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David S. Johnson
Attorney

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August 5, 1994

STATE OF WASH.
PUBLIC UTILITIES AND TRANSP.
COMMISSION

VIA COURIER

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

Re: Docket No. UG-940814

Dear Mr. McLellan:

Enclosed please find an original and nineteen copies of the Company's Answer to Petitions for Intervention in the above docket. Please accept the same for filing.

Also enclosed are an original and nineteen copies of the Company's Response to Motion to Eliminate Multiple Hearings and Establish Procedural Schedule. Please accept these additional documents for filing.

Very truly yours,

David S. Johnson

cc w/enc.: Counsel of Record
Ronald Amen

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STATE OF WASH.
UTIL. AND TRANSP.
COMMISSION

BEFORE THE
WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

WASHINGTON UTILITIES AND
TRANSPORTATION COMMISSION,

Complainant,

vs.

WASHINGTON NATURAL GAS COMPANY,

Respondent.

DOCKET NO. UG-940814

ANSWER TO PETITIONS
FOR INTERVENTION

Respondent Washington Natural Gas Company ("the Company") does not oppose the petitions for intervention filed by Seattle Steam Company, the Partnership for Equitable Rates for Commercial Customers ("PERCC"), and the Northwest Industrial Gas Users ("NWIGU"). These customer groups will be directly affected by the resolution of this proceeding. They should all be permitted to intervene.

However, the Company strongly opposes the petitions for intervention filed by Associated Gas Services, Inc. ("Associated Gas") and Inland Pacific Energy Services Corporation ("IPE"), on the basis that neither company possesses the substantial and individual interest required to justify party status. The administrative

ANSWER TO PETITIONS FOR
INTERVENTION - 1

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1 process will be burdened and the public interest will not be served,
2 if Associated Gas and IPE are permitted to intervene in this matter.
3 The Company will also be harmed if intervention is allowed.

4
5 WAC 480-09-430 sets forth the Commission's rule on
6 interventions in adjudicative proceedings. As provided in Section
7 (3) of the regulation:

8
9 If the petition discloses a substantial interest in the
10 subject matter of the hearings, or if the participation of
11 the petitioner is in the public interest, the Commission
12 may grant the petition orally, at the hearing or
13 prehearing conference or in writing...Whenever it appears,
14 during the course of a proceeding, that an intervenor has
15 no substantial interest in the proceeding, and that the
16 public interest will not be served by the intervention
17 therein, the Commission may dismiss the intervenor from
18 the proceeding.

19 Neither Associated Gas nor IPE satisfies the requirements for
20 intervention. Unlike Seattle Steam, PERCC, and NWIGU, Associated
21 Gas and IPE do not take (nor have they ever taken) sales or
22 transportation service from the Company. The petitions only state
23 (at Paragraphs 3 and 5) that unnamed "clients" of Associated Gas and
24 IPE take service from the Company. Since Associated Gas and IPE
25 lack privity with the Company and are not trade associations which
26 represent a customer or customer group, they could only be
27 interested in this proceeding as competitors of the Company.
28 Besides giving rise to concerns on confidentiality and competitive
advantage, as discussed later in this Response, the interest which
Associated Gas and IPE possess in this proceeding is not substantial

ANSWER TO PETITIONS FOR
INTERVENTION - 2

1 for purposes of WAC 480-09-430. The test for party status has not
2 been satisfied.

3
4 According to the petitions, Associated Gas and IPE are
5 marketing organizations which also sell natural gas to end users in
6 several states. However, the Company is aware of other businesses
7 which provide the same or similar services. Should each of them be
8 entitled to party status? We do not believe so. The public
9 interest would not be served if every gas marketer, broker, and
10 industry player were permitted to intervene in a proceeding which
11 simply seeks to establish cost-based rate schedules for the Company.
12 If this occurred, it would be difficult if not impossible to
13 administer this proceeding towards an efficient and timely
14 resolution. A precedent would also be set, because Associated Gas,
15 IPE, and others would likely claim permanent standing to intervene
16 in future proceedings involving the Company and other gas utilities.
17 The two petitions should be denied to avoid a substantial burden
18 upon the Commission and the administrative process, now and in the
19 future.


20
21 The Company has other concerns which relate to the potential
22 release of confidential information. At the prehearing conference,
23 we will ask the Commission to issue its standard protective order in
24 this matter, which limits the release of confidential data to
25 persons who sign confidentiality agreements. This procedure
26 prevents the release of confidential information outside the
27

28 ANSWER TO PETITIONS FOR
INTERVENTION - 3

1 As the Commission is aware, this proceeding follows earlier
2 proceedings which have dealt with cost of service and transportation
3 issues. The administrative process has survived quite well without
4 the participation of Associated Gas and IPE. They do not bring
5 anything new to the table. Considering their lack of a substantial
6 interest, and further considering the problems and burdens that
7 intervention will present, there is ample reason for denying the two
8 petitions.

