

BEFORE THE PUBLIC UTILITY COMMISSION

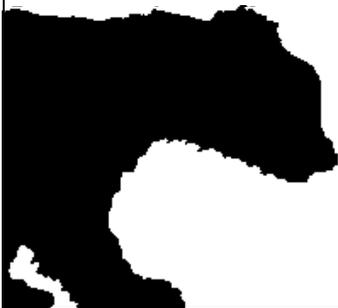
OF OREGON

LC 59

In the Matter of)
)
CASCADE NATURAL GAS)
CORPORATION)
)
2014 Integrated Resource Plan)
_____)

COMMENTS OF THE
CITIZENS' UTILITY BOARD OF OREGON

January, 20, 2016



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1 The Citizens' Utility Board of Oregon (CUB) writes its Comments in response to OPUC
2 Staff's Final Recommendations on Cascade Natural Gas Company's (the Company) 2014
3 Integrated Resource Plan (IRP). Staff filed its comments on December 23, 2015, and CUB is
4 supportive of Staff's recommendations. Among the recommendations CUB found to be most
5 valuable were 1) providing a clear, complete, and concise portfolio analysis;¹ 2) providing a
6 separate listing of Cascade's distribution enhancement projects from Cascade's other distribution
7 projects;² (CUB also raised the issue of distribution projects in its Opening Comments); 3)
8 presentation of an Action Plan that is specific, measureable, and consistent with IRP Guidelines;³
9 4) Cascade must evaluate and address its staffing approach;⁴ and 5) not acknowledging the
10 Company's 2014 IRP.⁵ Staff also listed other recommendations that primarily involve including

¹ LC 59 – Staff Final Recommendations, p. 5.
² LC 59 – Staff Final Recommendations, p. 7.
³ LC 59 – Staff Final Recommendations, p. 8.
⁴ *Ibid.*
⁵ LC 59 – Staff Final Recommendations, p. 5

1 more complete data and analysis⁶ and the Company should respond to some of these
2 recommendations by the 2014 IRP Update due 1 year from the acknowledgment of the IRP.⁷

3 CUB supports Staff's recommendations for reasons already given in CUB's Opening
4 Comments. CUB had difficulty reconciling the Company's peak shortfall projections with its
5 plans to meet load. CUB submitted several data requests (DRs) to the Company in September
6 2015 to gain clarity about the Company's plans to meet load,⁸ but as with Staff,⁹ the Company
7 has yet to respond to CUB's data requests, even as of today.

8 In general, CUB found the IRP to lack data necessary for analysis¹⁰—some of this
9 includes fundamental elements such as the failure to select a preferred portfolio. CUB's Opening
10 Comments address some of these information gaps, such as more detailed information about
11 distribution costs, the conflicts in expected resource deficiency, and the failure to select a
12 preferred portfolio.¹¹ CUB can only speculate as to why the Company was unable to select a
13 preferred portfolio, answer information requests, and provide an updated Action Plan. CUB
14 agrees with OPUC Staff that the Company should change its staffing approach; had there been
15 sufficient Company staff available in the case of a medical emergencies or some other
16 predicament, trouble in the IRP could have been avoided.¹²

17 CUB agrees with Staff that the 2014 IRP should not be acknowledged. CUB understands
18 that Cascade staff experienced medical difficulties, but refusal to provide answers to data
19 requests and failure to select a preferred portfolio are unacceptable. CUB believes that Staff

⁶ LC 59 – Staff Final Recommendations, p. 4.

⁷ LC 59 – Staff Final Recommendations, p. 3.

⁸ See CUB Attachment A.

⁹ LC 59 – Staff Final Recommendations, pp. 2 & 3.

¹⁰ See CUB's Opening Comments in LC 59.

¹¹ *Ibid.*

¹² LC 59 – Staff Final Recommendations, p. 8.

1 recommendations are appropriate as they address gaps in the IRP that must be filled, particularly
2 the inclusion of a measurable Action Plan and selection of a preferred portfolio. CUB would
3 hope that the Company can resolve these issues by the IRP Update.

4 CUB appreciates Staff recommendations and looks forward to future improvements in
5 the Cascade's IRP.

Sincerely,

A handwritten signature in black ink, appearing to read 'Nadine Hanhan', with a long horizontal stroke extending to the right.

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September 29, 2015

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Re: LC 59 CUB Data Requests 2 - 11

Please send responses to the following data request(s) to Lori Hymowitz at lori@oregoncub.org and dockets@oregoncub.org. For confidential material, please send responses to the address above for CUB. Please assume that these are ongoing requests if any additional information becomes available during the pendency of the case. If you have any questions, call us at (503) 227-1984.

