

BEFORE THE
WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

Washington Utilities and Transportation Commission,)	Docket No. UG-031885
)	
Complainant,)	NORTHWEST INDUSTRIAL GAS USERS' PETITION TO INTERVENE
)	
v.)	
)	
Northwest Natural Gas Company,)	
)	
Respondent.)	
_____)	

Pursuant to WAC §§ 480-09-430 (repealed as of December 31, 2003) and 480-07-355 effective January 1, 2004, the Northwest Industrial Gas Users (“NWIGU”) hereby submit this Petition to Intervene in the above-captioned proceeding. As required by WAC § 480-07-145(2)(d), NWIGU has also provided this Petition in electronic format on the enclosed floppy disk. In support of this Petition to Intervene, NWIGU states the following:

1. The following name and address for NWIGU should be included on the official list of parties of record in these proceedings, and all correspondence and communications concerning these proceedings should be addressed to:

Paula E. Pyron
Executive Director
Northwest Industrial Gas Users
4113 Wolf Berry Court
Lake Oswego, OR 97035-1827
Telephone: (503) 636-2580
Facsimile: (503) 636-0703
E-mail: ppyron@nwigu.org

Paula Pyron is designated as the person to receive service of documents on behalf of NWIGU in this proceeding.

Energy Advocates LLP will represent NWIGU in these proceedings, and have filed a separate Notice of Appearance as required in WAC 480-07-345(2). All correspondence and communications concerning these proceedings should also be addressed to:

Edward A. Finklea
Chad M. Stokes
Energy Advocates LLP
526 NW 18th Avenue
Portland, OR 97209-0220
Telephone: (503) 721-9118
Facsimile: (503) 721-9121
E-mail: mail@energyadvocates.com

2. NWIGU is a nonprofit association comprised of thirty-three end-users of natural gas with major facilities in the states of Washington, Oregon and Idaho. NWIGU members include diverse industrial interests, including food processing, pulp and paper, wood products, electric generation, aluminum, steel, chemicals, electronics and aerospace. The association provides an information service to its members and participates in various regulatory matters that affect member interests. NWIGU member companies purchase natural gas sales and transportation services from local distribution companies (“LDCs”), including Northwest Natural Gas Company (“NW Natural” or the “Company”).

3. NW Natural has asked the Washington Utilities and Transportation Commission (“WUTC” or “Commission”) for a 15 percent overall increase, which if approved, would yield the Company approximately \$7.9 million in additional revenue annually. The Company seeks to increase residential customer rates by 16 percent, commercial customer rates by 14.1 percent,

industrial firm customer rates by 13.9 percent, and industrial interruptible customer rates by 11.6 percent. To support the \$7.9 million annual revenue increase on a Washington allocated basis, NW Natural has used a test year ending June 30, 2003, an average rate base of approximately \$111 million, a rate of return on rate base of 8.97 percent, and a proposed return on equity (“ROE”) of 11 percent.

4. NW Natural represents in its filing that its proposed \$7.9 million annual increase is necessary to address financial pressure from: 1) revenue loss due to declines in gas usage per customer; 2) costs arising from additional facilities required to continue to provide reliable and safe service in Washington; and 3) cost increases in other areas beyond the company’s control. As part of this filing, NW Natural is also proposing a complete redesign of its industrial rates by eliminating all current industrial rates and replacing them with three new rates, earmarked as Schedules 31, 32 and 33. In addition, NW Natural is proposing a sales and revenue decoupling mechanism, and a new method to share revenues from NW Natural’s interstate gas storage services to replace the method that expired last year.

5. NWIGU members have a direct and substantial interest in NW Natural’s request for a general rate increase for its natural gas sales and transportation customers. No other party can adequately represent NWIGU member companies’ interests, and the Commission’s determination in this proceeding will directly affect NWIGU member companies.

6. NWIGU reserves the right to propound data requests, review responses to data requests, submit testimony and exhibits, call witnesses, cross-examine all witnesses called by other parties

and submit any written arguments and motions that may be appropriate to represent its interests in these proceedings.

7. NWIGU's participation in this proceeding will assist the Commission in resolving the issues, will not unreasonably broaden the issues, unduly burden the record, or delay this proceeding.

WHEREFORE, based upon the foregoing, NWIGU respectfully requests leave to intervene as a party in this proceeding, with all of the procedural and substantive rights associated with party status.

Dated: December 31, 2003.

Respectfully submitted,

Edward A. Finklea
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Of Attorneys for the
Northwest Industrial Gas Users

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that I have this day served the foregoing document upon all parties of record in these proceedings by mailing a copy properly addressed with first class postage prepaid.

Dated in Portland, Oregon this 31st day of December, 2003.

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