



July 19, 1993

Advice No. 592-F488

Mr. Paul Curl
Washington Utilities and Transportation Commission
Chandler Plaza Building
P. O. Box 47250
1300 S Evergreen Park Drive SW
Olympia, WA 98504-7250

Dear Mr. Curl:

Enclosed please find the original and 19 copies of Bench Request Nos. 6 and 7.

Thank you.

Very truly yours,

RITCHIE A. CAMPBELL
Director
Rates and Special Studies

Enclosures

cc: Chuck Adams
Paula Pyron
Carol Arnold
Scott Johnson
Mick Larson/Harry Grant

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July 19, 1993

WASHINGTON NATURAL GAS COMPANY

Docket No. UG-920840	
RESPONSE TO	Bench Request No. 6
SHEET NO.	1 OF 1

Bench Request No. 6

Referring to Ex. 373, please provide the number of customers in each Rate Schedule (Nos. 85, 86 and 87) whose unauthorized use of gas was treated by the Company as firm gas use rather than as a penalty.

Response

In the event of the Unauthorized Use of Gas, the Company's tariffs (Schedule Nos. 85, 86 and 87) provide the Company with two options: Option A or Option B. As stated in our tariffs:

"If Buyer fails to comply with the Company's request to curtail or interrupt his use of gas in accordance with the conditions set forth in the APPLICABILITY AND CHARACTER OF SERVICE section of this schedule, then

- A. Gas used in excess of such curtailment shall be billed at the applicable commodity rate and, in addition, the Buyer shall pay his pro rata share of any penalties imposed upon the Company by its supplier(s) on the day(s) of violation or at the penalty rate of two dollars (\$2.00) per therm, whichever is greater. This provision is exclusive of and in addition to the Company's right to enforce compliance with its curtailment or interruption request by suspending all gas service to the Buyer; or
- B. The Company may consider gas used in excess of the sum of the authorized interruptible gas and the daily contracted volume of firm use gas, during the Company's requested curtailment, as firm use gas and charge Buyer for such gas at the firm use gas rate. The said excess shall be added to the contracted maximum daily use of firm use gas, the total becoming the revised maximum daily delivery of firm use gas for not less than 12 months."

The number of customers in each category (Schedule No. 85, 86 and 87) whose unauthorized use was treated under condition "B" of the Company's tariffs during the Arctic Express (contained in Ex. 373) equal:

<u>Rate Schedule No.</u>	<u>Number of Customers Whose Unauthorized Use of Gas was Treated Under Option "B"</u>
85	72
86	531
87	28

Response Prepared By:
Jack Jestrab 224-2068

WASHINGTON NATURAL GAS COMPANY

July 19, 1993

Docket No. UG-920840

RESPONSE TO
Bench Request
No. 7

SHEET NO 1 OF 2

Bench Request No. 7

Referring to Ex. 370, of the customers listed (whose unauthorized use of gas was used to revise their firm contract demand), how many of those customers have switched back to interruptible service? Also, provide a brief explanation as to why these customers switched back to interruptible sales.

Response

No customers have switched their firm demand component back to interruptible sales, as explained below.

As contained in the Company's tariffs (Schedule Nos 85, 86 and 87), unauthorized use of gas may be treated in two different ways:

- A. The Company may penalize the customer, or
- B. The Company may attribute the unauthorized use as "firm" demand, change the customer's contracted maximum daily use of firm gas, and charge the customer for the usage at the firm rate. (Please see attached tariff.)

Exhibit 370 lists the amount of times the Company used Option A (billed the customer for a penalty), or Option B (revised the customer's firm portion of its interruptible sales for unauthorized use) during the Arctic Express (February, 1989). Once a customer's usage is revised to incorporate a new firm portion of its interruptible sales, the customer can not switch this component back to interruptible sales; nor has the Company made any adjustments.

To clarify this matter further, it should be noted that the Company did switch some of its customers completely out of interruptible sales service because they did not have properly functioning backup systems (which used oil). 67 customers were switched by the Company from interruptible sales to firm gas sales during the period April 1, 1989 to August 31, 1989. Of these 67 customers, 16 customers later returned as interruptible customers because they now met all conditions for an interruptible sales customer (proper functioning backup oil facilities), and they wanted the cost savings associated with interruptible gas sales.

Response Prepared By:
John Thayer 224-2297
Ritchie Campbell 521-5224



SCHEDULE NO. 87 (Continued)
Non-Exclusive Interruptible Gas Service (Optional)

PAYMENT OF BILLS:

Bills are issued net, are due and payable when rendered and become past due after fifteen (15) days from date of bill.

PURCHASED GAS ADJUSTMENT CLAUSE:

This schedule is based upon the contract prices of natural gas to the Company. In the event the cost of gas to the Company is increased the interruptible commodity portion of this schedule may be subject to compensating increase.

UNAUTHORIZED USE OF GAS:

If Buyer fails to comply with the Company's request to curtail or interrupt his use of gas in accordance with the conditions set forth in the APPLICABILITY AND CHARACTER OF SERVICE section of this schedule, then

A. Gas used in excess of such curtailment shall be billed at the applicable commodity rate and, in addition, the Buyer shall pay his pro rata share of any penalties imposed upon the Company by its supplier(s) on the day(s) of violation or at the penalty rate of two dollars (\$2.00) per therm, whichever is greater. This provision is exclusive of and in addition to the Company's right to enforce compliance with its curtailment or interruption request by suspending all gas service to the Buyer; or

B. The Company may consider gas used in excess of the sum of the authorized interruptible gas and the daily contracted volume of firm use gas, during the Company's requested curtailment, as firm use gas and charge Buyer for such gas at the firm use gas rate. The said excess shall be added to the contracted maximum daily use of firm use gas, the total becoming the revised maximum daily delivery of firm use gas for not less than 12 months.

GENERAL RULES AND REGULATIONS:

Service under this schedule is subject to such Company general rules and regulations as may be on file with the Washington Utilities and Transportation Commission and to those prescribed by the Washington Utilities and Transportation Commission and as same may from time to time hereafter be legally amended or superseded.

Continued on Sheet 5