9
10 DATED: August 5, 1994.

11 WASHINGTON NATURAL GAS COMPANY

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David S. Johnson
15 Attorney

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28 ANSWER TO PETITIONS FOR
INTERVENTION - 5

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1 regulatory process, to those who might use the information for a
2 competitive advantage.

3
4 However, if Associated Gas and IPE become parties, they will
5 undoubtedly sign confidentiality agreements and issue data requests
6 which request gas supply and contract data. Paragraph 7 in each
7 petition even states that the intervenor "reserves the right to
8 propound data requests [and] review responses to data requests."
9 This situation, however, is untenable. The companies sell gas to
10 the Company's end users, and are therefore direct competitors of the
11 Company with respect to gas sales service. The Company will be
12 prejudiced and the purpose of a confidentiality agreement will be
13 thwarted, if the Company's competitors use the guise of regulatory
14 participation to obtain a competitive advantage in the gas supply
15 marketplace.

16
17 Finally, both companies claim that "no other party purports to
18 represent [their] interests". That claim is incorrect on its face.
19 Both Associated Gas and IPE retained the same attorneys who
20 represent NWIGU (which has historically been permitted to intervene
21 in Company rate proceedings). Unless counsel performs the adept
22 trick of articulating one position on transportation rates for one
23 client, and an entirely different position for another client, we
24 can assume that all three entities have synonymous interests. NWIGU
25 will present those interests regardless of the participation by
26 Associated Gas or IPE.

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UTIL. AND TRANSP.
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BEFORE THE
WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

WASHINGTON UTILITIES AND)
TRANSPORTATION COMMISSION,)
Complainant,)
vs.)
WASHINGTON NATURAL GAS COMPANY,)
Respondent.)

DOCKET NO. UG-940814

RESPONSE TO MOTION TO
ELIMINATE MULTIPLE HEARINGS
AND ESTABLISH PROCEDURAL
SCHEDULE

Respondent Washington Natural Gas Company ("the Company") supports the Motion to Eliminate Multiple Hearings and Establish Procedural Schedule which has been filed by Northwest Industrial Gas Users ("NWIGU").¹ As the motion argues, there is good reason to streamline the procedural process. The Company supports efforts to expedite and facilitate adjudicative proceedings, and which contribute to a more constructive dialogue before the Commission.

There are two parts of the motion which deserve specific comment. On the subject of the hearing schedule, the Company is

¹By this response, the Company does not waive its argument (in separate papers) that the Commission should deny intervention to Associated Gas Services, Inc. and Inland Pacific Energy Services Corporation, who are also named in NWIGU's motion.

1 aware that three hearings are typically scheduled in rate
2 proceedings: one for examination of the Company's direct case, one
3 for examination of the direct cases of other parties, and one for
4 examination of the Company's rebuttal case. The Commission may
5 decide that a single hearing will suffice in this proceeding. If,
6 however, the Commission prefers the two-hearing alternative which
7 NWIGU has proposed, the Company is amenable to a process which
8 combines (in a second hearing) the examination of other direct cases
9 with examination of the Company's rebuttal. This format was
10 established in the Company's recent general rate case (Docket No.
11 UG-931405) and would have occurred had that case not settled.

12
13 NWIGU also asks the Commission to schedule periodic
14 settlement/issues conferences. It is difficult, of course, to
15 predict in advance the outcome of those conferences. They may or
16 may not result in a consensus among the parties, either globally or
17 on a particular issue. But that should not stop the parties from
18 attempting to reach consensus. The Company is aware of the
19 Commission's stated interest in ADR techniques, and believes that
20 one or more settlement/issues conferences in this proceeding would
21 be wholly consistent with ADR. Such a conference would also build
22 upon the collaborative forum which the Company had initiated
23 earlier, involving the same parties who will likely participate in
24 this proceeding.

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28 RESPONSE TO MOTION TO ELIMINATE
MULTIPLE HEARINGS AND ESTABLISH
PROCEDURAL SCHEDULE - 2

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DATED: August 5, 1994.

WASHINGTON NATURAL GAS COMPANY



David S. Johnson
Attorney

RESPONSE TO MOTION TO ELIMINATE
MULTIPLE HEARINGS AND ESTABLISH
PROCEDURAL SCHEDULE - 3

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BEFORE THE
WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

WASHINGTON UTILITIES AND)
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Complainant,)
vs.)
WASHINGTON NATURAL GAS COMPANY,)
Respondent.)


DOCKET NO. UG-940814

CERTIFICATE OF SERVICE

CERTIFICATE OF SERVICE

I hereby certify that I have this day served the Answer to
Petitions to Intervene and the Response to Motion to Eliminate
Multiple Hearings and Establish Procedural Schedule upon all parties
of record in this proceeding by placing a true copy of each document
properly addressed to each party via United States mail, postage
prepaid.

Dated at Seattle, Washington this 5th day of August, 1994.



David S. Johnson