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August 23, 1996

STATE OF WASH.
UTIL. AND TRANSP.
COMMISSION

Advice No. 884-F552

Mr. Steve McLellan, Secretary
Washington Utilities and Transportation Commission
P.O. Box 47250
Olympia, Washington 98504-7250

Dear Mr. McLellan:

In compliance with the Fourth Supplemental Order in Docket No. UG-920840, Washington Natural Gas Company files with this letter three copies of the following proposed revisions to its WN U-2 tariff:

14th Revision Sheet No. 171, Cancelling 13th Revision Sheet No. 171
First Revision Sheet No. 171-A, Cancelling Original Sheet No. 171-A

In Docket No. UG-920840, the Commission approved annual increases to certain residential water heater rental rates. The next approved increases are to become effective October 1, 1996. The amounts of the annual increases are stated on tariff Sheet No. 171-A: \$0.60 for standard model water heaters, \$1.00 for conservation model water heaters, \$1.25 for direct vent water heaters, and \$1.10 for high recovery model water heaters.

The 14th Revision Sheet No. 171 incorporates these increases into the rates stated in the tariff. The filing also eliminates October 1, 1996, from the list of dates on which increases will occur. The final increase approved in Docket UG-920840 will occur next year on October 1, 1997.

Enclosed with this filing is a copy of the notice to the public being provided today to all locations where Washington Natural Gas Company customers may pay their bills. A bill insert, similar to that developed in concert with the Commission Staff at the time of the prior increases, is also enclosed. The bill insert is being sent to all affected customers beginning August 26, 1996.

Yours very truly,

Ronald J. Amen
Director, Rates and Tariffs

Enclosures

WASHINGTON NATURAL GAS COMPANY
SCHEDULE NO. 71
Residential Water Heater Rental Service

Section 1: Availability; Closed to Some New Accounts

1. Throughout territory served, at the option of the company, for residential use in single- or multiple-dwelling units where the customer qualifies for and has entered into an agreement with the company for the rental of water heater(s) owned and maintained by the company.
2. Rental service is restricted for all models of water heaters with energy factors less than .60 as indicated in Section 3 below.

Section 2: General Rules and Regulations

Service under this schedule is subject to the rules and regulations contained in company's tariff.

Section 3: Rates

1. Monthly rental charge for water heaters of not over fifty-five gallon storage capacity or 60,000 Btu input:

a. Standard Models	\$4.40*	(I)
b. Conservation Models	\$7.00**	(I)
c. Direct Vent Models	\$10.15**	(I)
d. High Recovery Models	\$9.10**	(I)
e. High Efficiency Standard (Energy Factor \geq .60) ¹	\$4.00	
f. High Efficiency Direct Vent (Energy Factor \geq .60) ¹	\$6.95	

¹ As listed in the current Gas Appliance Manufacturers Association publication, "Consumers' Directory of Certified Energy Ratings."

* Limited to those existing installations where tank is owned and maintained by the company and was being served under this schedule as of May 21, 1986.

** Limited to those existing installations where tank is owned and maintained by the company and was being served under this schedule as of October 9, 1993.

(Continued on Sheet No. 171-A)

ADVICE NO: 884-F552

Issued: August 23, 1996

Effective: With all service on and after October 1, 1996

By Authority of the Washington Utilities and Transportation Commission in Docket No. UG-920840.

Issued By: Washington Natural Gas Company, Seattle, Washington

By: Ronald J. Amen Ronald J. Amen Title: Director, Rates & Special Studies

WN U-2

First Revision Sheet No. 171-A
Cancelling
Original Sheet No. 171-A

WASHINGTON NATURAL GAS COMPANY
SCHEDULE NO. 71 (Continued)
Residential Water Heater Rental Service

2. The rates for the following models shall be increased on October 1, 1997, by the following amounts: (D)
- | | |
|-------------------------|-----------------------|
| a. Standard Models | an increase of \$0.60 |
| b. Conservation Models | an increase of \$1.00 |
| c. Direct Vent Models | an increase of \$1.25 |
| d. High Recovery Models | an increase of \$1.10 |
3. The rates named herein are subject to subsequent tariff revisions and to additions as set forth in Schedule No. 1.

Section 4: Payment

The rental charge shall be billed as such and payable monthly in accordance with the company's regular billing schedule for gas service.

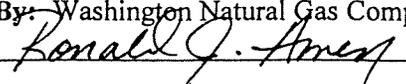
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