

BALL, JANIK & NOVACK
ATTORNEYS AT LAW
ONE MAIN PLACE
101 S.W. MAIN STREET, SUITE 1100
PORTLAND, OREGON 97204-3274
TELEPHONE (503) 228-2525
TELECOPY (503) 295-1058

101 PENNSYLVANIA AVE. N.W., SUITE 1035
WASHINGTON, D.C. 20004
TELEPHONE (202) 638-3307
TELECOPY (202) 783-6947

EDWARD A. FINKLEA

August 9, 1994

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

RECEIVED
RECORDS MANAGEMENT
94 AUG -9 PM 3:09
STATE OF WASH.
UTIL. AND TRANSP.
COMMISSION

Re: WUTC v. Washington Natural Gas Corporation, Docket No. UG-940814, Reply of Associated Gas Services, Inc. and Inland Pacific Energy Services, Corp. to Answer of Washington Natural Gas Opposing Interventions

Dear Mr. McLellan:

Enclosed for filing please find the original and nineteen copies of the Reply of Associated Gas Services, Inc. and Inland Pacific Energy Services, Corp. to Answer of Washington Natural Gas Opposing Interventions in the above referenced proceeding. One additional copy of the pleading is enclosed to be file-stamped and returned for our records.

Thank you for your assistance with this matter. If you have any questions regarding this filing, please call me.

Very truly yours,

Edward A. Finklea

Edward A. Finklea
Counsel for Associated Gas
Services, Inc. and Inland Pacific
Energy Services, Corp.

Enclosures

cc w/enc.: Administrative Law Judge Lisa Anderl (via hand
delivery)
All Parties of Record
Gary Stauffer
Steve Lavigne

BEFORE THE
WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION,)	DOCKET NO. UG-940814
Complainant,)	
vs.)	
WASHINGTON NATURAL GAS COMPANY,)	REPLY OF ASSOCIATED GAS SERVICES, INC. AND INLAND PACIFIC ENERGY SERVICES, CORP. TO ANSWER OF
Respondent.)	WASHINGTON NATURAL GAS OPPOSING INTERVENTIONS

Associated Gas Services, Inc. (Associated Gas) and Inland Pacific Energy Services Corporation (Inland Pacific) filed Petitions to Intervene in the above-captioned proceeding. On August 5, 1994 Washington Natural Gas Company (WNG), respondent in the proceeding, filed an answer, opposing the interventions of Associated Gas and Inland Pacific. Through this pleading, Associated Gas and Inland Pacific respond to the assertions made by WNG opposing their interventions.

This proceeding was initiated by the Washington Utilities and Transportation Commission (Commission) as a forum to explore all issues surrounding the provision of transportation service by WNG, including "balancing, minimum bills, interruptibility, and pricing ..." Fourth Supplemental Order, WUTC v. WNG, Docket No. UG-920840, (September 29, 1993). WNG's filing has now initiated the proceeding, but the inquiry was begun by the Commission. Given the long history of the debate it can be expected that the Commission wants to explore the full range of alternatives to WNG's proposal. The participation of Associated Gas and Inland

RECEIVED
RECORDS MANAGEMENT
STANDARD
6 PM 309

Pacific will facilitate the full development of the record in this important policy proceeding.

WNG asserts that the "administrative process will be burdened and the public interest will not be served" by the companies being parties in this case. WNG makes the flippant remark that these companies bring "nothing new to the table." Answer to Intervention at 5. WNG's assertions are incorrect.

Associated Gas and Inland Pacific are gas marketers who bring a wealth of knowledge of the workings of gas transportation to this proceeding. In their roles as marketers serving customers of WNG, these companies handle nominating and balancing for some of WNG's transportation customers. Their knowledge of the day to day workings of transportation will be invaluable to the Commission as it sorts out what tariff provisions should govern transportation.

