

3TIER Environmental Forecast Group
Advocates for the West
AirWorks, Inc.
Alaska Housing Finance Corporation
Alliance to Save Energy
Alternative Energy Resources Organization
American Rivers
The Apollo Alliance
Audubon Washington
Bonneville Environmental Foundation
Central Area Motivation Program
Citizens Utility Board of Oregon
City of Ashland
Clackamas County Weatherization
Climate Solutions
The Climate Trust
Community Action Partnership of Oregon
Community Action Partnership Assoc. of Idaho
Conservation Services Group
David Suzuki Foundation
Earth and Spirit Council
Earth Ministry
Ecos Consulting
eFormative Options, LLC
Emerald People's Utility District
The Energy Project
Energy Trust of Oregon, Inc.
enXco Development Corporation
Environment Oregon
Environment Washington
Grasslands Renewable Energy
Home Performance Guild of Oregon
Home Performance Washington
Housing and Comm. Services Agency of Lane Co.
Human Resources Council, District XI
Iberdrola Renewables
Idaho Conservation League
Idaho Rivers United
Idaho Rural Council
Idaho Wildlife Federation
Interfaith Network for Earth Concerns
Kootenai Environmental Alliance
Laborers International Union of North America, NW Region
League of Women Voters - ID, OR & WA
Local Energy Alliance of Washington
Metrocenter YMCA
Missoula Urban Demonstration Project
Montana Audubon
Montana Environmental Information Center
Montana Public Interest Research Group
Montana Renewable Energy Association
Montana River Action
Montana Trout Unlimited
Moontown Foundation
The Mountaineers
Multnomah County Weatherization
National Center for Appropriate Technology
Natural Resources Defense Council
New Buildings Institute
Northern Plains Resource Council
Northwest Energy Efficiency Alliance
Northwest Energy Efficiency Council
Northwest Renewable Energy Institute
Northwest Solar Center
NW Natural
NW SEED
Olympic Community Action Programs
Opportunities Industrialization Center of WA
Opportunity Council
One PacificCoast Bank
Oregon Action
Oregon Energy Coordinators Association
Oregon Environmental Council
Oregon HEAT
Oregonians for Renewable Energy Policy
Pacific Energy Innovation Association
Pacific NW Regional Council of Carpenters
Pacific Rivers Council
The Policy Institute
Portland Energy Conservation Inc.
Portland General Electric
Puget Sound Alliance for Retired Americans
Puget Sound Cooperative Credit Union
Puget Sound Energy
Renewable Northwest Project
River Network
Salmon for All
Save Our Wild Salmon
Seattle Audubon Society
Seattle City Light
Sierra Club
Sierra Club, Idaho Chapter
Sierra Club, Montana Chapter
Silicon Energy
Snake River Alliance
Solar Oregon
Solar Washington
South Central Community Action Partnership, Inc
Southeast Idaho Community Action Agency
Southern Alliance for Clean Energy
Spokane Neighborhood Action Programs
Smart Grid Oregon
Student Advocates for Valuing the Environment
SustainableWorks
Sustainable Bainbridge
Tahoma Audubon Society
Trout Unlimited
Union Of Concerned Scientists
United Steelworkers of America, District 11
WA CTED - Housing Division
Washington CAN!
Washington Environmental Council
Washington State University Energy Program
A World Institute for a Sustainable Humanity
World Steward



January 13, 2014

Submitted via electronic mail

Steven V. King
Executive Director and Secretary
Washington Utilities & Transportation Commission
1300 S. Evergreen Park Drive SW
Olympia, WA 98504

Re: Docket No. UG-132019 -- Inquiry into Local Distribution Companies'
Natural Gas Hedging Practices and Transaction Reporting

Dear Mr. King:

The NW Energy Coalition ("NWECC") appreciates the opportunity to submit initial comments in this docket.

NWEC supports the appropriate use of hedging to reduce price risk from short term volatility in natural gas spot markets as well as longer term price escalation. When coupled with appropriate rate design and programs to smooth out seasonal differences, this is especially important to protect low and fixed income bill payers from damaging price swings.

While hedging can be one important effort to moderate volatility, it also necessarily comes with costs for hedging premiums and the time and effort to manage hedging strategies, as well as market risk.

We believe it is important to recognize that other tools are also available for managing the price risk from natural gas commodity volatility. Most importantly, energy efficiency provides substantial benefits in this regard by reducing gas commodity purchases generally, and also reducing exposure to short term price swings such as during cold snaps like the one that occurred in early December 2013. Because cost-effective energy efficiency eliminates market risk, it should be fully considered in any hedging strategy.

We suggest that further assessment of the role of energy efficiency and other tools in addressing gas price volatility will help provide context for the benefits and risks of hedging strategies and activities in this proceeding.

Sincerely,

Fred Heutte
Senior Policy Associate