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June 14, 2022

Oregon Public Utility Commission  
P.O. Box 1088  
201 High St. SE, suite 100  
Salem, OR 97308-1088

**RE: ADV 1409 Advice No. O22-06-01, Cascade Natural Gas Arrearage Management Program and Energy Discount Proposal**

Cascade Natural Gas Corporation (Cascade or Company) submits the following response to the first stakeholder feedback submitted by Community Action Partnership of Oregon (CAPO) following the Company's proposed Arrearage Management Program and Energy Discount (AMPED) filing on June 1. Cascade appreciates the feedback received and looks forward to collaborating on getting AMPED implemented for those who are less fortunate.

**Eligibility and Verification of Eligibility**

As indicated in our initial application, Cascade plans to make eligibility and enrollment as simple as possible. The program will be clearly described on the Company's website and Cascade welcomes CAPO's input on the program description that ultimately appears on the website. Customers may apply for AMPED assistance by scheduling an appointment with their local Community Action Agency (CAA) provider or by calling Cascade's customer service number and verbally providing income and household size information.

Cascade plans to audit up to 3% of self-attestation initially on a semi-annual basis. After the initial audit results, Cascade will work with its newly formed advisory group to discuss future audit durations and ways of conducting the audit process. Cascade would note this process has not yet been finalized. Furthermore, Cascade considers the CAAs a good option for income verification and agree compensation should be provided for this service, which was already outlined within Cascade's initial application proposal.

As for 'risk-free' to program participants, Cascade has an outstanding question to the OPUC Staff about thievery under Oregon Administrative Rules (OARs) and how to get around 'risk-free' since it appears to be considered thievery under OARs. Cascade is having a hard time seeing the distinction between individuals that falsify their information to receive AMPED benefits and tampering with equipment to receive unlawful benefits; Cascade is tasked with being good stewards of all our customers' funds.

*In the Community to Serve®*

## **Level of Relief**

When designing the AMPED proposal, Cascade identified three essential goals to help customers experiencing a significant energy burden:

- Reduce low-income customers' total energy burden
- Increase the number of customers reached by Cascade's billing assistance programs
- Keep customers connected to their energy assistance

To achieve these goals, an arrearage management instant grant would be created for each qualified customer to be used once per program year. In addition, energy tier discounts based on qualifying household income and household size will be applied to help lower future energy burdens.

CAPO proposes shareholders should contribute to the goal of reducing disproportionate energy burdens based on perhaps a misguided idea about stock market returns and authorized returns. However, Cascade has not received its authorized rate of return for quite some time now, let alone the Commission approved return on equity since this is a byproduct of net operating income. In addition, Cascade does not trade on the New York Stock Exchange and is merely a subsidiary of MDU Resources (MDUR); nevertheless, MDUR has not seen spectacular stock market returns in either a 1-year or 5-year horizon, where the returns have been negative 21.5 percent and negative 6.2 percent, respectively. Presently, shareholders contribute annually to help low-income customers through Cascade's Winter Help, which will be another source of funds to help assist those who are less fortunate. Shareholder contributions to the Winter Help fund will continue on an annual basis. Winter Help funds are in addition to the AMPED proposal in assisting low-income customers. Cascade is open to reallocating current shareholder's contributions from the Winter Help to AMPED.

CAPO is correct that Asset Limited Income Constrained Employed (ALICE) customers are not directly addressed in the initial AMPED proposal; the Company's proposal is designed to provide the greatest level of assistance to customers most in need while reducing the administrative burden and associated cost. Including ALICE within the AMPED design will increase the back-office billing, payment, and accounting system design, plus increase the administrative cost in setting up and verifying those customers that don't qualify under AMPED but should receive a rate relief under an ALICE condition, if such an ALICE requirement was implemented. As such, we look forward to working with CAPO and the newly created advisory group to discuss the effectiveness of the program and future adjustments.

## **Tracking and Accountability**

Cascade agrees with CAPO, a successful program would enroll at least 80 percent of eligible customers. While our goal is 100 percent enrollment for eligible customers, regrettably Cascade does not know everyone's situation, especially if the customer does not reach out for help. With that said, Cascade plans to pro-actively engage with our stakeholders, CAAs, and Community Based Organizations to get better engagement and program evaluation.

In addition, Cascade's proposal has annual performance reporting to help guide the conversation and after a few years of the program, we would be able to see meaningful trends within the performance data. However, Cascade can adjust its annual performance reporting to provide that information on a quarterly basis, if desired. As for income data, Cascade does not currently collect this information and is not interested in starting such a process due to privacy, liability, and storing concerns. Cascade will store the Federal Poverty Level or State Median Income percentage and size of the household that was calculated as part of the qualification process.

### **Connecting Customers to Other Services**

Cascade always informs our customers of assistance options available to them and directs them to their local CAAs. In addition, Cascade is in the early stages of working with Oregon Housing and Community Services (OHCS) on a sharing agreement, so OHCS can provide customer information of those who are qualified to receive public assistance. By doing this, Cascade can automatically enroll these customers into the AMPED program. As part of AMPED, an internal referral based on high consumption level patterns for AMPED customers will have their account information given priority for energy efficiency services with our conservation group to help reduce future energy burden, bills, and carbon emissions.

Please contact me at 509-734-4549, if you have any questions.

Sincerely,

*/s/ Christopher Mickelson*

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