



*In the Community to Serve®*

November 9, 2022

Oregon Public Utility Commission  
Attn: Filing Center  
P.O. Box 1088  
Salem, OR 97308-1088

**Re: LC 76 – Cascade Natural Gas Corporation Integrated Resource Plan Final Comments**

Cascade Natural Gas Corporation (Cascade or Company) submits the following final comments to the Oregon Public Utility Commission (OPUC or Commission) on the 2020 Oregon Integrated Resource Plan (IRP) Update.

General comments:

Cascade thanks OPUC Staff for providing final comments to Cascade’s 2020 Oregon IRP Update, and would also like to thank OPUC Staff, the Citizen’s Utility Board (CUB), and the Alliance of Western Energy Consumers (AWEC) for their participation in LC 76 and the useful feedback they provided during the development of the 2020 IRP. Cascade would also like to thank OPUC Staff for providing Staff’s proposed approach to Distribution System Project analysis post-CPP adoption, as well as guidelines for the type of analysis and information Staff is seeking when analyzing each project.

Distribution System Planning comments:

Cascade will incorporate Staff’s recommendations in the 2023 IRP filing; however, Cascade would like reconsideration of the Prineville Gate Upgrade as well as the Shelvin Park reinforcement. Because the projects submitted in this IRP Update were filed in the 2020 IRP for acknowledgment before the climate protection policy was implemented, the original filing as well as the update did not include information showing how any CPP impacts of the projects would be addressed. However, Cascade provided clarifying comments in Reply comments<sup>1</sup> that showed Cascade is able to meet the Climate Protect Program (CPP) targets for the first compliance period with a combination of Renewable Natural Gas (RNG) (On-System and environmental attributes) and Community Climate Investment credits, assuming inclusion of these projects. Climate protection policy impacts and how Cascade plans to comply with climate protection policies will be discussed in Cascade’s 2023 IRP as well as any future IRPs. Cascade takes our decarbonization obligations seriously and are actively planning and investing in pathways to reduce our GHG emissions. To this end, the Company has assembled a multi-

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<sup>1</sup> See LC 76 2020 IRP Update, Cascade’s Reply Comments, August 17, 2022

disciplinary team, onboarded a Manager of Carbon Compliance and Sustainability, and hired a consultant with international experience in natural gas decarbonization to develop the concrete plan of action that will enable the Company to fulfill its Climate Protection Plan targets. The results of this action plan will also inform the Company's IRPs.

### **Bend 6 inch High Pressure Multi-Phase Projects and Bend Gate Upgrade**

Cascade appreciates Staff's recommendation for acknowledgment of these projects and will not include them in future IRP filings for acknowledgement.

### **Prineville Gate Upgrade**

Cascade appreciates the insight Staff provided on the acknowledgement framework. In reviewing this framework, Cascade believes the Prineville Gate Upgrade is necessary to address the reliability concerns outlined below, and therefore recommends the project be acknowledged. Below, Cascade provides the clarifications and additional information on the gate upgrade for the Commission's consideration.

In Staff's Final Comments<sup>2</sup>, Staff stated "While the Prineville and Bend-Shelvin projects each had one event during a design day peak in the past three years, both were accommodated by Cascade's cold weather action plan." However, the data does not support that assumption. Prineville did not experience a design day peak event over the last three years. Per data provided in data requests<sup>3</sup> the coldest temperature event on the Prineville system over the last three years was experienced on February 23, 2022, which was 47 heating degree day (average daily temperature of 13°F). Prineville's design heating degree day is 71 (Average daily temperature of negative 11°F).

Cascade would also like to provide clarification on the number of large volume interruptible customers downstream of the Prineville gate. There are not 32 interruptible customers in Prineville, rather there are 32 firm industrial customers (rate schedule 105). Prineville has two interruptible customers that are on rate schedule 163. However, as stated before, even if these two customers are interrupted, the resulting volumes saved will not be enough to offset the proposed gate upgrade.

Importantly, Cascade would also like to provide some clarification on operations at this gate. TransCanada has regulation at this gate, so Cascade has no control over the equipment, maintenance, or bypassing at this station. Cascade believes the physical equipment owned by TransCanada is undersized, and Cascade has asked TransCanada if they could upgrade equipment. TransCanada has advised that an entire gate upgrade is required where Cascade would take over regulation. Increasingly, interstate pipeline operators have pushed for distribution operators to take over regulation at gates and have been unwilling to accommodate minor upgrades. Interstate pipeline operators have limited personnel and may not be able to support bypassing. Cascade views this potential uncertainty of upstream personnel as a reliability issue during a severe weather event.

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<sup>2</sup> See LC 76 2020 IRP Update, Staff's Final Comments, October 7, 2022.

<sup>3</sup> See LC 76 2020 IRP Update, Information Request 76 Response, July 6, 2022.

Cascade recommends that this project be acknowledged so that Cascade can take over regulation and address undersized equipment and gain control over bypassing this station, improving the reliability of service for customers in Prineville that rely on natural gas for winter heating.

### **Shelvin Park Reinforcement**

Cascade recommends that the Shelvin Park reinforcement in Bend, Oregon be reconsidered for acknowledgment and would like to provide some clarifications and additional information on the gate upgrade for the Commission's consideration.

