



STATE OF WASHINGTON

UTILITIES AND TRANSPORTATION COMMISSION

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Staff Supplement to Natural Gas Avoided Cost in Docket UG-121207

TO ALL INTERESTED PERSONS:

On September 11, 2014, the commission held a work session for the natural gas utilities to present their progress in implementing the policy statement of natural gas conservation programs in Docket UG-121207. During the Northwest Energy Efficiency Alliance (NEEA) presentation of its *2015-2019 Natural Gas Market Transformation Business Plan*, Staff incorrectly stated that Cascade Natural Gas Corporation's avoided cost was \$6.50 per dekatherm. In its 2012 Integrated Resource Plan, Cascade's forecasted avoided cost for 2014 was \$3.97 per dekatherm.¹

Staff researched and prepared a summary of avoided costs to supplement the record. Table 1, below, shows each of the natural gas utilities' forecasted avoided costs over the next five years, as well as NEEA's forecasted weighted average twenty-year levelized Total Resource Cost.

Table 1: Forecasted avoided cost in dollars per dekatherm^{2, 3}

Company	2015	2016	2017	2018	2019
Avista	\$3.72	\$4.01	\$3.80	\$3.80	\$3.65
Cascade	\$4.19	\$4.20	\$4.34	\$4.37	\$4.40
Northwest Natural	\$4.02	\$4.83	\$4.02	\$3.50	\$3.59
Puget Sound Energy	\$5.45 ⁴	\$5.77	\$6.45	\$7.19	\$7.33
NEEA					\$2.80

I appreciate the cooperation of all the companies for providing this information. Staff will update this information in this docket as new integrated resource plans are filed.

Sincerely,

Deborah J. Reynolds
Assistant Director, Conservation and Energy Planning

¹ Cascade Natural Gas Corporation, Docket UG-112165, *2012 Integrated Resource Plan*.

² There are some differences in the scope of costs included in these avoided cost forecasts.

³ Sources: Avista Corporation, Docket UG-131621, *2014 Natural Gas Integrated Resource Plan*, Appendix 5.4; Cascade, Docket UG-112165, *2012 Integrated Resource Plan, Vol. II*, Appendix H, page 1; Northwest Natural Gas Company, Docket UG-131473, *2014 Integrated Resource Plan*, page 8.2; Puget Sound Energy, UG-120768, *2013 Integrated Resource Plan, Appendix L*, page L-24; NEEA, Docket UG-121207, *Natural Gas Market Transformation Business Plan 2015-2019*, Page 6-7.

⁴ Represents the cost of gas delivered to Puget Sound Energy's system.