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July 30, 2014

Mr. Steven King
Executive Director & Secretary
Washington Utilities & Transportation Commission
P.O. Box 47250
Olympia, WA 98504-7250

RE: Cascade Natural Gas Corporation's 2014 Integrated Resource Plan Work Plan Extension -
REVISED (Docket **UG-140181**)

Subsequent to recent discussions with Commission Staff, Cascade Natural Gas Corporation respectfully revises our request for an extension of the filing deadline for the upcoming Integrated Resource Plan (IRP). Cascade now seeks to amend the extend the next IRP filing date from March 15, 2015 to May 29, 2015.

If there are any questions regarding this matter, please contact me at (509) 734-4589 or via email at mark.sellers-vaughn@cngc.com.

Sincerely,
CASCADE NATURAL GAS CORPORATION

A handwritten signature in black ink that reads "Mark Sellers-Vaughn".

Mark Sellers-Vaughn
Manager, Supply Resource Planning

1 THE WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

2 DOCKET NO: UG-140181

3

4 IN THE MATTER OF THE PETITION OF)
5 CASCADE NATURAL GAS CORPORATION,)
6 SEEKING TEMPORARY EXEMPTION OF)
7 WAC 480-90-238(4) RELATED TO)
8 TIMING OF INTEGRATED RESOURCE)
9 PLAN FILINGS)

10

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12 Pursuant to WAC 480-90-008 Cascade Natural Gas Corporation ("Cascade"
13 or "Company") petitions the Washington Utilities and Transportation
14 Commission to amend the extension granted Cascade in Docket UG-140181 for
15 filing the Company's Integrated Resource Plan ("IRP"). The Company requests
16 amending the filing deadline of the next IRP to May 29, 2015. Please direct
17 all correspondence regarding the Petition to the following:

18

19 Mark Sellers-Vaughn
20 Manager, Supply Resource Planning
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14
15 The Company is required by WAC-480-90-238(4) to file its Integrated
16 Resource Plan within two years after the date the previous plan was
17 acknowledged. Cascade's 2012 Integrated Resource Plan was acknowledged by
18 WUTC on August 8, 2013. On February 27, 2014 Cascade Natural Gas Corporation
19 previously requested and received an extension of its 2014 Integrated
20 Resource Plan from the December 15, 2014 deadline to March 15, 2015. The
21 extension was requested in order to allow additional time for Cascade to
22 develop, document, build, test and ultimately implement a new demand forecast
23 methodology and model to provide more load demand granularity to its SENDOUT
24 supply resource analysis and preferred portfolio analyses.

25
26 There has been some question over the last decade about the Company's
27 forecast methodology and its development at the district/zonal level as
28 opposed to citygate level, particularly as it relates to acquiring capacity

1 to meet projected transport capacity shortfalls on peak day. In February
2 2014, Cascade contracted for the services of MRE and Gelber & Associates to
3 review the demand forecast methodology that Cascade has used for its most
4 recent IRPs. They will also develop a forecast model and methodology that
5 expands the demand forecast from a zonal level to a citygate level. The model
6 will also centralize forecast components such as historical weather and flow
7 measurement, population and other components that will help to derive the 20
8 year forecast. The planned model will be significantly better documented
9 than past forecasts datasets, and the model will include additional
10 functionality such as using different ranges of weather history, peak day
11 events, and the ability to adjust economic components at a more granular
12 level.

13
14 We anticipated that our forecast model overhaul would be something of
15 a work in progress, based on available resources to assist our consultants,
16 concerns surrounding reliability and ease of extractability of proprietary
17 billing data, while balancing on-going efforts to complete the first
18 concurrent Oregon and Washington IRP in many years. Cascade was hopeful that
19 the three month filing extension we were granted would be sufficient to
20 address these tasks to the satisfaction of all stakeholders, despite some
21 concerns on our part about the timeline.

22
23 IRP Stakeholders had their first opportunity to scrutinize the new
24 methodology and some of its outputs at the first IRP Technical Advisory Group
25 (TAG) meeting in June. The stakeholders felt some crucial modifications to
26 the forecast model's functionality were needed.