In Staff's Final Comments, Staff stated "While the Prineville and Bend-Shelvin projects each had one event during a design day peak in the past three years, both were accommodated by Cascade's cold weather action plan." Similar to earlier comments about Prineville, Bend did not experience a design day peak event over the last three years. Per data provided in data request 76<sup>4</sup>, the coldest temperature event on the Bend system over the last three years was experienced on February 23, 2022, which was 47 heating degree day (average daily temperature of 13°F). Bend's design heating degree day is 71 (Average daily temperature of negative 11°F).

The Shelvin Park HP extension and regulator station is a distribution system betterment. Extending high pressure into the west side of Bend will reinforce the distribution system by boosting the distribution system pressure on the west side of Bend during cold weather events. This reinforcement is needed to support existing growth that has occurred over the last ten years. The reinforcement would allow for future service to the Bend community where it is in compliance with the CPP, and consistent with Bend's GHG emissions reduction goals. However, these upgrades are primarily required to support the growth that has already occurred in this area. As distribution systems grow outward, the growth can tax the existing systems and will require a high-pressure extension to allow for a new regulator station to serve the expanding area. Regulator stations boost distribution system pressure and flows since they are a source/feed to the distribution system.

Support for this reinforcement can be seen in actual pressures experienced during a non-design day event. Cascade's design heating degree day for Bend is 71 (Average daily temperature of -11°F) but on February 23, 2022, on a 47 heating degree day (average daily temperature of 13°F), the westside of Bend experienced a low pressure of 0.47 psig. A pressure of 0.47 psig is an unacceptable system pressure for the heating degree day experienced since Bend's historically low temperatures are predicted to be 24 degrees colder, and Cascade has seen additional home growth on the west side of Bend since that event occurred. Both loads added in 2022 (after February 23, 2022) and the likelihood of colder temperatures will further compromise delivery pressures and increase risk for the potential of customer outages.

Bypassing in this situation was not an acceptable alternative as Bypassing is only acceptable if the system is able to hold on a design day heating degree day but that was not the case for this event. Bypassing efforts on February 23, 2022, during a 47 heating degree day were able to hold system pressure above 0.47 psig but, as discussed, this event was nowhere near the design day heating degree for Bend. Cascade designs systems for the design heating degree day, not actual system pressures experienced since actual pressures recorded are highly dependent on weather experienced. To

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<sup>4</sup> See LC 76 2020 IRP Update, Information Request 76 Response, July 6, 2022.

ensure safe and reliable service utility operators need to make sure that their system is capable of handling potential weather extremes regardless of recent non-peak cold weather experienced.

Cascade has an obligation to fulfill the energy needs of the community. We intend to do so as efficiently as possible and recognize the emerging carbon constraints that must be addressed. Per Cascade’s service line installations on the westside of Bend, 257 new homes were connected in 2019, 258 homes were connected in 2020 and 243 homes were connected in 2021. From 2019 to 2021 the Westside of Bend averaged 252 homes per year with a standard deviation of 8.38. 2021 numbers were a little lower than 2019 and 2020 but they were still within one standard deviation and, therefore, are not indicative of slowing home growth. Cascade would also like to address several incorrect statements included in Staff’s comments.<sup>5</sup> Staff stated, “Per the data provided in this IR [IR 95] total new residential hookups trended down from a high of 257 in 2019 to a low of 78 in 2022.” Cascade’s high of 258 occurred in 2020, and the low of 78 was actually 65, but that is only new hookups through April of 2022, so it does not represent a full year of data. For a more equitable comparison, please see Figure 1 for new customer hookups from January to April for 2019-2022.

Figure 1: New Bend customer hookups between January-April for 2019-2022

2019	58
2020	78
2021	63
2022	65

Cascade is concerned that if this project is not acknowledged and is resubmitted in the 2023 IRP that it would not be acknowledged until late 2023, which would not allow this project to be completed and constructed until 2024. Cascade is concerned with this timeline as it would mean that Cascade’s system would have to go through two winters with compromised pressures given the potential for peak cold weather events that have not been seen in the last three years.

### **Ontario Reinforcement and Baker City Reinforcement and New Gate Station**

Cascade has already reached out to the Energy Trust of Oregon to kick off targeted demand side management (DSM) planning in Baker City and Ontario in an effort to delay distribution system projects. Cascade agrees that Baker City and Ontario are good pilot candidates for demand side management. Cascade will be working closely with the Energy Trust of Oregon to get targeted DSM budgeted in 2023 and will have details of that timeline in the 2023 IRP.

### **Conclusion**

This concludes Cascade response to stakeholders’ final comments. The Company appreciates stakeholders’ comments and concerns and hope our responses clarify a few points and demonstrate Cascade’s commitment to sustainability, and providing information needed to meet IRP expectations in these new and challenging times. Cascade looks forward to working with all parties as the 2020 Update process continues and in future IRPs.

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<sup>5</sup> See LC 76 2020 IRP Update, Staff Final Comments, Page 15, footnote 27.

Sincerely,  
CASCADE NATURAL GAS CORPORATION

A handwritten signature in black ink that reads "Mark Sellers-Vaughn". The signature is written in a cursive style with a large initial 'M' and a long, sweeping underline.

Mark Sellers-Vaughn  
Manager, Supply Resource Planning