

**BEFORE THE WASHINGTON  
UTILITIES AND TRANSPORTATION COMMISSION**

In the Matter of

CASCADE NATURAL GAS  
CORPORATION'S

2022-2023 Biennial Acquisition Target  
Under RCW 80.28.380

DOCKET UG-210838

ORDER 01

ACCEPTING 2022-2023 BIENNIAL  
ACQUISITION TARGET, SUBJECT TO  
CONDITIONS

**BACKGROUND**

- 1 On November 1, 2021, Cascade Natural Gas Corporation (Cascade or Company) filed its 2022-2023 Biennial Conservation Plan (BCP or Plan) identifying a 2022-2023 biennial acquisition target of 1,931,751 therms.
- 2 Pursuant to Revised Code of Washington (RCW) 80.28.380, natural gas companies must establish an acquisition target every two years and must demonstrate that the target will result in the acquisition of all resources identified as available and cost-effective.

**Table 1 Natural Gas Savings and Budgets from Cascade’s 2020-2021 and 2022-2023 BCPs.**

<b>Program</b>	<b>2020-2021 Projected Savings (therms)</b>	<b>2020-2021 Budget</b>	<b>2022-2023 Projected Savings (therms)</b>	<b>2022-2023 Budget</b>
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
<b>Total</b>	<b>1,788,452</b>	<b>\$16,133,960</b>	<b>1,931,571</b>	<b>\$24,500,122</b>

3 As with previous biennia, Commission staff (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 Order.

4 On December 17, 2021, the Public Counsel Unit of the Washington State Attorney General’s Office (Public Counsel) and the NW Energy Coalition (NVEC) submitted comments on the Plan. Both participate in Cascade’s Conservation Advisory Committee (CAC) and they recommend approval of the Plan subject to the conditions in Attachment A and conditioned on the Company’s continued collaboration with the CAC. NVEC 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.

5 Staff also filed responsive comments on the Plan on December 17, 2021.<sup>1</sup> Those comments detailed Cascade’s expected electric and gas savings in the 2022-2023 biennium, some of the programs the Company will run to achieve those savings, and an analysis of the Plan.

6 Staff recommends the Commission issue an order accepting Cascade’s Two-Year Conservation Target of 1,931,571 therms and total Two-Year Utility Conservation Goal

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<sup>1</sup> Docket UG-210838, “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.

of 1,931,571 therms, subject to the conditions set out in detail in Attachment A to Staff's memo. In summary, the conditions require the Company to:

- Continue to invest in regional studies and market transformation, in collaboration with funding from other parties and with other strategic market partners in this biennium, that complements Cascade's energy efficiency programs, planning, services, and measures.
- Participate in the Northwest Energy Efficiency Alliance's (NEEA) gas market transformation program through the end of NEEA's 2020-2024 funding cycle.
- Retain sole responsibility for complying with RCW 80.28.380.
- Follow the Conservation Potential Assessment provisions.
- Follow the provisions for acquiring, planning, and reporting all conservation resources.
- Continue to use its advisory group, including notifying and consulting with the group in a variety of circumstances.
- Provide Annual Budgets in a detailed format including energy savings and a reasonable allocation towards pilot programs, research, and data collection.
- Maintain and provide specific program details in its conservation tariffs and notify Advisory Group of filings.
- Follow approved strategies for selecting and evaluating energy conservation savings.
- Follow program design principles.
- Use the modified Utility Cost Test (UCT).
- File recovery through a Gas Conservation Service Tariff.
- Demonstrate progress towards equitable distribution of nonenergy benefits.
- Consult with the Advisory Group to determine implementation of RCWs 80.28.260(2) and 80.28.300.

## DISCUSSION AND DECISION

7 We agree with Staff’s recommendation and accept Cascade’s BCP subject to certain conditions. We accept Cascade’s calculation of its Two-Year Conservation Target of 1,931,751 therms and total Two-Year Utility Conservation Goal of 1,931,751 therms, subject to the conditions attached to and incorporated into this Order as Attachment A for the reasons explained below.

8 The Company, in collaboration with Staff and advisory groups, developed a BCP using methodologies consistent with the Northwest Power and Conservation Council’s most recent final Power Plan,<sup>2</sup> which proposed appropriate program changes. The Plan also complies with the statutory requirement to “pursue all available conservation that is cost-effective, reliable, and feasible.”<sup>3</sup>

9 We agree with Staff that the public interest requires imposing additional conditions to accept the Company’s 2022-2023 BCP. The gas plans filed by the utilities, coupled with the proposed conditions, will serve to demonstrate that the gas conservation target will result in the acquisition of all resources identified by the utility as available and cost-effective as required by RCW 80.28.380. These conditions are outlined in detail in Attachment A to this Order.

10 Accordingly, we accept Cascade’s calculation of its Two-Year Conservation Target of 1,931,751 therms and total Two-Year Utility Conservation Goal of 1,931,751 therms, subject to the conditions attached to and incorporated into this Order as Attachment A.

## FINDINGS AND CONCLUSIONS

11 (1) The Commission is an agency of the State of Washington vested by statute with the authority to regulate the rates, rules, regulations, practices, accounts, securities, transfers of property, and affiliated interests of public service companies, including natural gas companies.

12 (2) Cascade is a natural gas company and a public service company subject to Commission jurisdiction.

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<sup>2</sup> RCW 19.285.040(1)(a).

<sup>3</sup> RCW 19.285.040(1).

- 13 (3) RCW 80.28.380 requires natural gas companies to establish an acquisition target every two years and must demonstrate that the target will result in the acquisition of all resources identified as available and cost-effective.
- 14 (4) On November 1, 2021, Cascade filed its 2022-2023 BCP identifying 2022-2023 Acquisition Target, and 2022-2023 Total Utility Conservation Goal.
- 15 (5) This matter came before the Commission at a specially scheduled recessed meeting on January 18, 2022.
- 16 (6) Cascade's calculation of its 2022-2023 biennial acquisition target of 1,931,751 therms is consistent with RCW 80.28.380.
- 17 (7) Cascade's calculation of its 2022-2023 Total Two-Year Conservation Goal of 1,931,751 therms is consistent with RCW 80.28.380.
- 18 (8) It is in the public interest to accept Cascade's biennial conservation target, as authorized by RCW 80.28.380, subject to the conditions proposed by Staff, as set out in Attachment A to this Order.
- 19 (9) The Commission should accept Cascade's calculation of its Two-Year Acquisition Target of 1,931,751 therms and a Total Two-Year Conservation Goal of 1,931,751 therms, subject to the conditions attached to this Order as Attachment A.

## ORDER

### THE COMMISSION ORDERS:

- 20 (1) The Commission accepts Cascade Natural Gas Corporation's Two-Year Acquisition Target of 1,931,751 therms and a Total Two-Year Conservation Goal of 1,931,751 therms, subject to the conditions attached to this Order in Attachment A.
- 21 (2) The Commission retains jurisdiction over this matter for purposes of effectuating this Order.

DATED at Lacey, Washington, and effective January 18, 2022.

**WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION**

**DAVID W. DANNER, Chair**

**ANN E. RENDAHL, Commissioner**

**JAY M. BALASBAS, Commissioner**