1 Described below is a listing of some of the issues that were identified
2 by Staff and other stakeholders:

- 3
- 4 • Cascade needs to look into Energy Information Agency (EIA) vs Energy
5 Trust of Oregon (ETO) regarding efficiency vs demand-side-management,
6 to ensure there is no duplication of influence on the model.
- 7 • Ensure slides for historic growth and a comparison to previous forecast
8 are included in the IRP.
- 9 • Information regarding Woods & Poole forecast methodology needs to be
10 provided to stakeholders; Cascade has been requested to arrange a
11 conference call with Woods & Poole personnel, to assist in this
12 understanding.
- 13 • Cascade should perform an analysis on distance in weather location and
14 R² provided to stakeholders.
- 15 • Historical use/customer to EIA efficiency analysis needs to be done.
- 16 • Address infrastructure of core vs non-core in SENDOUT optimization
17 model.
- 18 • Increased flexibility to adjust peak day heating degree day
- 19 • Improve ability to consider specific trends, consider econometric data
- 20 • Increased flexibility to adjust number of weather years considered
- 21 • Explain and document the relationship between the Excel model and
22 SENDOUT model
- 23 • Need to enhance the model functionality to better consider additional
24 economic factors (e.g., households, employment, etc.)
25
26

27 Almost immediately after TAG 1 Cascade met with our demand
28 forecast model consultants to review the feedback from the TAG 1 participants

1 and determine the best course of action to improve the forecast model based
2 on that feedback. Work began shortly thereafter on modifying the model
3 application. Our highest priority is focused on adding and improving the
4 levers for economic factors.

5
6 Additionally, Cascade received seven data requests on July 9, 2014 from
7 Oregon Public Utilities Commission Staff related to the demand forecast model
8 and methodology. These data requests, in addition to the concerns expressed
9 at the first TAG meeting in June 2014 by Staff and other stakeholders, placed
10 a considerable burden on Cascade's already strained resources. To that end,
11 we have requested time to address the data requests after we have completed
12 the model enhancements and provided the supplemental documentation requested
13 in June 2014 by Staff and stakeholders.

14
15 We have been working diligently since the June 2014 TAG meeting to
16 address the concerns with the forecast model/methodology, but we still have
17 considerable elements that must be developed, tested and implemented. Among
18 the items still remaining to be addressed are completion of the additional
19 economic levers, the backdating of forecasts, and quantifying Woods and
20 Poole's forecast methodology either through a teleconference with Woods &
21 Poole and the stakeholders or using some other medium. Unfortunately, we
22 have been unable to complete the tasks with our available resources and have
23 had difficulties in making sufficient progress at this point to hold an
24 informal technical workshop on the forecast with Staff and interested
25 stakeholders.

26
27 Given the scope of the concerns and the importance of the forecast and
28 addressing such a historically (for Cascade) large stakeholder group for this

1 IRP, we believe it is important to be able to informally review the
2 model/methodology/documentation enhancements during at least one technical
3 workshop.

4 Cascade believes that the number of concerns we are attempting to
5 address about the forecast will require more than one technical workshop. We
6 feel that any workshop discussions reviewing the enhancements to the
7 methodology, model and forecast outputs will likely spur further questions
8 and requests. It seems prudent that two workshops should be held to ensure
9 Staff and stakeholders have had sufficient opportunity to provide feedback on
10 the model and determine if the participants have a satisfactory level of
11 confidence in the forecast before we continue on with the formal IRP
12 schedule. Cascade does not expect that these technical workshops on the
13 model will produce a perfect forecast, or that all parties will agree that
14 the forecast methodology, model and supporting analysis completely address
15 all the areas of concern. Rather, we feel that the workshops will allow the
16 participants the best setting for discussion, gaining understanding and
17 providing feedback to help shape the direction of the model because the end
18 product application is expected to be used for forecasting purposes in the
19 coming years.

20
21 Getting the best possible forecast application/methodology is crucial
22 to creating the IRP, as it impacts other areas of the company such as
23 budgets, distribution system modeling, and future rate cases. Cascade feels
24 that stakeholders would not be well served by doing a rush job on the model
25 modifications. A haphazard forecast is not in the best interest of Staff,
26 other stakeholders and our ratepayers.

1 Based on our progress to date, available resources, and our commitment
2 to ensuring that our model and forecast methodology are acceptable to
3 stakeholders, we respectfully request that the IRP filing be extended
4 sufficiently to complete the tasks described above and to avoid future
5 delays.

