

December 15, 2017

**SENT VIA ELECTRONIC WEB PORTAL**

Steven V. King  
Executive Director and Secretary  
Washington Utilities and Transportation Commission  
P.O. Box 47250  
1300 S. Evergreen Park Drive S.W.  
Olympia, WA 98504-7250.

**Re: Cascade Natural Gas 2018 Annual Conservation Plan  
Docket UG-171159**

Dear Mr. King,

The Energy Project respectfully submits these comments regarding the 2018 Annual Conservation Plan (ACP) of Cascade Natural Gas (CNG or Company). The Company provided a draft ACP to its Conservation Advisory Group (CAG) for review. The Energy Project appreciates that the Company has addressed some of our comments and concerns with respect to their draft 2018 ACP. Most of these comments and concerns focused on CNG's structure and implementation of the Low-Income Weatherization Program. The Commission's order approving the Joint Settlement Agreement in the CNG 2015 General Rate Case set in motion changes to the Enhanced Weatherization Incentive Program<sup>1</sup> which have certainly been an improvement in the collaborative efforts between CNG and the thirteen agencies delivering LiWx Program in Washington State.<sup>2</sup>

The Energy Project appreciates the amount of attention that the Company has given the program and looks forward to discussing necessary incremental changes that will bring the program more in line with how low-income weatherization is delivered in Washington State by the other investor owned utility programs. Consistency in program design and implementation is a critical element for the CAP agencies. Many of the agencies that work with CNG have service areas that also overlap with other investor owned utility territory, making significant differences in

the  
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<sup>1</sup> *Washington Utilities & Transportation Commission v. Cascade Natural Gas Corporation*, Docket UG-152286, Order 04, ¶ 26; Schedule 301, Low-income Weatherization Incentive Program UG-152286 Compliance Filing (December 29, 2016).

<sup>2</sup> On page 30 of the report the Company outlines the historical outcomes associated with the (former) Weatherization Incentive Program. An estimate of the projects completed to date through the (new) Enhanced Weatherization Program are also included. As of November 2017, 22 projects are expected to be completed, which is very much in line with the historical annual outcomes.

program design quite challenging to contend with when delivering weatherization services.

With two months remaining (December and January) before the completion of a full year of the new EWIP program, the Energy Project sees the need for some minor modifications to the EWIP program that will make it more successful and mirror other Washington utility programs that have demonstrated success. These include removal of the hard cap on project costs, modifying the project coordination cost allowance from a fixed to a percentage amount, allowing for an agency indirect rate, and establishing agency specific budgets. Such modifications would help streamline design and implementation for the 13 agencies delivering low-income weatherization in CNG's service territory.

We look forward to trying to resolve these issues with Cascade, in the near term if possible, to improve program operations for 2018.

Sincerely,

*/s/ Shawn Collins*  
Shawn Collins  
Director  
The Energy Project