2. See page 5 of the 2014 IRP.
 - a. The Company states, "Several sources believe that shale is set to comprise more than a third of the US production by the mid-2020s." Please provide these sources.
 - b. The Company states, "Alberta production is expected to remain flat through 2025." Please provide sources that demonstrate evidence for this belief.
3. See page 8 of the 2014 IRP. The Company states, "Consequently, the acquisition of additional traditional pipeline capacity seems to represent the most reasonable resource to address most of our capacity shortfalls on a peak day."
 - a. Please explain what the Company means by "additional traditional pipeline capacity."
 - b. Is this "additional traditional pipeline capacity" what is reflected in green (as Citygate/Cap Release) on Figure 7-C-2 on page 158 in the IRP?
 - c. The Company states, "Many of the proposed pipeline projects will not be viable resources for some time. In the interim, capacity shortfalls will be met through the use of peaking and CityGate gas supply deliveries which will utilize third-party (non-Cascade) upstream pipeline transportation." Is this statement referring to Ruby pipeline capacity? If not, from where is Cascade planning to secure gas supply deliveries? From which third parties is Cascade planning to secure capacity?
4. See pages 19-23 of the 2014 IRP. Please provide a breakdown of growth for all of the tables presented *per year*, between years 2015-2034, inclusive. (CUB notes that there are three tables on pages 21 and 22 that are labeled Table 3-6. CUB requests a yearly breakdown of all three of those.)

5. See page 23 of the IRP. The Company states, “The chosen indicators were chosen because of their consistency in returning statistically valid results. While they may be the best results mathematically, they are not the sole and only determinants of load.”
 - a. Please elaborate on what the Company means by “statistically valid results.”
 - b. Please elaborate on what the Company means by “best results mathematically.”
 - c. Please provide any active worksheets or documents that illustrate a. and b. above.
6. See page 31 of the IRP. For each of the Blanket FPs listed for Oregon, please provide a more detailed description for each of the projects listed. Please also provide the costs of each project.
7. See page 38 of the IRP. The Company states that the Jackson Prairie expansion “will be fully operational by late Fall 2012.” Is 2012 a typo or is the Company stating that Jackson Prairie has been operational since 2012? Is this referring to a new Jackson Prairie Expansion?
8. See page 44 of the 2014 IRP. The Company states:

This initial Ruby acquisition in November 2012 addressed the immediate peak day shortfall through approximately the year 2015, leaving approximately 20,600 dths/day peak day shortfall through the remainder of the planning horizon.

Please see page 45 of the 2014 IRP. The Company states:

The November 2014 acquisition of this incremental 5,000 dths/day of Ruby discounted capacity allows Cascade to meet the projected 2011 IRP peak day shortfall through approximately year 2020. As a result of the activities described above, as of today the remaining peak day shortfall identified in the 2011 IRP has now been reduced to approximately 15,600 dths/day in year 2031.

- a. To CUB’s knowledge, there is no update to the peak day shortfall expectation identified in the 2011 IRP. The Company is stating that it acquired 10,000 dths/day in 2012 and an additional 5,000 dths/day in November 2014. This amounts to 15,000 dths/day to meet the projected **2011** shortfall. Please list the exact shortfall number the Company anticipates in the 2015-2016 winter season, if any.
 - b. Please list updated shortfall numbers the Company expects in the 20-year planning horizon for the 2014 IRP (e.g., 2015-2034).
 - c. Does the updated projected shortfall number correspond with Figure 7-B-2 on page 156 of the IRP?
9. Please see Page 118 of the 2014 IRP (Table 6 – 19). Why does the Company only list 2034 Technical, Achievable, and Cost Effective Potential by 2034? Please provide a breakdown of the Technical, Achievable, and Cost Effective Potential

for all the years in the planning horizon (e.g., 2015-2034). Please also provide a yearly breakdown for Table 6 – 20 on page 119 and Table – 21 [sic] on page 120.

10. Please see Figure 7-C-2 in the IRP (p. 158). From what pipelines does Cascade expect to meet peak demand when it refers to “Citygate/Cap Release” in green?
11. Action Item 12 in the 2014 IRP states the following:
Implementation of Dodd- Frank in the coming year raises potential administrative challenges from a reporting standpoint; additionally it is unknown how the costs associated with the use of clearinghouses might impact prices of natural gas in the future.

Please elaborate on the specifics of this statement.

Thank you for your prompt attention to these requests.

Sincerely,

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