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Oregon Public Utility Commission  
Attn: Filing Center  
201 High Street S.E., Suite 100  
Salem, OR 97301-3398

**Re: UM 2211, Cascade Natural Gas Survey Responses**

Cascade Natural Gas Corporation (Cascade or Company) submits to the Oregon Public Utility Commission (Commission) the following answers to the survey questions included as Attachment A to Commission Staff's document titled, "Docket No. UM 2211: HB2475 Implementation of Differential Rates and Programs in Oregon, Phase 2 Process Proposal," dated February 2024.

The Company understands that Staff intends for Stakeholders to inform Docket No. UM 2211 by answering the survey questions, but Staff also communicated to Cascade that they are also open to receiving responses from utilities. Cascade is interested in hearing Stakeholders' perspective on these questions as they are apt to offer new or different insights that will broaden the conversation. However, in the spirit of collaboration, the Company also offers responses to Staff's survey questions.

Cascade understands that as it applies an equity lens to its operations, it must start with recognition justice which is acknowledging historic and ongoing inequities. Cascade admits it is not omniscient in its understanding of the inequities its customers have or do experience, and it is with this humble admission that Cascade offers its perspective on the following questions.

Cascade is willing to have Staff share the Company's answers with participants in UM 2211.

**Equity Landscape**

**1. What do you see are the most important or urgent equity issues in the provision of energy to utility customers?**

Cascade believes its low-income assistance programs available, including Energy Discount Program (EDP), Oregon Low-Income Bill Assistance (OLIBA), and the Oregon Low-Income Energy Conservation Program (OLIEC) are good programs, and the collaborative work to redesign how the Company delivers bill payment assistance has been beneficial to qualifying customers. However, Cascade believes that the program penetration of all its low-income programs could improve.

Program enrollment for EDP and OLIBA has greatly benefited from the provision that allows customers to enroll by self-declaring their income. This change lets customers side-step the time consuming and arduous process of setting an appointment and presenting income documentation to a Community Action Agency (Agency) representative, which is what customers continue to do to receive Low Income Home Energy Assistance Program (LIHEAP) grants. Now, customers may call either an Agency or they can call Cascade directly to enroll in OLIBA and EDP. These two provisions alone have helped the Company’s bill assistance program enrollment numbers to increase significantly. The table below shows program enrollments in the 2021-2022 program year as compared to 2022-2023 program year.

|              | PY 2021-2022 |            | PY 2022-2023 |         |              |
|--------------|--------------|------------|--------------|---------|--------------|
|              | Agency       | TOTALS     | Agency       | Cascade | TOTALS       |
| <b>OLIBA</b> | 317          | <b>317</b> | 221          | 1,041   | <b>1,262</b> |
| <b>EDP</b>   | N/A          | <b>N/A</b> | 110          | 3,975   | <b>4,085</b> |

In spite of this impressive uptick in enrollments, Cascade believes that not all customers who need bill assistance are enrolled in EDP, and the Company believes that with the Commission’s assistance, utilities could collaborate with the state to auto-enroll residents receiving state food assistance programs into their EDP programs. Food assistance programs have a great reach. Such a synergistic relationship between the state and utilities would be effective and efficient.

This type of partnership works in the State of Idaho, which automatically enrolls residents who are receiving food assistance into LIHEAP. Also, Oregon Housing and Community Services (OHCS) provides Cascade a list of LIHEAP enrollments for the purpose of auto-enrolling LIHEAP recipients into EDP. This collaboration with OHCS is a great start but more could be done to help people in need get the available resources. Cascade believes auto-enrolling residents receiving food assistance into EDP would be a good next step in making utilities’ current programs more effective in matching assistance to need.

**2. Which Communities are most impacted?**

Cascade has identified its most vulnerable populations in its Oregon service territory by using the Center of Disease Control and Prevention (CDC) and the Agency for Toxic Substances and Disease Registry (ATSDR) Social Vulnerability Index (SVI). This resource maps communities by the following sixteen census variables:

- 1- Poverty
- 2- Unemployment
- 3- No high school diploma
- 4- Age 65 or older
- 5- Age 17 or younger
- 6- Households with no vehicles
- 7- Single-parent households
- 8- Minority population
- 9- Limited English proficiency
- 10- Housing crowding
- 11- Housing units in structures with ten or more units
- 12- Mobile homes
- 13- Group quarters
- 14- No high school diploma among those aged 25 and older
- 15- Civilian noninstitutionalized population with a disability

16- No health insurance

According to the CSC/ATSDR SVI, these five counties are the most vulnerable within Cascade's service territory:

- 1- Malheur
- 2- Jefferson
- 3- Umatilla
- 4- Klamath
- 5- Morrow

While the CSC/ATSDR SVI provides a broad perspective on factors contributing to vulnerability, the Company is interested in learning about additional Oregon-specific resources that it could use to overlay on the CDC/ATSDR SVI data to substantiate or broaden its understanding of vulnerable populations within Oregon.

**3. What are the most important or urgent actions to improve equity outcomes?**

See Cascade's response to question No. 1.

**Utility Programs**

**3. What are the highest-impact and/or most urgent equity issues to address in utility programs and services? Responses can include gaps in existing programs and opportunities to develop new programs.**

As stated in response to question 1, Cascade believes that the next step that should be made in addressing inequities is to improve EDP enrollments by creating a synergistic relationship between state food assistance providers and utilities for the purpose of reducing more customers' energy burden.

