

Agenda Date: January 13, 2022
Item Number: D7

Docket: UG-210838
Company: Cascade Natural Gas Corporation

Staff: Heather Moline, Regulatory Analyst

Recommendation

Issue an order in Docket UG-210838 approving Cascade Natural Gas Corporation's

- (1) Biennial Acquisition Target of 1,931,751 therms,
- (2) Subject to the conditions in Attachment A.

Background

On November 1, 2021, Cascade Natural Gas Corporation (Cascade or Company) filed its "2022-2023 Biennial Conservation Plan" (BCP or Plan) with the Washington Utilities and Transportation Commission (Commission) under Docket UG-210838. The Plan is required by RCW 80.28.380.

Commission staff (Staff) filed responsive comments on the Plan on December 17, 2021.¹ Those comments detailed Cascade's expected gas savings in the 2022-2023 biennium, as well as some of the programs the Company will run to achieve those savings and Staff's analysis of the plan.

Cascade serves approximately 214,000 customers in Adams, Benton, Chelan, Cowlitz, Douglas, Grant, Franklin, Grays Harbor, Island, Kitsap, Mason, Skagit, Snohomish, Walla Walla, Whatcom, and Yakima counties.

Discussion

Table 1 compares Cascade's 2022-2023 gas expected savings and budget with those from the 2020 and 2021 annual conservation plans.²

¹ Dockets UE-210822 and UG-210823, "Commission Staff Comments Regarding Gas and Electric Utility Conservation Plans Under RCW 19.285 and 80.28 and WAC 480-109 (2022-2023 Biennial Conservation Plans)," filed Dec. 17, 2021.

² Prior to the 2022-2023 biennium, Cascade submitted annual conservation plans. The figures in the table reflect data from the annual plans for 2020 and 2021.

Table 1. Gas Savings and Budgets from Cascade’s 2020 and 2021 Annual Conservation Plans and 2022-2023 BCP

Program	2020-2021 Projected Savings (therms)	2020-2021 Budget	2022-2023 Projected Savings (therms)	2022-2023 Budget
Residential Total	822,145	\$9,674,555	974,432	\$15,001,351
<i>Low-income</i>	<i>23,180</i>	<i>\$1,656,800</i>	<i>37,524</i>	<i>\$3,643,991</i>
Non-Residential	966,307	\$5,824,048	957,319	\$8,604,288
Regional	-	\$53,6971	-	\$594,483
Administration/Other	-	\$98,386	-	\$300,000
Total	1,788,452	\$16,133,960	1,931,571	\$24,500,122

List of Conditions

As with previous biennia, Staff, the state’s five electric and gas utilities, and various stakeholders have negotiated a set of conditions that Cascade agrees to adhere to throughout the biennium. These are included as Attachment A to this memo. This is the first time that gas conditions have been agreed to. The gas plans filed by the utilities and the recommended gas conditions are the demonstration required by RCW 80.28.380 that the gas conservation target will result in the acquisition of all resources identified by the utility as available and cost-effective.

Stakeholder Comments

In addition to Staff’s comments, NW Energy Coalition (NWEC) and Public Counsel submitted comments on the Plan. Both are participants in Cascade’s Conservation Advisory Committee (CAG) and they recommend approval of the Plan contingent on agreeing with the conditions in Attachment A, and on the Company’s continued collaboration with the CAG. NWEC also recommended gas portfolios focus on envelope measures, given the increasing external climate-, policy-, and price-driven pressures on gas systems. Staff will continue to collaborate with the commenters and the Company on these issues.

Conclusion

Staff recommends the Commission issue an order in Docket UG-210838 accepting Cascade’s Gas Penalty Threshold of 1,931,571 therms, subject to the conditions in Attachment A.

Attachment A – Docket UG-210838 Proposed Conditions for 2022-2023 Cascade Natural Gas Corporation Electric Conservation