

  
**CABLE HUSTON**  
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April 23, 2010

Submitted via Electronic Filing to [Records@wutc.wa.gov](mailto:Records@wutc.wa.gov)

Mr. David W. Danner  
Executive Director & Secretary  
Washington Utilities & Transportation  
Commission  
1300 South Evergreen Park Drive SW  
P.O. Box 47250  
Olympia, Washington 98504-7250

Re: Conservation Incentive Inquiry, Docket U-100522, Statement of Issues and Request for Service List Inclusion of Northwest Industrial Gas Users

Dear Mr. Danner:

In response to the Commission's April 8, 2010 Notice of Opportunity to file Statements of Issues and Written Comments in the above-captioned proceeding, the Northwest Industrial Gas Users (NWIGU) hereby submits its Statement of Issues and request for service list inclusion.

NWIGU is a non-profit association comprised of thirty-eight large volume end-users of natural gas with major facilities in the states of Washington, Oregon and Idaho. NWIGU was incorporated in 1985 in Oregon as a non-profit trade association to address emerging natural gas issues of concern to industrial end users of natural gas as the industry unbundled the commodity sale at the well head for competitive access for all natural gas consumers. NWIGU members cover diverse industrial interests, including food processing, pulp and paper, aluminum, wood products, steel, chemicals, electronics, electric generation and aerospace. The association provides an informational service to its members and participates in various regulatory matters that affect member interests, including proceedings before the Federal Energy Regulatory Commission and the Washington Utilities and Transportation Commission (WUTC or Commission). NWIGU has actively participated in natural gas proceedings on regional and

**CABLE HUSTON**

April 23, 2010

Page 2

federal issues for 25 years and has participated actively in the natural gas current and historic dockets concerning the decoupling of utility margin revenues to support conservation growth.

NWIGU accordingly requests that you include it on the distribution list for service in this docket as follows:

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NWIGU agrees that the topics outlined on page 4 of the April 8, 2010 Notice are appropriate considerations to address for the Commission's inquiry in this docket. In addition, NWIGU submits the following additional statement of issues for the Commission's consideration regarding natural gas utilities and desires to participate in the Commission's May 4, 2010 workshop to address these and any other issues raised by other parties to this proceeding related to natural gas utilities:

(1) Is there any need for the Commission to engage in proposed rulemaking applicable to natural gas utilities addressing the issue of lost revenue due to conservation or conservation incentives given the Commission's existing authority to implement appropriate decoupling or other incentive structures to advance conservation through appropriate case by case determinations?

(2) Should the Commission if it goes forward with any proposed rulemaking applicable to natural gas utilities bifurcate this docket into two separate dockets or processes, one applicable

April 23, 2010

Page 3

to electric utilities and one applicable to gas utilities, given the significantly different industry structures between natural gas and electricity (the natural gas commodity is unbundled), greenhouse gas considerations, and differing legal considerations (e.g., I-937 applies only to electric utilities)?

(3) Is this docket premature for natural gas given that neither the Commission nor the parties has yet had the benefit of the study of the Cascade Natural Gas Company three-year pilot approved in Docket UG-060256? This pilot is still underway, having started in the fall of 2007 with a study due later this year.

(4) In addition to consideration of appropriately structured natural gas decoupling tracking mechanisms, lost margin recovery or incentive payments in conservation program surcharges, should the Commission consider straight fixed variable or modified fixed variable natural gas rate design in this inquiry for natural gas sales customers (i.e., the increased full or partial recovery of a natural gas utility's costs in its fixed charges for its sales customers), or are those issues better and more appropriately addressed in the context of each individual natural gas general rate case proceeding?

(5) How do the various mechanisms for addressing declines in revenue due to conservation or conservation incentives address customers' concerns about reduced utility risk justifying reductions on authorized returns on equity which are built into rates?

(6) How do the various mechanisms for addressing declines in revenue due to conservation address appropriate limitations on the scope of any allowed decoupling (as for example limiting the scope to residential and commercial natural gas sales customers) so as to not protect utility revenues from economic changes not having to do with utility conservation?

(7) Do the various mechanisms addressing declines in revenue due to conservation or conservation incentives appropriately not impact transportation customers of natural gas utilities who buy their own natural gas commodity and do not have any cost relationship to the natural gas utility's commodity purchases or conservation efforts for their sales customers?

(8) How do the various mechanisms for addressing declines in revenue due to conservation or conservation incentives address the potential for excessive earnings by the natural gas utility?

(9) How does the promotion of direct use of natural gas fit in the context of overall efficiency in this inquiry?

NWIGU appreciates the opportunity to submit these additional issues for the Commission's consideration. NWIGU desires to participate in the Commission's workshops on

**CABLE HUSTON**

April 23, 2010

Page 4

May 4 and June 29 and respectfully reserves the right to address the issues raised in the Notice of Commission Inquiry, this submission of additional issues, as well as the issues that may be raised by other parties in their statements of issues or at the workshops.

Respectfully submitted,

A handwritten signature in blue ink, appearing to read 'TAB', with a long horizontal flourish extending to the right.

Tommy A. Brooks

TAB:ca

cc: P. Pyron