After this, Cascade believes utilities should further work on identifying its vulnerable populations so it can understand the inequities these customers experience. The Company has begun this process as outlined in response to question 2, but further conversation is needed to identify vulnerable populations and the inequities they experience. Cascade believes a robust understanding will require collaboration with Commission Staff, the Company's low-income advisory group, and Community Action Partnership of Oregon (CAPO).

**4. Are there specific geographic areas or distinct populations that should be prioritized?**

Please see the Company's response to question 2. Cascade further adds that it has struggled in the past to make the relationships necessary to serve its tribal communities. The Company has communicated with tribal communities about its EDP and OLIBA programs but has very little uptake from this customer group.

**5. How can the PUC measure progress in addressing equity issues in utility programs and services? Please feel free to suggest specific metrics.**

Cascade believes the PUC could measure the success of utilities' low-income programs by reviewing the number of EDP program participants for customers living within vulnerable populations or the PUC could review program penetrations for zip codes identified as disadvantaged communities.

Other valuable metrics may include the accessibility of program information, such as the availability of program materials in various communication channels and in multiple languages.

- 6. Staff plans to organize informational sessions on the landscape of programmatic offerings for utility customers. Please provide any priority information within these topics, any additional topics for the series, and suggestions for expert presenters.**

Dr. H. Gil Peach is well versed on various low-income bill assistance programs and is able to speak on the benefits and challenges of different approaches.

### **Differential Rates**

- 7. What degree of consistency is expected across the utilities? For explain, do we need to develop a standard rate design for all utilities or are there only certain elements that need to be standardized?**

Cascade believes it would be a mistake for the Commission to prescribe a standardized rate design for all utilities for a number of reasons. Each utility serves different customer groups with different needs. For instance, Cascade's service territory includes tribal and farming communities, whose needs differ from customer groups residing along the Interstate-5 corridor. Also, gas service and electric service are different. While most residents have electric service, gas service is considered an optional energy source. Cascade urges the Commission to provide guidance that is not too prescriptive so as to disallow utilities to partner with their low-income advisory groups to tailor any rate design to their customers' specific needs.

- 8. Are there customer characteristics that should be prioritized for consideration at this phase (e.g. income, energy burden, disconnections and other economic, social equity or environmental justice factors that affect affordability)? a. What data sources can be used to support priority population identification? b. What considerations should be made relative to data privacy and equitable data practices?**

Cascade believes income, energy burden, and disconnects are useful in identifying a customer's need.

To further identify populations in need, see the Company's response to question 2 as well as the cited resource.

In response to question 8(b), Cascade believes it would be inappropriate for utilities to request and retain demographic data including but not limited to age, race, gender, marital status, education, and income. If there are concerns with systemic racism or other inequities stemming from a utility bias, the utilities are best situated to provide unbiased service if they do not know or retain customers' personal demographic information.

Also, since utility databases are targeted for cyberattacks, Cascade believes it will serve its customers best if it only collects and retains the information that it needs to provide natural gas service and that does not include personal demographical information.

- 9. Are there rate structures that should be prioritized for consideration in this phase of implementation? Why or why not? For example: creating separate rate class, percentage rate discounts, percentage of income plans, kWh allotments, restructured or eliminated basic charge, other or combination (an**

external resource with information on a few of these ratemaking tools can be found here: [https://www.iepec.org/conf-docs/papers/2007PapersTOC/papers/79\\_1081\\_ab\\_596.pdf](https://www.iepec.org/conf-docs/papers/2007PapersTOC/papers/79_1081_ab_596.pdf)) a. What criteria should be used to evaluate the pros and cons of different ratemaking approaches?

Cascade believes it would be premature for the Commission to prescribe new rate structures or rate classes at this time because most of the Oregon utilities have new bill discount rate programs that have the potential to grow into being more effective tools for helping low-income customers. As stated in response to question 1, Cascade believes it would serve customers to auto enroll people who are qualifying for other state-provided assistance programs such as Temporary Assistance for Needy Families (TANF); Women, Infants, and Children (WIC); and the Supplemental Nutrition Assistance Program (SNAP). The forum of UM 2211 could provide an opportunity to determine how utilities could collaborate with the State of Oregon in auto-enrolling residents who are receiving benefits from other state programs into energy discount programs.

**10. How should the costs of differential rates be recovered? a. What are the most important considerations in the way that the costs are spread across different customers? b. Are there cost recovery practices that will help utilities offer more equitable rates in a cost-efficient manner?**

Cascade sees two ways that cost recovery for EDP can be accomplished:

- 1) Program costs could be recovered from all customers, or
- 2) Program costs could be recovered only from nonparticipants.

The Company believes each path has advantages and disadvantages. Collecting program costs from all customers reduces the overall burden; however, it is a cost for low-income customers. Collecting the costs only from non-participants raises the cost burden for non-participants but protects low-income customers.

**11. How can the PUC measure progress in addressing energy burden through differential rates?**

Cascade believes looking at the number of EDP program participants, the program penetration, and the number of disconnects for nonpayment among known low-income customers are useful means for measuring progress in addressing energy burden.

### **Other Suggestions**

**12. Do you feel you and/or your organization have sufficient capacity to engage in the proposed process?**

Yes.

**13. Do you have any additional input for the next phase of HB 2475 implementation?**

Cascade appreciates the opportunity to comment at this stage in the process and looks forward to reading stakeholders' comments and collaborating with Commission staff and other parties in pursuit of a more equitable outcome for all customers.

If you have any questions regarding this filing, please contact Jennifer Gross at [jennifer.gross@cngc.com](mailto:jennifer.gross@cngc.com).

Sincerely,

*/s/ Lori Blattner*

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