

**Exh. JES-1T  
Dockets UG-170929  
Witness: Jennifer E. Snyder**

**BEFORE THE WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION**

**WASHINGTON UTILITIES AND  
TRANSPORTATION COMMISSION,**

**Complainant,**

**v.**

**CASCADE NATURAL GAS  
CORPORATION,**

**Respondents.**

**DOCKET UG-170929**

**TESTIMONY OF**

**Jennifer E. Snyder**

**STAFF OF  
WASHINGTON UTILITIES AND  
TRANSPORTATION COMMISSION**

*Conservation Agreements*

**February 15, 2018**

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Exh. JES-2 UG-152286, UG-100589 Compliance Obligations

1 **I. INTRODUCTION**

2

3 **Q. Please state your name and business address.**

4 A. I am Jennifer Elizabeth Snyder. My business address is 1300 S. Evergreen Park  
5 Drive S.W., P.O. Box 47250, Olympia, WA 98504.

6

7 **Q. By whom are you employed and in what capacity?**

8 A. I am employed by the Washington Utilities and Transportation Commission  
9 (Commission) as a Regulatory Analyst in the Conservation and Energy Planning  
10 section of the Regulatory Services Division.

11

12 **Q. How long have you been employed by the Commission?**

13 A. I have been employed by the Commission since 2013.

14

15 **Q. Would you please state your educational and professional background?**

16 A. I have a Master's degree in Environmental Studies with an emphasis in Energy  
17 Policy and a Bachelor of Science degree, both from The Evergreen State College. I  
18 attended New Mexico State University's rate case basics workshop in May 2016, the  
19 National Association of Regulatory Utility Commissioners' Annual Regulatory  
20 Studies Program intermediate course in August 2016, the International Energy  
21 Program Evaluation Conference in August 2017, as well as other sector-specific  
22 workshops, trainings, and conferences. I completed Public Utilities Reports Guide's  
23 "Principles of Public Utilities Operations and Management" in October 2016.

1                   As a Regulatory Analyst, I am responsible for the development of Staff  
2                   recommendations concerning tariff filings and conservation plans by regulated  
3                   companies for presentation to the Commission at open public meetings and  
4                   adjudications. I have filed testimony in support of settlement in docket UE-161123,  
5                   on the prudence of acquiring innovative technology in docket UE-170033/UG-  
6                   170034, and on various issues, including conservation program design, in UE-  
7                   170485/UG-170486.

8  
9                   **II.     SCOPE AND SUMMARY OF TESTIMONY**

10  
11   **Q.     Please explain the purpose of your testimony.**

12   A.     The purpose of my testimony is to clarify and support continuation of the  
13           conservation program obligations resulting from the Commission’s Order 04,  
14           approving the settlement agreement in Cascade Natural Gas Corporation’s  
15           (“Cascade” or the “Company”) last general rate case, Docket UG-152286 (“2015  
16           GRC Settlement”).<sup>1</sup> Compliance with the 2015 GRC Settlement is described in the  
17           testimony of Michael Parvinen.<sup>2</sup> Aspects of compliance outside of the conservation  
18           program are covered by Staff witness Ms. Erdahl.<sup>3</sup>

19  

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<sup>1</sup> *Wash. Utils. & Transp. Comm’n v. Cascade Nat’l Gas Corp.*, Docket UG-152286, Order 04, Exhibit A: Joint Settlement Agreement (Jul. 7, 2016) [hereinafter “2015 GRC Settlement”].

<sup>2</sup> Parvinen, Exh. MPP-1T at 13:8 - 14:10.

<sup>3</sup> Erdahl, Exh BAE-1T.

1 **Q. Please summarize Staff’s recommendations concerning Cascade’s conservation**  
2 **program.**

3 A. Staff recommends the conservation program obligations agreed to in the 2015 GRC  
4 Settlement of Cascade’s last general rate case, as well as the progress that the  
5 Company has made in meeting those obligations, continue.

6

7 **III. CONSERVATION PROGRAM OBLIGATIONS**

8

9 **Q. Briefly describe the conservation commitments made in the 2015 GRC**  
10 **Settlement.**

11 A. Cascade agreed to make annual filings of conservation plans and reports, with  
12 advance copies of filings to the Conservation Advisory Group (“CAG”), schedule  
13 quarterly meetings with the CAG, develop an evaluation, measurement, and  
14 verification (“EM&V”) framework, and begin identifying and removing barriers to  
15 low-income weatherization. In addition to these agreements mentioned in Mr.  
16 Parvinen’s testimony, Cascade agreed to make annual conservation cost recovery  
17 tariff filings and meet 100 percent of its annual conservation target.

