



8113 W. GRANDRIDGE BLVD., KENNEWICK, WASHINGTON 99336-7166  
TELEPHONE 509-734-4500 FACSIMILE 509-737-9803  
[www.cngc.com](http://www.cngc.com)

July 29, 2014

Oregon Public Utility Commission  
3930 Fairview Industrial Dr SE  
Salem, OR 97302-1166

Re: Application for Extension of 2014 IRP Filing date

Attention: Filing Center

Pursuant to ORS Chapter 757 and in accordance with OAR Chapter 860, Cascade Natural Gas Corporation petitions the Oregon Public Utility Commission for an extension of the filing date for the Company's Natural Gas Integrated Resource Plan ("IRP"). The original copy of this application is being provided via overnight mail.

If there are any questions regarding this request, please contact me at (509) 734-4589 or via email at [mark.sellers-vaughn@cngc.com](mailto:mark.sellers-vaughn@cngc.com).

Sincerely,  
CASCADENATURAL GAS CORPORATION

A handwritten signature in black ink that reads "Mark Sellers-Vaughn".

Mark Sellers-Vaughn  
Manager, Supply Resource Planning

Enclosures

*In the Community to Serve®*

CERTIFICATE OF SERVICE

I certify that I have this day served the foregoing notice of Cascade's request regarding a filing extension for the 2014 Integrated Resource Plan upon all parties of record in the (LC 59) proceeding, by emailing an electronic copy to the following parties or attorneys of parties:

**CABLE HUSTON BENEDICT  
HAAGENSEN & LLOYD LLP**  
CHAD M STOKES  
TOMMY A BROOKS  
1001 SW FIFTH AVE- STE 2000  
PORTLAND OR 97204-1136  
[cstokes@cablehuston.com](mailto:cstokes@cablehuston.com)  
[tbrooks@cablehuston.com](mailto:tbrooks@cablehuston.com)

**CITIZENS' UTILITY BOARD OF OREGON**  
ROBERT JENKS  
G. CATRIONA MCCRACKEN  
OPUC DOCKETS  
610 SW BROADWAY- STE 400  
PORTLAND OR 97205  
[bob@oregoncub.org](mailto:bob@oregoncub.org)  
[catriona@oregoncub.org](mailto:catriona@oregoncub.org)  
[dockets@oregoncub.org](mailto:dockets@oregoncub.org)

**NORTHWEST GAS ASSOCIATION**  
ED FINKLEA  
326 FIFTH STREET  
LAKE OSWEGO OR 97034  
[efinklea@nwigu.org](mailto:efinklea@nwigu.org)

**PUBLIC UTILITY COMMISSION OF OREGON**  
ERIK COLVILLE  
LISA GORSUCH  
3930 FAIRVIEW INDUSTRIAL DR SE  
SALEM, OR 97302-1166  
[erik.colville@state.or.us](mailto:erik.colville@state.or.us)  
[lisa.gorsuch@state.or.us](mailto:lisa.gorsuch@state.or.us)

**PUC STAFF- DEPARTMENT OF JUSTICE**  
MICHAEL T WEIRICH  
BUSINESS ACTIVITIES SECTION  
1162 COURT ST NE SALEM OR 97301-4096  
[michael.weirich@state.or.us](mailto:michael.weirich@state.or.us)

DATED at Kennewick, Washington, this 29 day of July 2014.

/s/Maryalice Rosales  
Maryalice Rosales  
Regulatory Analyst II  
Cascade Natural Gas Corporation

1                                   **BEFORE THE PUBLIC UTILITY COMMISSION**  
2   **OF OREGON**

3                                   DOCKET NO:    Order 14-054   (LC-59)   

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IN THE MATTER OF THE APPLICATION  
OF  
CASCADE NATURAL GAS CORPORATION  
FOR AN ORDER EXTENDING THE  
INTEGRATION PLAN FILING DATE

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13                   Pursuant to ORS Chapter 757 and in accordance with OAR Chapter 860,  
14 Cascade Natural Gas Corporation ("Cascade" or "Company") petitions the Oregon  
15 Public Utilities Commission to extend the deadline for filing of the  
16 Company's Integrated Resource Plan ("IRP") to May 29, 2015. Please direct  
17 all correspondence regarding the Petition to the following:

18                   Mark Sellers-Vaughn  
19                   Manager, Supply Resource Planning  
20                   Cascade Natural Gas Corporation  
21                   8113 W. Grandridge Blvd.  
22                   Kennewick, WA 99336  
23                   Telephone: (509) 734-4589  
24                   E-mail: [Mark.Sellers-Vaughn@cngc.com](mailto:Mark.Sellers-Vaughn@cngc.com)

26                   Jon Whiting  
27                   Director, Gas Supply CNGC/IGC  
28                   8113 W. Grandridge Blvd.

