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REPORT NAME:

COMPANY NAME:

DOES REPORT CONTAIN CONFIDENTIAL INFORMATION?

If yes, please submit only the cover letter electronically. Submit confidential information as directed in OAR 860-001-0070 or the terms of an applicable protective order.

If known, please select designation: $\square RE$ (Electric) $\square RG$ (Gas) $\square RW$ (Water) $\square RO$ (Other)
Report is required by: OAR
Statute
Order
Other
Is this report associated with a specific docket/case? No
If yes, enter docket number:

List applicable Key Words for this report to facilitate electronic search:

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- Any daily safety or safety incident reports or
- Accident reports required by ORS 654.715

Please file the above reports according to their individual instructions.

PUC FM050 (Rev. 6/29/12)



In the Community to Serve'

8113 W. GRANDRIDGE BLVD., KENNEWICK, WASHINGTON 99336-7166 TELEPHONE 509-734-4500 FACSIMILE 509-737-7166 www.cngc.com

August 13, 2012

Public Utility Commission of Oregon 550 Capitol Street NE, Suite 215 Post Office Box 2148 Salem, Oregon 97308-2148

Attn: Filing Center

Re: RG- , OAR 860-085-0050(5) Greenhouse Gas (GHG) Compliance Report

Cascade Natural Gas Company, or Cascade, submits this letter in compliance with OAR 86-085-0050(5), which requires natural gas utilities to report their estimated greenhouse gas (GHG) emissions from company operations for 1990 (estimated actual), 2005 (estimated actual), and 2020 (projected). This information will assist Staff in the preparation of its report to the legislature, required per OAR 860-085-0050(7), that will include the estimated rate impacts for reducing utilities' GHG emissions by 10% below 1990 emission levels and 15% below 2005 emission levels.

In Table 1 below, Cascade provides annual GHG emissions from 2011 associated with the Company's operational activities identified as office facilities and fleet vehicles. This is the first report being submitted for Cascade.

Table 1 - Cascade's Operational GHG Emissions¹

Cascade Internal CO ₂ Emissions	2011 (metric tons)	
Office Facilities	255.22	
Fleet Vehicles	447.40	
Total CO ₂ Footprint	702.62	

¹Cascade's carbon footprint does not include "unaccounted for gas" which is a measurement reported in a utility's FERC Form 2. Since this is a commonly filed metric, it is worth noting that it is an accounting tool that is more indicative of metering discrepancies than of fugitive emissions. Fugitive emissions are also not included in this analysis as no methodology for measuring these has been established. The Company is willing to refine future reports to include fugitive emissions if measurement is possible. Cascade does not believe leaks will significantly impact the company's carbon footprint.

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Cascade does not have historical energy consumption available for determining its 1990 or 2005 GHG emissions. Therefore, 2011 results are used for determining the 2020 goals in Table II below. Cascade further believes its emissions related to its fleet and office facilities will remain steady through 2020. The company does not foresee significant long-term changes in these areas and the Company is mindful to ensure that it makes energy efficient equipment purchases, building retrofits, and new fleet choices. Presumably gained efficiencies could offset the impact of increased operations if, and when, that occurs.

Table II - Cascade's Operational GHG Emissions

Cascade Internal CO ₂ Emissions	GHG Emissions <u>(Metric Tons)</u>	Change	Potential <u>Cost</u>
Total CO_2 footprint for 1990 and 2005	702.62		
2020 Goal 10% below 1990	632.36	(70.26)	\$1651
2020 Goal 15% below 2005	597.23	(105.39)	\$2477

If you have any questions regarding this filing, please contact me at (509) 734-4593.

Sincerely,

Michael Parvinen Manager, Regulatory Affairs

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