18

19 **Q. Has Cascade met these conservation program obligations?**

20 A. For the most part, yes. Cascade has made meaningful efforts to implement these  
21 changes and worked closely with Staff to satisfy expectations of the reporting  
22 requirements specified in the agreement and identified in Exh. JES-2. Since the 2015  
23 GRC Settlement, the Company has made significant modifications to its

1 conservation programs including, but not limited to, low-income weatherization.  
2 Cascade has begun the process of developing an EM&V framework in consultation  
3 with the CAG and will continue this process in 2018.

4 Notably, in 2016 Cascade achieved 41 percent of its annual conservation  
5 target.<sup>4</sup> Cascade has not yet presented its final results for 2017 conservation  
6 achievements, but Staff is aware that the Company will not reach 100 percent of the  
7 target presented in its plan once again. While these results are disappointing,  
8 Cascade has earnestly worked with Staff, and the CAG as a whole, to help remedy  
9 this situation.

10  
11 **Q. Is Cascade in compliance with the 2015 GRC Settlement, if they are not**  
12 **fulfilling the target requirement?**

13 A. In this limited circumstance, yes. The Commission did not adopt a specific target for  
14 either 2017 or 2018, nor did Staff recommend that they do so. The CAG continues to  
15 be concerned that the conservation target identified in the Company's integrated  
16 resource plan ("IRP") was inaccurate.<sup>5</sup> Cascade has hired Applied Energy Group to  
17 perform a full conservation potential assessment ("CPA"). This CPA will be an input  
18 to Cascade's upcoming IRP in order to determine a reasonable, cost-effective,  
19 achievable conservation target.

20 Cascade did not have the benefit of the new CPA model when developing its  
21 2018 conservation target and Staff does not have confidence that the target presented  
22 in its plan captures all the cost-effective conservation available to the Company.

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<sup>4</sup> 2016 Annual Conservation Report, Docket UG-170700.

<sup>5</sup> Staff Open Meeting Memo, Docket UG-171159.

1           However, Cascade worked closely with Staff and the CAG to determine the 2018  
2           target and it is more in line with Cascade’s historic conservation achievement than  
3           the 2016 or 2017 target. Staff expects the Company will fulfill its commitment to  
4           meet 100 percent of its target in 2018. In short, Cascade is meeting its commitments  
5           under the 2015 GRC Settlement in a manner supported by Staff and is responsive to  
6           suggestions on how to better meet those obligations. Staff commends the Company  
7           for its continued willingness to engage with stakeholders and to pursue its  
8           conservation commitments.

9  
10   **Q.    At what point does Staff expect Cascade to come into compliance with the**  
11   **conservation target agreement?**

12   A.    Staff recommends the Commission explicitly approve, by order or letter, the target  
13    Cascade will present in the 2019 conservation plan, which will be filed in November,  
14    2018. This target will be informed by its new CPA and vetted by the CAG. From  
15    2019 onward, Staff believes the Company must achieve 100 percent of its  
16    conservation target in order to comply with the 2015 GRC Settlement.

17  
18   **Q.    What has the Company presented regarding its conservation program**  
19   **obligations?**

20   A.    The Company gives no indication that it intends to change direction on its  
21    conservation commitments. Staff supports this. In his direct testimony, Mr. Parvinen  
22    explains that the 2015 GRC Settlement formalized certain processes that were

1 already being performed and details some of the changes Cascade has made that  
2 were necessary to fulfill the rest of the conservation commitments.

3

4 **Q. What does Staff recommend concerning conservation program obligations?**

5 A. Staff recommends the Commission support the continuation in this case of the  
6 conservation program obligations continuing from the 2015 GRC Settlement.

7

8 **Q. Does Staff have additional recommendations regarding the Company's existing  
9 compliance filing obligations, in this or other dockets?**

10 A. Yes. Staff respectfully requests that the Commission note each of the (current)  
11 compliance obligations listed in Exh. JES-2 in its order for this case, for posterity,  
12 but allow compliance with each obligation to continue in their respective dockets.  
13 Staff acknowledges that this list is not exhaustive of all Cascade's compliance  
14 obligations in various dockets.

15

16 **Q. Does this conclude your testimony?**

17 A. Yes.