

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,

A handwritten signature in cursive script that reads "L. Dial".

Lynne Dial