

**BEFORE THE WASHINGTON UTILITIES AND TRANSPORTATION  
COMMISSION**

In the Matter of

Least Cost Planning Rulemaking,  
WAC 480-90-238

Preproposal Inquiry (CR 101).

Docket No. UG-030312

**SUPPLEMENTAL COMMENTS OF PUBLIC COUNSEL**

**July 1, 2005**

These comments supplement “Second Comments of Public Counsel” submitted on May 12, 2005 addressing rulemaking under dockets UG-030312, UE-030311 and UE-030423, in response to the Commission’s Preproposal Statement of Inquiry (CR 101).

These supplemental comments address only the draft rules under docket UG-030312, relating to the development of integrated resource plans (IRPs) for gas utilities.

We focus these supplemental comments on one idea ventured during the gas IRP telephone workshop on June 20, and reiterated in comments submitted by Northwest Natural Gas Company on June 21, 2005. Representatives of the gas utilities expressed a desire to slacken the biennial filing schedule described in the proposed rules, arguing that (1) often there is no significant change in forecasts or demand after two years and (2) gas utilities are different than electric utilities.

In our Second Comments we commended the WUTC on draft language setting a biennial schedule for submitting IRPs from both the electric and gas sectors. We hereby reassert our strong support for maintaining this draft language in both the electric and gas

IRP rules. In the years since the rules were first established, utilities have sometimes lapsed in keeping submissions timely, and we believe a renewed emphasis on timeliness is in order.

The utilities' two justifications for avoiding a biennial submission schedule are specious. The first justification is that often there is no significant change in forecasts or demand after two years. If this is in fact true on occasion, it is still no justification for avoiding a biennial IRP. In the conference call workshop on June 20, gas representatives implied that a full analysis when there is no significant change would be an undue burden. However, one of the very basic purposes of the IRP process is for the utility to determine if there is a significant change (or not) in forecasts or demand. In the recent past the industry has seen rapid and dramatic gas price changes. If indeed there is no significant change in forecasts or demand, the utility can simply demonstrate this in their plan and present an accordingly simple, adjusted analysis based on the prior plan.

The second justification is that gas utilities are different than electric utilities. While, this is true, it is no justification for avoiding a regular IRP schedule. Long-term planning is just as important for any utility, regardless of the commodity being delivered. Two of the four natural gas utilities in Washington State are also electric utilities; simultaneous submission of electric- and gas-side IRPs simplifies the process, encourages integrated gas- and electric-side resource planning, and is more efficient since the two plans share some data (*e.g.*, wholesale gas price forecasts and regional economic forecasts). The two gas-only utilities should not find biennial submission unduly burdensome, especially recognizing that gas plans are in their nature simpler than electric

plans, and that the prior biennium's IRP can be used as a quick start when the gas market and customer base are particularly stable.

Our underlying motivation for supporting a regular submission schedule is to encourage the utility, the WUTC, and the public to keep an uninterrupted, healthy focus on long-term planning, which forms an important background to wise, short-term decision making. A biennial IRP is an excellent way to encourage such a continuous focus on long-term planning, equally so for electric and gas utilities.