (AMPED) proposed in its June 1, 2022 filing, and leave its current Oregon Low-Income Bill Assistance Program (OLIBA) in place and revise its filing in ADV 1409 to institute its Energy Discount Program (EDP) as originally proposed.

CUB acknowledges and has considered the Oregon Public Utility Commission's (PUC) short suspension for Cascade to file a revised program. These Comments are not intended to delay energy burden relief to low-income customers. That noted, we ask the PUC to consider CUB's concerns when it examines Cascade's revised program. CUB is concerned with Cascade's decision to change the structure of the program from the AMPED to two separate processes (the EDP and OLIBA). CUB proposes that Cascade qualify customers for the EDP program and the OLIBA program when customers sign up through Cascade's system. CUB also has concerns about the revised program adding barriers to low-income customers' ability to easily connect to energy burden assistance and we also provide a short discussion of CUB's concerns regarding Cascade's cost recovery.

Eligibility and Level of Relief

CUB is concerned about how the impacts that removing the arrearage portion of the proposed program and continuing with the OLIBA will have on low-income residential customers. In order to equitably address customers' energy burden across Cascade's service territory, it will be important for eligible customers to have minimal barriers in accessing all available assistance opportunities. Cascade's initial proposal had the advantage of enabling the Company to qualify customers for both the EDP Program and the AMP program. Under the Company's initial proposal, Customers had the option to go directly to the Company for relief rather than through a third-party. The Company moved away from this approach due to cost recovery concerns, which CUB addresses below.

Cascade states in the OLIBA Annual Report Program Year 2020-2021 that the OLIBA program "was designed to supplement the Federal Low Income Energy Assistance Program (LIHEAP) by

providing additional assistance.”¹ As has been discussed in other UM 2211 proceedings, LIHEAP is only reaching roughly 18% of eligible customers. In its 2020-2021 OLIBA report, Cascade indicates OLIBA funds were distributed to only 260 households even with one sign-up process. Cascade’s Low-Income Needs Analysis (LINA) estimates that roughly 10,000 of Cascade’s customers would be eligible for low-income energy assistance. Requiring customers to go through two enrollment processes to receive energy assistance provides an additional barrier contrary to the purpose of HB 2475 and the goals of the UM 2211 investigation, and risks leaving much-needed energy assistance from reaching low-income customers.

Allowing low-income customers to self-certify their income upon (joint) enrollment of the bill discount and arrearage programs reduces a barrier to energy burden relief. Cascade mentioned in its July 8, 2022 presentation that the OLIBA program requires income verification for customers to receive benefits. CUB is concerned that customers who struggle with providing the necessary documentation for income verification will have higher barriers to participation in receiving the full benefits of the two programs, OLIBA and EDP. Cascade should allow eligible customers to self-certify their incomes upon enrollment for both the bill discount and arrearage programs.

While it may be difficult to make changes to the OLIBA in time for sign-up, CUB highlights customer groups that stakeholders have identified in other UM 2211 proceedings as low-income customers that may not be able to verify income, including customers that:

- Have no income at all, or cannot prove income;
- Do not have access to the necessary paperwork;
- Work seasonally;
- Have low literacy;
- Have language barriers;
- Are navigating the immigration process;
- Are current victims of domestic violence; and
- Have special needs but do not have an advocate to help them in the process.²

Cost Recovery

After the PUC’s June 28 Public Meeting, Cascade withdrew its request to consolidate bill discount programs and AMP programs due to concerns about cost recovery not being contemporaneous, and that it could lead to cash flow issues for Cascade. In 2021, Cascade’s Oregon revenues were \$74 million. Cascade has not demonstrated that these programs will lead to financial harm to the Company. Accordingly, CUB does not understand the utility’s contemporaneous cost recovery concern to be a large enough impact to completely change the program.

While this is the interim phase and these programs will change and evolve as further investigation continues, CUB highlights the importance of ensuring that energy burden reduction is addressed at the start. Furthermore, CUB reiterates our prior Comments that this low-income program investigation is ongoing and this interim program does not set a precedent for the final Income-

¹ Cascade Natural Gas. RG-6 Cascade Natural Gas Corporation Oregon Low-Income Bill Assistance Program (OLIBA) Annual Report Program Year 2020-2021. <https://edocs.puc.state.or.us/efdocs/HAQ/rg6haq134131.pdf>

² CEP and Advocate Comments. RE: UM 2211/ADV 1390 – NW Natural's Advice No. 22-02, Residential Low-Income Bill Discount Program. May 27, 2022. <https://edocs.puc.state.or.us/efdocs/HAC/um2211hac16734.pdf>.

Qualified Bill Discount program. Cascade's initial AMPED program with the inclusion of self-attestation and one enrollment process had lower barriers to relief than its revised program, and ensured cost-effective energy burden reduction for Cascade's lowest income customers. CUB encourages Cascade to remove these barriers in its revised program and continue to consider ways to remove barriers as its program is implemented while the investigation in UM 2211 continues.

Respectfully submitted,

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