Rather than burdening the administrative process, Associated Gas's and Inland Pacific's participation as parties will improve the Commission's decision making process by injecting extremely valuable perspectives. These marketers deal everyday with the nominating, balancing and other rules governing transportation imposed by WNG and the interstate pipeline, Northwest Pipeline Corporation. The companies seek to participate in this proceeding largely to have an opportunity to provide their valuable experience and insights. As the Commission debates WNG's proposed tariff provisions and the proposals that are likely to surface from other parties, these companies' expertise

will provide important new information for the Commission to consider.

The fact that the two companies have chosen to align their interests, through counsel, with those of the Northwest Industrial Gas Users (NWIGU) rebuts any contention that their participation will unnecessarily broaden the issues in this case. Their participation will be in concert with that of NWIGU. The insight and information they can provide, however, argues for their participation as parties in addition to NWIGU. The participation of NWIGU is not a substitute for Associated Gas and Inland Pacific being parties to the case. Those two companies' insights and expertise could be lost if they are arbitrarily excluded from the proceeding simply because they are marketers rather than customers of WNG.

WNG further speculates that Associated Gas and Inland Pacific could "... only be interested in this proceeding as competitors of the Company." Answer to Petitions at 2. WNG seriously distorts the facts. Associated Gas and Inland Pacific do not "compete" with WNG.

First, it should be noted that WNG's parent company sold its unregulated marketing company earlier in the year. Thus, no entity affiliated with WNG competes directly with Associated Gas or Inland Pacific.

Second, Associated Gas and Inland Pacific do not compete with the utility, they simply providing services to those customers of WNG that have chosen to transport gas rather than

purchase sales service.¹ The mere fact that transportation service competes with sales service does not disqualify entities involved in providing transportation service from participating in a proceeding. To the contrary, the fact that the rates, terms, and conditions of transportation are being debated and decided in this proceeding means that Associated Gas and Inland Pacific have a substantial interest in the outcome of this case. Since these companies' economic interests could be affected by the outcome of the case, they meet the standards for intervention under WAC 480-09-430. The fact that WNG asserts that entities that provide services to transporters "compete" with WNG calls into question WNG's reasons for trying to exclude these companies from participating in this forum.

Finally, WNG raises concerns about whether confidentiality will be prejudiced if Associated Gas and Inland Pacific are granted party status in this case. Counsel is authorized to state that Associated Gas and Inland Pacific are willing to enter into a confidentiality agreement that provide that **only counsel and outside consultants** will be provided with copies of documents designated as confidential by WNG. Under this arrangement, no confidential documents will be provided to employees of Associated Gas or Inland Pacific. These companies have no desire to obtain information that could even arguably give them an

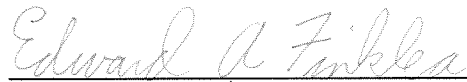
¹WNG remarks that the "clients" of these marketers are unnamed. At the appropriate time, subject to appropriate claims of confidentiality, Associated Gas and Inland Pacific would be happy to provide a "client" list.

unfair competitive advantage as a result of their participation in this proceeding.

WNG has failed to articulate a single legitimate reason why Associated Gas and Inland Pacific should be denied party status in this unique and important proceeding. Granting their petitions to intervene does not mean that in all proceedings, for all time, all gas marketers will have a right to be parties in all WNG proceedings.

Recognizing the unique nature of this case, and the broad policy questions the Commission seeks to address through this proceeding, Associated Gas and Inland Pacific should be parties in this case. They have a substantial interest in the outcome and their participation will be in the public interest. Their petitions to intervene should be granted.

DATED this 9th day of August, 1994.



Edward A. Finklea
Ball, Janik & Novack
101 SW Main, Suite 1100
Portland, OR 97204
(503) 228-2525
Counsel for Associated Gas
Services, Inc. and Inland Pacific
Energy Services, Corp.

CERTIFICATE OF SERVICE

I hereby certify that I have this day served the foregoing document upon all parties of record in this proceeding by placing a true copy of the document properly addressed to each party in the United States mail first class postage prepaid.

Dated at Portland, Oregon, this 9th day of August, 1994.


Edward A. Finklea