6
7 Consequently, Cascade petitions the Washington Utilities and
8 Transportation Commission to extend the deadline for filing of the Company's
9 Integrated Resource Plan ("IRP") to May 29, 2015. WAC 480-90-008 contemplates
10 that the Commission may, by order, extend the prescribed filing date for good
11 cause. The Company believes the forgoing application will be beneficial to
12 the stakeholders and is in the public interest.

13
14 Attached is the proposed work plan and schedule based on the requested
15 extension being granted.

16
17 If there are any questions regarding this matter, please contact me at
18 (509) 734-4589 or via email at mark.sellers-vaughn@cngc.com.

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20 DATED: July 29, 2014.

21 Sincerely,

22 CASCADE NATURAL GAS CORPORATION

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24 

25 Mark Sellers-Vaughn

26 Manager, Supply Resource Planning

27 Enclosures
28

Date	Reason	Location
Tuesday, June 24, 2014	TAG 1: Process, Key Assumptions (IRP Team, Timeline, Highlights Most Recent IRPs, Latest Economic Indicators, Price Forecast and Demand Forecast Methodology and High Level Presentation of 20 Yr Forecast)	Portland Airport Conference Center
Tuesday, September 2, 2014	Distribute Supplemental Forecast #1	
Tuesday, September 16, 2014	Workshop #1: Open discussion and live walk through of the forecast model	Portland Airport Conference Center
Wednesday, October 8, 2014	Distribute Supplemental Forecast #2	
Thursday, October 23, 2014	Workshop #2: Open discussion and live walk through of the forecast model	Portland Airport Conference Center
Monday, November 3, 2014	Create TAG #2 Presentation	
Thursday, November 6, 2014	Approve TAG #2 Presentation	
Friday, November 7, 2013	Distribute TAG #2 Presentation	
Thursday, November 20, 2014	TAG 2: (Drilling down into the segments of 20 Yr. Demand Forecast, Current Supply Resources, Transport Issues, Alternative Resources)	Portland Airport Conference Center
Friday, November 21, 2014	Deliver Draft Avoided Cost Calc to Conservation	
Friday, November 21, 2014	Engineering 3 YR Outlook Deliver Draft Avoided Cost Calc to Conservation	
Friday, November 21, 2014	Conservation Study/Presentation	
Tuesday, December 2, 2014	Create Tag #3 Presentation	
Tuesday, December 9, 2014	Approve Tag #3 Presentation	
Tuesday, December 9, 2014	Distribute Tag #3 Presentation	

Wednesday, December 17, 2014	TAG 3: Conservation, Avoided Costs, Distribution Enhancements, Update on 2 Year Plan	Portland Airport Conference Center
Monday, January 5, 2015	Economic Resource Optimization (Sendout)	
Monday, January 12, 2015	Review and Approve Resource Optimization	
Thursday, January 15, 2015	Create TAG #4 Presentation	
Monday, January 19, 2015	Approve TAG #4 Presentation	
Monday, January 19, 2015	Distribute TAG #4 Presentation	
Tuesday, February 3, 2015	TAG 4: Preliminary Resource Integration Results, Proposed new 2 year Plan	Portland Airport Conference Center
Tuesday, February 10, 2015	Draft IRP	
Friday, February 13, 2015	Approve IRP Draft	
Tuesday, February 17, 2015	Draft IRP distributed	
Monday, March 9, 2015	Comments due on draft from all stakeholders	
Wednesday, March 18, 2015	Create TAG #5 Presentation	
Monday, March 23, 2015	Approve TAG #5 Presentation	
Monday, March 23, 2015	Distribute TAG #5 Presentation	
Tuesday, April 7, 2015	TAG 5: Miscellaneous Items, Final Discussion on Acton Plan	Portland Airport Conference Center
Wednesday, April 15, 2015	Internal Approval of 2 nd IRP Draft	
Thursday, April 16, 2015	2nd draft of IRP distributed (if needed)	
Thursday, April 30, 2015	Comments due on 2nd draft from all stakeholders	
Thursday, May 7, 2015	Update IRP per all stakeholder Comments	
Thursday, May 14, 2015	IRP Internal Review	
Friday, May 29, 2015	IRP filing (OR and WA) combined/concurrent single document	