

CHAD M. STOKES

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December 15, 2014

Mr. Steven V. King Executive Director & Secretary Washington Utilities & Transportation Commission 1300 S Evergreen Park Drive, SW Olympia, WA 98504-7250

Re: Docket No. UG-143616

Comments of Northwest Industrial Gas Users on Investigation of Natural Gas

Distribution Infrastructure Expansion

Dear Mr. King:

These comments are being submitted on behalf of the Northwest Industrial Gas Users ("NWIGU"). NWIGU appreciates the opportunity to provide comments on potential future efforts by the Washington Utilities & Transportation Commission ("Commission" or "WUTC") to expand the natural gas infrastructure to under-served areas.

NWIGU does not have specific comments on each of the strategies identified in the Notice of Opportunity to Provide Written Comments. Regardless of the specific strategy the Commission might pursue to expand the natural gas distribution system, NWIGU encourages the Commission to adhere to well-established ratemaking principles like cost-causation. Existing ratepayers have paid the full cost of being connected to their local distribution system. Those customers should not be expected to now pay additional costs for their own service in order to extend service to new customers. In other words, the WUTC should make clear in any decision that existing ratepayers should not subsidize new investments that will benefit only the local distribution company's investors and its new customers. NWIGU is supportive of finding effective ways for local distribution companies to incentivize new customers. For example, utilities could use longer time horizons for collecting infrastructure costs. Such incentives would ensure the utility is made whole, and could be tailored to fit each utility's needs depending on the market to be served.

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Although NWIGU does not support or oppose any specific strategy at this time, it will continue to remain involved to assist the Commission with its consideration of any specific proposal in the future.

Very truly yours,

Chad M Stokes

CMS/sk Enclosure