1 Kennewick, WA 99336  
2 Telephone: (509) 734-4549  
3 Email: [Jon.Whiting@cngc.com](mailto:Jon.Whiting@cngc.com)  
4

5 Michael Parvinen  
6 Director, Regulatory Affairs  
7 8113 W. Grandridge Blvd.  
8 Kennewick, WA 99336  
9 Telephone: (509)734-4593  
10 Email: [Michael.Parvinen@cngc.com](mailto:Michael.Parvinen@cngc.com)  
11

12 The Company is required by OAR 860-027-0400(3) to file its Integrated  
13 Resource Plan within two years after the date the previous plan was  
14 acknowledged. Cascade's 2011 Integrated Resource Plan was acknowledged by  
15 Order 12-342 on August 14, 2012. Cascade Natural Gas Corporation previously  
16 requested and received an extension of its 2014 Integrated Resource Plan from  
17 the August 14, 2014 deadline to February 11, 2015. The extension was  
18 requested in order to allow additional time for Cascade to develop, document,  
19 build, test and ultimately implement a new demand forecast methodology and  
20 model to provide more load demand granularity to its SENDOUT supply resource  
21 analysis and preferred portfolio analyses.  
22

23 There has been some question over the last decade about the Company's  
24 forecast methodology and its development at the district/zonal level as  
25 opposed to citygate level, particularly as it relates to acquiring capacity  
26 to meet projected transport capacity shortfalls on peak day. In February  
27 2014, Cascade contracted for the services of MRE and Gelber & Associates to  
28 review the demand forecast methodology that Cascade has used for its most

1 recent IRPs. They will also develop a forecast model and methodology that  
2 expands the demand forecast from a zonal level to a citygate level. The model  
3 will also centralize forecast components such as historical weather and flow  
4 measurement, population and other components that will help to derive the 20  
5 year forecast. The planned model will be significantly better documented  
6 than past forecasts datasets, and the model will include additional  
7 functionality such as using different ranges of weather history, peak day  
8 events, and the ability to adjust economic components at a more granular  
9 level.

10  
11 We anticipated that our forecast model overhaul would be something of  
12 a work in progress, based on available resources to assist our consultants,  
13 concerns surrounding reliability and ease of extractability of proprietary  
14 billing data, while balancing on-going efforts to complete the first  
15 concurrent Oregon and Washington IRP in many years. Cascade was hopeful that  
16 the original six month filing extension we were granted would be sufficient  
17 to address these tasks to the satisfaction of all stakeholders, despite some  
18 concerns on our part about the timeline.

19  
20 IRP Stakeholders had their first opportunity to scrutinize the new  
21 methodology and some of its outputs at the first IRP Technical Advisory Group  
22 (TAG) meeting in June. The stakeholders felt some crucial modifications to  
23 the forecast model's functionality were needed.

24  
25 Described below is a listing of some of the issues that were identified  
26 by Staff and other stakeholders:

- 1 • Cascade needs to look into Energy Information Agency (EIA) vs Energy  
2 Trust of Oregon (ETO) regarding efficiency vs demand-side-management,  
3 to ensure there is no duplication of influence on the model.
- 4 • Ensure slides for historic growth and a comparison to previous forecast  
5 are included in the IRP.
- 6 • Information regarding Woods & Poole forecast methodology needs to be  
7 provided to stakeholders; Cascade has been requested to arrange a  
8 conference call with Woods & Poole personnel, to assist in this  
9 understanding.
- 10 • Cascade should perform an analysis on distance in weather location and  
11 R<sup>2</sup> provided to stakeholders.
- 12 • Historical use/customer to EIA efficiency analysis needs to be done.
- 13 • Address infrastructure of core vs non-core in SENDOUT optimization  
14 model.
- 15 • Increased flexibility to adjust peak day heating degree day
- 16 • Improve ability to consider specific trends, consider econometric data
- 17 • Increased flexibility to adjust number of weather years considered
- 18 • Explain and document the relationship between the Excel model and  
19 SENDOUT model
- 20 • Need to enhance the model functionality to better consider additional  
21 economic factors (e.g., households, employment, etc.)  
22

