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Mr. David W. Danner  
Executive Director and Secretary  
Washington Utilities and Transportation Commission  
P.O. Box 47250  
Olympia, WA 98504-7250

**Re: Docket No. U-090222 Review of PURPA Standards in the Energy Independence and Security Act of 2007**

Dear Mr. Danner:

Cascade Natural Gas Corporation (Cascade) submits the following comments in response to the Notice of Opportunity to File Written Comments in the above-referenced docket.

***PURPA Standards for Natural Gas Utilities-Energy Efficiency***

Cascade believes that the Commission's current regulations and policy meets the PURPA Section 303 (B) Standard 5(b) requirements. The company believes that through the existing Integrated Resource Planning (IRP) rules (WAC 480-90-238) the utilities are pursuing energy-efficiency resources when they are cost-effective, and the company does not believe that abandonment of the cost-effectiveness standards would be in the best interest of the Company's ratepayers.

***Rate Design Modifications***

Regarding the new Standard 6, Cascade believes that the Commission's policies should continue to allow natural gas decoupling mechanisms, such as Cascade's current pilot mechanism. The company believes that such mechanisms allow the utilities to better assist their customers through the promotion of energy efficiency without the financial harm associated with under-recovery of fixed costs or the need and ratepayer expense associated with more frequent ratecases.

The company has concerns that including the "cost reducing benefits" provided to the utility in the cost-effectiveness analysis of the energy efficiency programs would prove counter productive to the goals to achieving all cost-effective conservation. Cascade believes that if such costs were to be included, it should be done in the context of a Utility Cost Test rather than a Total Resource Cost analysis, and would be included in the analysis of the Company's overall conservation program rather than on a measure by measure basis.

Cascade appreciates the opportunity to comment on these issues and looks forward to participating in future meetings or workshops as these issues are discussed.

Sincerely,

Katherine J Barnard  
Sr. Director Gas Supply & Regulatory Affairs

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