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June 15, 2021

Mr. Mark L. Johnson
Executive Director and Secretary
Washington Utilities & Transportation Commission
P.O. Box 47250
Olympia, WA 98504-7250

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State Of WASH.
UTIL. AND TRANSP.
COMMISSION

RE: Cascade Natural Gas’s 2020 Conservation Potential Assessment

Dear Mr. Johnson:

Cascade Natural Gas Corporation (“Cascade” or “Company”) herewith submits the attached 2020 Conservation Potential Assessment (CPA), per RCW 80.28.380 and RCW 80.28.395.

Included in the Assessment is Applied Energy Group’s (AEG) summary rationale for excluding Transportation customers from the CPA study which includes: Non-residential transport-only customers were excluded from consideration in this study, as they are not currently eligible for participation in Cascade’s energy efficiency programs. Though there has been regional conversation surrounding potential for transport customers, there are additional data needs in estimating this potential and challenges in acquiring it. Assessing cost-effective potential for transport customers would require different avoided costs, more visibility into the kinds of customers on these rates and their end uses, and an understanding of how these customers view energy savings and might participate in future programs since there is no past history on which to draw.

Cascade further believes it is inappropriate to include transportation customers in a CPA and the Energy Efficiency Program for the following reasons:

- When gas costs are removed from the Avoided Costs, there would be no meaningful measures available
- Customers only participate in the program if rebates are sufficient to influence the decision to participate. Any rebates would be insignificant to influence a transportation customer’s decision
- If the measure makes financial sense to the transportation customer (Participant Test or the customers self-defined Total Resource Cost Test) they would proceed regardless of the insignificant rebate provided by the utility
- If the transportation sector would be included in the Energy Efficiency program, those customers would then be required to pay a portion of the overall program which would transfer significant costs to the transportation customers

- As identified by AEG, the challenges to conduct a CPA for transportation customers would be significant and therefore expensive and it would make sense that the transportation customers then pay for such a study as the cost causer. Since the reasonable outcome of such a study would be no to virtually no cost-effective achievable conservation due to the avoided cost, it would only mean unnecessary costs applied to the transportation customers for no benefit.

The Company requests that the third party, (AEG) LoadMAP model, identified with the cover page marked “Confidential” be treated as confidential under the provisions of RCW 80.04.095 and RCW 81.77.210 and WAC 480-07-160(8), as they each contain proprietary information specific to AEG. There is a non-disclosure agreement with Washington Utilities and Transportation Commission staff pertaining to this model.

This filing includes the following electronic files:

- New, CNGC 2020 Conservation Potential Assessment, Cltr, 6.15.2021.pdf
- New, CNGC 2020 Conservation Potential Assessment, Rpt, 6.15.2021.pdf
- New, CNGC 2020 Conservation Potential Assessment, Apdx, 6.15.2021.pdf
- New, CNGC 2020 Conservation Potential Assessment, Measure Summary, 6.15.2021.xlsx
- New, CNGC 2020 Conservation Potential Assessment, Avd csts, 6.15.2021.pdf
- New, CNGC 2020 Conservation Potential Assessment, Avd csts, 6.15.2021.xlsx
- New, CNGC 2020 Conservation Potential Assessment WP, 6.15.2021 (C).zip
- New, CNGC 2020 Conservation Potential Assessment WP, 6.15.2021 (R).zip

Any questions regarding this filing may be directed to Monica Cowlshaw at (360) 770-5970.

Sincerely,

/s/ Michael Parvinen

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Enclosures