23  
24 Almost immediately after TAG 1 Cascade met with our demand  
25 forecast model consultants to review the feedback from the TAG 1 participants  
26 and determine the best course of action to improve the forecast model based  
27 on that feedback. Work began shortly thereafter on modifying the model  
28

1 application. Our highest priority is focused on adding and improving the  
2 levers for economic factors.

3  
4 Additionally, Cascade received seven data requests on July 9, 2014 from  
5 Staff related to the demand forecast model and methodology. These data  
6 requests, in addition to the concerns expressed at the first TAG meeting in  
7 June 2014 by Staff and other stakeholders, placed a considerable burden on  
8 Cascade's already strained resources. To that end, we have requested time to  
9 address the data requests after we have completed the model enhancements and  
10 provided the supplemental documentation requested in June 2014 by Staff and  
11 stakeholders.

12  
13 We have been working diligently since the June 2014 TAG meeting to  
14 address the concerns with the forecast model/methodology, but we still have  
15 considerable elements that must be developed, tested and implemented. Among  
16 the items still remaining to be addressed are completion of the additional  
17 economic levers, the backdating of forecasts, and quantifying Woods and  
18 Poole's forecast methodology either through a teleconference with Woods &  
19 Poole and the stakeholders or using some other medium. Unfortunately, we  
20 have been unable to complete the tasks with our available resources and have  
21 had difficulties in making sufficient progress at this point to hold an  
22 informal technical workshop on the forecast with Staff and interested  
23 stakeholders.

24  
25 Given the scope of the concerns and the importance of the forecast and  
26 addressing such a historically (for Cascade) large stakeholder group for this  
27 IRP, we believe it is important to be able to informally review the  
28

1 model/methodology/documentation enhancements during at least one technical  
2 workshop.

3 Cascade believes that the number of concerns we are attempting to  
4 address about the forecast will require more than one technical workshop. We  
5 feel that any workshop discussions reviewing the enhancements to the  
6 methodology, model and forecast outputs will likely spur further questions  
7 and requests. It seems prudent that two workshops should be held to ensure  
8 Staff and stakeholders have had sufficient opportunity to provide feedback on  
9 the model and determine if the participants have a satisfactory level of  
10 confidence in the forecast before we continue on with the formal IRP  
11 schedule. Cascade does not expect that these technical workshops on the  
12 model will produce a perfect forecast, or that all parties will agree that  
13 the forecast methodology, model and supporting analysis completely address  
14 all the areas of concern. Rather, we feel that the workshops will allow the  
15 participants the best setting for discussion, gaining understanding and  
16 provide feedback to help shape the direction of the model because the end  
17 product application is expected to be used for forecasting purposes in the  
18 coming years.

19  
20 Getting the best possible forecast application/methodology is crucial  
21 to creating the IRP, as it impacts other areas of the company such as  
22 budgets, distribution system modeling, and future rate cases. Cascade feels  
23 that stakeholders would not be well served by doing a rush job on the model  
24 modifications. A haphazard forecast is not in the best interest of Staff,  
25 other stakeholders and our ratepayers.

26  
27 Based on our progress to date, available resources, and our commitment  
28 to ensuring that our model and forecast methodology are acceptable to

1 stakeholders, we respectfully request that the IRP filing be extended  
2 sufficiently to complete the tasks described above and to avoid future  
3 delays.

4  
5 Consequently, Cascade petitions the Oregon Public Utilities Commission  
6 to extend the deadline for filing of the Company's Integrated Resource Plan  
7 ("IRP") to May 29, 2015. OAR 860-027-0400 contemplates that the Commission  
8 may, by order, extend the prescribed filing date for good cause. The Company  
9 believes the forgoing application will be beneficial to the stakeholders and  
10 is in the public interest.

