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PAULA E. PYRON

February 12, 1996

VIA FEDERAL EXPRESS OVERNIGHT DELIVERY

Mr. Steve McLellan, Secretary  
Washington Utilities and Transportation Commission  
Chandler Plaza Building  
1300 S. Evergreen Park Drive, SW  
Olympia, WA 98504

STATE OF WASH  
UTIL & TRANSP  
COMMISSION

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RECEIVED

Re: WUTC v. Cascade Natural Gas Corporation, Docket Nos. UG-951415 and UG-950326 (Consolidated), Motion of Intervenor Northwest Industrial Gas Users to Condense Hearings and Establish Procedural Schedule

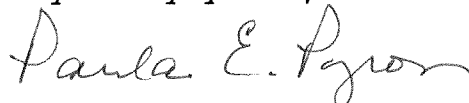
Dear Mr. McLellan:

Enclosed for filing in Docket Nos. UG-951415 and UG-950326 (Consolidated), please find the original and nineteen copies of the Motion of the Northwest Industrial Gas Users to Condense Hearings and Establish Procedural Schedule.

One additional copy of the Motion is enclosed to be file-stamped and returned to us for our records in the enclosed, self-addressed postage, prepaid envelope.

If you have any questions regarding this filing, please call me at (503)228-2525. Thank you for your assistance with this matter.

Very truly yours,



Paula E. Pyron  
Counsel for the Northwest  
Industrial Gas Users

Enclosures

cc w/enc.: All Parties of Record via facsimile and regular mail  
M.A. Hutton

BEFORE THE WASHINGTON UTILITIES AND  
TRANSPORTATION COMMISSION

In Re the Petition of

CASCADE NATURAL GAS CORPORATION )

For an Order Determining the )  
Ratemaking Treatment of Certain )  
Special Contracts )

. . . . . )

WASHINGTON UTILITIES AND )  
TRANSPORTATION COMMISSION, )

Complainant,

v.

CASCADE NATURAL GAS )  
CORPORATION, )

Respondent. )

Docket No. UG-951415  
and UG-950326  
(Consolidated)

MOTION OF INTERVENOR NORTHWEST  
INDUSTRIAL GAS USERS TO  
CONDENSE HEARINGS AND  
ESTABLISH PROCEDURAL SCHEDULE

STATE OF WASHINGTON  
UTILITIES AND  
TRANSPORTATION  
COMMISSION

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**MOTION OF INTERVENOR NORTHWEST INDUSTRIAL GAS USERS TO CONDENSE  
HEARINGS AND ESTABLISH PROCEDURAL SCHEDULE**

Recognizing that the Company's rate of return as well as several other revenue requirement issues may be agreed upon among the parties through the mutual gains negotiation process, this case will present primarily cost-of-service and rate design policy issues. In accordance with this Commission's promotion of alternative procedures when more efficient, the Northwest Industrial Gas Users (NWIGU) requests that the Commission or presiding officer establish a different procedural approach for this case that will preserve the full procedural rights of all

parties under existing Commission rules, but better serve the parties and the Commission. While the parties will likely have differing substantive viewpoints to present for Commission resolution in this case, all would benefit from a streamlining of the procedural process and a recognition of consensus when it exists or can be facilitated through settlement discussions.

Pursuant to Washington Administrative Code (WAC) 480-09-420(8), 480-09-460(1), 480-09-465, and 480-09-735(2), NWIGU moves the Commission or presiding officer to enter an order directing a procedural schedule for the above-captioned consolidated matters with a streamlining to two hearings as follows: (1) the prefiling by the proponent of its testimony and exhibits, followed by a hearing on cross-examination; and, (2) the prefiling by the Staff, Public Counsel and other intervenors of their direct testimony, followed by the filing of cross-answering rebuttal testimony by the Staff, Public Counsel and intervenors, followed by the filing of the proponent's rebuttal testimony, with one hearing on cross-examination of the positions of the other parties and the proponent's rebuttal. In addition NWIGU requests that the procedural schedule established for this case provide two predetermined dates for mutual gains settlement conferences at least two weeks before the start of each round of hearings with the required filing of any resulting agreements on issues one week before each round of hearings. In support of this Motion, the NWIGU show the Commission and presiding officer the following:

1. The Commission's typical, segmented hearing process, commonly used in rate proceedings, involves three rounds of prefiled testimony and cross-examination hearings: (1) the proponent prefiling testimony, followed by cross-examination of that testimony; (2) the prefiling of testimony by Staff, Public Counsel and all other intervenors, followed by a cross-examination hearing; and, (3) the filing of the proponent's rebuttal, and possibly other parties' rebuttal testimony, followed by a cross-examination hearing. Given the potential agreement of the parties on several key revenue requirement issues as a result of their mutual gains negotiations meetings thus far and the parties' continuing commitment to that process, the issues that remain can be better focused through changes to the standard hearing schedule.

2. The use of cross-examination hearings on each round of prefiled testimony would not be an efficient use of administrative resources for this case. Unlike a more "full-blown" rate case, the development of each party's position is not dependent upon sequential cross-examinations hearings. Moreover the issues concerning cost-of-service and rate design are much more policy focused and less fact intensive than a completely litigated general rate case.

3. After allowing full opportunity for each party to conduct discovery and allowing for the sequential filing of direct testimony and rebuttal testimony by all parties in this case, the provision for a consolidated second hearing is a more

efficient course of proceeding for all parties. The schedule envisioned by NWIGU would allow adequate time for all parties to prepare their cases and pursue discovery after the filing of each party's testimony sequentially. By this Motion, NWIGU is not seeking to shorten the suspension period for a decision by the Commission and does not seek to limit the time available for discovery by all parties.

4. An additional round of cross-answering testimony by the Staff, Public Counsel and intervenors in this proceeding will also bring the issues into much better focus and should result in much less time actually spent in cross-examination hearings.

5. In addition, given the parties' continuing commitment to the mutual gains negotiation process, NWIGU requests that the procedural schedule for this case provide two predetermined dates for mutual gains negotiations meetings at least two weeks before each round of hearings and that the parties be required to file a joint statement on any partial settlement with the Commission on any resulting agreement on issues one week before each hearing. All such partial settlements will be subject to Commission approval as required by the WAC rules.

WHEREFORE, based upon the foregoing, the NWIGU move the Commission or presiding officer to issue an order that (a) directs a procedural schedule with two rounds of cross-examination hearings, one on the Company's prefiled testimony, and one hearing on the combined direct and cross-answering rebuttal prefiled testimony of the Staff, Public Counsel and the

intervenors, and the Company's prefiled rebuttal; (b) sequentially allows for the prefiling of direct and cross-answering rebuttal prefiled testimony by the Staff, Public Counsel and the intervenors, followed by the prefiling of the Company's rebuttal testimony before the second hearing; and (c) sets two predetermined dates for mutual gains negotiation meetings before each of the two rounds of cross-examination hearings with the parties required to file a joint statement of on any agreed partial settlement of issues one week before each hearing.

DATED the 12th day of February, 1996.

Respectfully submitted,



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Industrial Gas Users  
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CERTIFICATE OF SERVICE

I hereby certify that I have this day served the foregoing document upon all parties of record in these consolidated proceedings by placing a true copy of the document properly addressed to each party in the United States mail first class postage prepaid and by sending a copy via facsimile to each counsel of record.

Dated at Portland, Oregon, this 12<sup>th</sup> day of February, 1996.

  
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Paula E. Pyron