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October 22, 2015

Oregon Public Utility Commission
P.O. Box 1088
Salem, OR 97308-1088

RE: Cascade Natural Gas Corporation 2014 Integrated Resource Plan
(LC-059)

Attention: Filing Center

Following is the response to comments filed by Staff of the Public Utility Commission of Oregon (Staff) and The Citizens Utility Board of Oregon (CUB) regarding Cascade Natural Gas Corporation (Cascade) 2014 Integrated Resource Plan (IRP).

If there are any questions regarding this matter, please contact Brian Robertson at (509) 734-4546 or myself at (509) 734-4589. Alternatively, we may be reached at brian.robertson@cngc.com and mark.sellers-vaughn@cngc.com.

Sincerely,
CASCADE NATURAL GAS CORPORATION

A handwritten signature in black ink that reads "Mark Sellers-Vaughn". The signature is written in a cursive, flowing style.

Mark Sellers-Vaughn
Manager, Supply Resource Planning

Enclosures

BEFORE THE PUBLIC UTILITY COMMISSION OF OREGON

LC 59

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

CASCADE NATURAL GAS
CORPORATION'S RESPONSE TO
STAFF AND INTERVENORS
COMMENTS

Cascade thanks both Staff and CUB for their comments regarding Cascade's 2014 Integrated Resource Plan as filed on July 15, 2015. The 2014 IRP has been a challenging experience for all involved parties. The 2014 IRP was a concurrent IRP between the OPUC and WUTC; which was a first for the current internal Cascade IRP team. Additionally, several pipeline capacity and forecast demand workshops were held to give stakeholders a more detailed understanding of Cascade's existing pipeline capacity configuration and new long-term demand forecast application and methodology. Lastly, an extended medical emergency resulted in a need for yet an additional extension, resulting in the July 15, 2015 filing. Admittedly, the 2014 IRP process required great patience and understanding of the stakeholders. Cascade once again wants to express our apologies to all stakeholders for the inconveniences.

Cascade agrees with the parties that the 2014 IRP process and the Plan document leave room for improvement. As CUB points out in their comments, Cascade has taken steps to ensure we are giving the IRP sufficient priority and support going forward. We have realigned existing internal resources and added another full-time employee dedicated to the IRP. Additionally, Cascade will be returning to filing separate IRPs in each jurisdiction. Interestingly, the WUTC decided to treat the July 15th IRP filing as a draft. Subsequently, the WUTC has required Cascade to file a "final" 2014 IRP by December 11, 2015. OPUC Staff has indicated they do not wish to follow a similar treatment and instead plans to utilize the July filing, responses to information requests (IRs) and other party comments. As a result, a concurrent 2014 IRP no longer exists and Cascade is now focused on two tracts for the jurisdictions.

Both Staff and CUB have pointed out various inconsistencies and concerns with Cascade's 2014 IRP. Consequently, both parties have filed numerous information requests. Cascade has endeavored to respond to the requests. Unfortunately, while

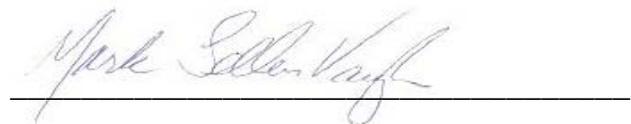
we have made considerable progress in complying with the requests, there are a significant number that are still outstanding as of this date. Cascade continues to work diligently within our internal IRP team to get deliver responses to the information requests. Additionally, we continue to work with our Information Technology group to resolve several technical issues we are encountering in our attempts to extracting application data necessary to properly comply with the information request. To the extent possible, we have worked to respond to information requests where we are not having technical issues. This effort will continue until all the information requests are complete.

We respectfully disagree with CUB's characterization that Cascade has "ignored that the guidelines call for selection of a portfolio, and CUB feels that the Company is attempting to redefine what the IRP guideline entails so that it can avoid having to select a portfolio." Given the way the 2014 IRP Action Plan was worded we can appreciate the confusion and will be providing a 2014 IRP Action Plan more in line with Staff and CUB's expectations as a response to IRs.

Finally, Cascade agrees the company should make clarifications to the IRP through our responses to the IRs, work with parties to identify if any additional supplemental updates are needed, and resubmit an Action Plan. Cascade respectfully requests that Staff, CUB and Cascade determine a delivery date for the above that is acceptable to all parties as being reasonably manageable for Cascade.

This concludes Cascade's response.

Dated at Kennewick, Washington, this 21st of October, 2015



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