11  
12 Attached is the proposed work plan and schedule based on the requested  
13 extension being granted.

14  
15 If there are any questions regarding this matter, please contact me at  
16 (509) 734-4589 or via email at [mark.sellers-vaughn@cngc.com](mailto:mark.sellers-vaughn@cngc.com).

17  
18 DATED: July 29, 2014.

19 Sincerely,

20 CASCADE NATURAL GAS CORPORATION

21 

22  
23 Mark Sellers-Vaughn

24 Manager, Supply Resource Planning

25  
26 Enclosures

Date	Reason	Location
Tuesday, June 24, 2014	<b>TAG 1: Process, Key Assumptions (IRP Team, Timeline, Highlights Most Recent IRPs, Latest Economic Indicators, Price Forecast and Demand Forecast Methodology and High Level Presentation of 20 Yr Forecast)</b>	Portland Airport Conference Center
Tuesday, September 2, 2014	Distribute Supplemental Forecast #1	
Tuesday, September 16, 2014	<b>Workshop #1: Open discussion and live walk through of the forecast model</b>	Portland Airport Conference Center
Wednesday, October 8, 2014	Distribute Supplemental Forecast #2	
Thursday, October 23, 2014	<b>Workshop #2: Open discussion and live walk through of the forecast model</b>	Portland Airport Conference Center
Monday, November 3, 2014	Create TAG #2 Presentation	
Thursday, November 6, 2014	Approve TAG #2 Presentation	
Friday, November 7, 2013	Distribute TAG #2 Presentation	
Thursday, November 20, 2014	<b>TAG 2: (Drilling down into the segments of 20 Yr. Demand Forecast, Current Supply Resources, Transport Issues, Alternative Resources)</b>	Portland Airport Conference Center
Friday, November 21, 2014	Deliver Draft Avoided Cost Calc to Conservation	
Friday, November 21, 2014	Engineering 3 YR Outlook Deliver Draft Avoided Cost Calc to Conservation	
Friday, November 21, 2014	Conservation Study/Presentation	
Tuesday, December 2, 2014	Create Tag #3 Presentation	
Tuesday, December 9, 2014	Approve Tag #3 Presentation	
Tuesday, December 9, 2014	Distribute Tag #3 Presentation	

<b>Wednesday, December 17, 2014</b>	<b>TAG 3: Conservation, Avoided Costs, Distribution Enhancements, Update on 2 Year Plan</b>	<b>Portland Airport Conference Center</b>
Monday, January 5, 2015	Economic Resource Optimization (Sendout)	
Monday, January 12, 2015	Review and Approve Resource Optimization	
Thursday, January 15, 2015	Create TAG #4 Presentation	
Monday, January 19, 2015	Approve TAG #4 Presentation	
Monday, January 19, 2015	Distribute TAG #4 Presentation	
<b>Tuesday, February 3, 2015</b>	<b>TAG 4: Preliminary Resource Integration Results, Proposed new 2 year Plan</b>	<b>Portland Airport Conference Center</b>
Tuesday, February 10, 2015	Draft IRP	
Friday, February 13, 2015	Approve IRP Draft	
Tuesday, February 17, 2015	Draft IRP distributed	
Monday, March 9, 2015	Comments due on draft from all stakeholders	
Wednesday, March 18, 2015	Create TAG #5 Presentation	
Monday, March 23, 2015	Approve TAG #5 Presentation	
Monday, March 23, 2015	Distribute TAG #5 Presentation	
<b>Tuesday, April 7, 2015</b>	<b>TAG 5: Miscellaneous Items, Final Discussion on Acton Plan</b>	<b>Portland Airport Conference Center</b>
Wednesday, April 15, 2015	Internal Approval of 2 <sup>nd</sup> IRP Draft	
Thursday, April 16, 2015	2nd draft of IRP distributed (if needed)	
Thursday, April 30, 2015	Comments due on 2nd draft from all stakeholders	
Thursday, May 7, 2015	Update IRP per all stakeholder Comments	
Thursday, May 14, 2015	IRP Internal Review	
<b>Friday, May 29, 2015</b>	<b>IRP filing (OR and WA) combined/concurrent single document</b>	