October 17, 2005

NOTICE OF WITHDRAWAL OF RULEMAKING

RE: Rulemaking to Review Natural Gas Decoupling Docket No. UG-050369

TO INTERESTED PERSONS:

On March 31, 2005, the Washington Utilities and Transportation Commission (Commission) filed with the Code Reviser a Preproposal Statement of Inquiry (CR-101) to consider the rate and accounting methods for natural gas companies that separate, or "decouple," a utility company's recovery of fixed costs from the volume of its commodity sales in order to eliminate gas conservation and energy efficiency disincentives and other revenue variables.

The Commission appreciates the stakeholders' participation in this rulemaking inquiry. Stakeholders provided written comments and participated in a May 12, 2005 workshop. The comments provided a wide spectrum of views on decoupling and highlighted a number of issues that require more detailed thought. Based on the information received from stakeholders, the Commission has decided to close this docket without taking further action. The Commission believes that the wide variety of alternative approaches to decoupling make it more efficient to address these issues in the context of specific utility proposals included in general rate case filings rather than through a generic rulemaking. A Summary, Analysis of Comments and Decision to Close Docket without Action is available for inspection on the Commission's web site at www.wutc.wa.gov/050369. If you are unable to access the web site and would like a copy of the summary mailed to you, please contact the Commission's Records Center at (360) 664-1234.

Sincerely,

CAROLE J. WASHBURN Executive Secretary