

3TIER Environmental Forecast Group

Advocates for the West

AirWorks, Inc.

Alaska Housing Finance Corporation

Alliance to Save Energy

Alternative Energy Resources Organization

American Rivers

BlueGreen Alliance

Bonneville Environmental Foundation

Centerstone

Citizens Utility Board of Oregon

City of Ashland

City of Seattle Office of Sustainability & Environment

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

Ecova

EDF Renewable Energy

eFormative Options, LLC

Emerald People’s Utility District

The Energy Project

Energy Trust of Oregon

Environment Oregon

Environment Washington

Friends of the Earth

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 Rural Council

Idaho Rivers United

Interfaith Network for Earth Concerns

Laborers International Union of North America, NW Region

League of Women Voters – ID, OR & WA

Local Energy Alliance of Washington

Metrocenter YMCA

Montana Audubon

Montana Environmental Information Center

Montana Renewable Energy Association

Montana River Action

Montana Trout Unlimited

The Mountaineers

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 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

Sea Breeze Power Corp.

Seattle City Light

Sierra Club

Sierra Club, Idaho Chapter

Sierra Club, Montana Chapter

Sierra Club, Washington Chapter

Silicon Energy

Smart Grid Oregon

Snake River Alliance

Solar Oregon

Solar Washington

South Central Community Action Partnership

Southeast Idaho Community Action Partners

Southern Alliance for Clean Energy

Spokane Neighborhood Action Programs

Student Advocates for Valuing the Environment

SustainableWorks

Sustainable Bainbridge

Sustainable Connections

Trout Unlimited

Union Of Concerned Scientists

United Steelworkers of America, District 12

Washington Environmental Council

Washington State Department of Commerce

Washington State University Energy Program

A World Institute for a Sustainable Humanity

World Steward

February 8, 2013

David Danner

Executive Director and Executive Secretary

Washington Utilities and Transportation Commission

1300 S. Evergreen Park Dr. S.W.

PO Box 47250

Olympia, WA 98504-7250

Re: UG 112165, Cascade Natural Gas Corporation 2012 Integrated Resource Plan

Dear Mr. Danner:

The following comments are provided by the NW Energy Coalition (“Coalition”) in response to the Commission’s January 8, 2013 Notice of Opportunity to File Written Comments on Cascade Natural Gas Corporation’s Integrated Resource Plan.

All natural gas companies are facing challenges in maintaining their conservation programs because low natural gas prices are negatively affecting utility avoided costs. The Coalition appreciates how hard Cascade Natural Gas has been working to ensure the continuity of their programs under these conditions, and is encouraged to see that the company has included both non-energy benefits and an externality cost analysis in their calculations.

The Coalition would like to bring attention to and acknowledge concerns raised by Cascade Natural Gas in its IRP that “pricing forecasts for natural gas have set increasingly rigid cost-effectiveness limits which, when paired with the use of the Total Resource Cost Test as the primary assessment metric, may not fully account for the value and benefits of…still-maturing, but strongly beneficial energy efficiency efforts” (p.80). The Coalition shares these concerns and urges the UTC to provide formal guidance for a comprehensive and robust assessment of natural gas conservation programs.

Until utilities are empowered to conduct a full accounting of all the costs and benefits that conservation confers to their business, their customers and society, energy efficiency will remain undervalued. Without proper valuation, companies like Cascade Natural Gas will have difficulties

promoting emerging technologies and retaining their conservation program delivery structure.

In the meantime, the Coalition is concerned that the company has expressed the potential need to employ a cost effectiveness limit in the $0.40-0.50 range over the short term, even though a levelized cost screen of $0.65 has been assigned over the 30-year planning horizon. One question we have is whether the short term screening value incorporates the full life of the measures being evaluated. Since many natural gas measures are long lived, it might make more sense to factor in potential increases in avoided costs over the full life of the measure, assuming that Cascade Natural Gas has not already done so.

Coalition staff plans to participate in the open meeting scheduled for February 21st. Any questions regarding this submission should be directed to Lynne Dial, 206-621-0094 or lynne@nwenergy.org.

Sincerely,

signature

Lynne Dial