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October 4, 2016

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

RE: Revision to Cascade Natural Gas Corporation's 2016 Integrated Resource Plan Work Plan (Docket **UG-160453**)

Subsequent to recent discussions with Commission Staff, Cascade Natural Gas Corporation (The Company) respectfully revises the Work Plan for the Company's Integrated Resource Plan (IRP).

The revised Work Plan only modifies the date and format for the fifth Technical Advisory Group (TAG) public discussion. TAG 5 will now be a WebEx/teleconference to be held on Friday, October 14, 2016. The subjects are still the same—final integration results and discussion of the 2 Year Action Plan. Please note the revised Work Plan does not change the date for filing the draft or the final 2016 IRP. Cascade will file the draft 2016 IRP on October 17, 2016. Cascade expects to file the 2016 IRP on or before December 14, 2016.

Background

Cascade presented its preliminary results of its deterministic portfolio optimization runs from Sendout as part of the fourth IRP Technical Advisory Group meeting (TAG) on September 14, 2016. At that time we also indicated that the Company still needed to complete running the Monte Carlo simulations which are required to stress test the portfolio. We began the Monte Carlo process earlier this month and have been working diligently to run these time consuming data draws. Historically, Cascade has tried to arrange the IRP schedule so that we have a minimum of at least an entire month to run, analyze and complete the Monte Carlos simulations. Unfortunately, the expedited schedule for the 2016 IRP did not allow for that allotment of time for running the simulations. Due to the work ethic and commitment of the expanded Resource Planning team, along with strong support from the Sendout vendor (ABB) and the Company's Information Technology department we have managed to significantly cut the running time. Initially simulations took twenty plus hours but by adding exponential processing power via virtual pcs, the Monte Carlo runs now take 3-9 hours to complete before the results can be analyzed.

Our Resource Planning staff has been working aggressively to run simulations and have done an exceptional job in a short time in learning and utilizing the Sendout model. However, as with any

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new process we are experiencing some of the natural learning curve issues associated with software applications. Unlike the deterministic runs, the Monte Carlo simulation runs are very time consuming and errors don't materialize until after the runs are complete, several hours after initiating a run. While our expanded Resource Planning staff is gaining useful knowledge about the application that will pay off in the long term some of these issues prevents the Company from proceeding with TAG 5 as currently planned. This modification to the TAG schedule will allow the Company to move forward with completing the remaining runs while ensuring we provide sufficient time for public participation. Our goal remains to deliver 2016 IRP that is in keeping with the expectations of the stakeholders and is in compliance with the WUTC IRP guidelines.

If there are any questions regarding this matter, please 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". The signature is written in a cursive style with a large initial "M".

Mark Sellers-Vaughn
Manager, Supply Resource Planning

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Date	Process Element	Location (Subject to change)
Thursday, June 09, 2016	TAG 1 slides distributed to stakeholders	
Thursday, June 16, 2016	TAG 1: Process, Key Assumptions, IRP Team, Timeline, Latest Economic Indicators, Price Forecast and Demand Forecast, Plan for dealing with issues raised in 2014 IRP	Seattle Airport Conference Center
Thursday, July 14, 2016	TAG 2 slides distributed to stakeholders	
Wednesday, July 20, 2016	TAG 2: Drilling down into segments of demand forecast, Current Supply Resources, Transport Issues, Alternative Resources, Update on 2 Year Plan	Seattle Airport Conference Center
Monday, August 22, 2016	TAG 3 slides distributed to stakeholders	
Tuesday, August 23, 2016	TAG 3: Conservation, Distribution System Planning, Carbon Impacts, Planned Scenarios and Sensitivities	Seattle Airport Conference Center
Thursday, September 08, 2016	TAG 4 slides distributed to stakeholders	
Thursday, September 15, 2016	TAG 4: Preliminary Resource Integration Results, Avoided Costs, Proposed new 2 year Plan	Seattle Airport Conference Center
Friday, October 14, 2016	TAG 5: Final Integration Results, finalization of plan components	WebEx/Teleconference
Monday, October 17, 2016	Draft of 2016 IRP distributed	Via email and posted on cngc.com webpage
Monday, November 07, 2016	Comments due on draft from all stakeholders	
Thursday, November 17, 2016	TAG 6, if needed	Seattle Airport Conference Center
Wednesday, November 23, 2016	Final IRP goes to press	

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Thursday, December 01, 2016	Executive Summary Presentation to Senior Management	Kennewick, WebEx
Wednesday, December 14, 2016	IRP filing in Washington	