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VIA ELECTRONIC FILING

Dave Danner, Secretary and Executive Director
WASHINGTON UTILITIES &
TRANSPORTATION COMMISSION
1300 S Evergreen Park Drive, SW
Post Office Box 47250
Olympia, Washington 98504-7250

Re: Docket UG-120715
NW Natural Comments on Statement of Commission Policy
Commission Investigation into the Need to Enhance the Safety of Natural Gas
Distribution Systems

Northwest Natural Gas Company, dba NW Natural (NW Natural or Company), submits the following comments in response to the Washington Utilities and Transportation Commission's ("Commission") request for written comments on its draft Statement of Commission Policy in the above-referenced docket.

NW Natural supports the policy as the Commission has drafted, and supports the cost recovery mechanism (CRM) described in the policy statement.

NW Natural has no objections to the submission of a pipe replacement plan ("Plan") as addressed in the draft policy, and the timing of the initial Plan filing and the proposed 2-year Plan filing cycle seem reasonable. NW Natural suggests that the Commission consider differentiating the required components of a Plan where the Plan does not identify any significant pipe replacement activity and/or where the Plan is not accompanied with a CRM request. NW Natural's concern is that the robust analysis requirements may go beyond what is necessary or reasonable in such instances. NW Natural believes that if a utility does not identify any significant pipe replacement activity and is not requesting a CRM, the normal reporting as required by TIMP and DIMP would be adequate.

Referring to paragraph 37, in order to avoid confusion, NW Natural suggests that the Commission rephrase the first sentence in this paragraph to eliminate reference to a "cost of service study" as that is something different than the cost of service envisioned under the draft CRM. A more appropriate phrase might be "cost of service calculation." NW Natural does not object to the proposed timing for the filing of rates associated with the CRM.

Finally, with regard to paragraph 38, NW Natural encourages the Commission to allow each utility to propose in any CRM filing their proposed bill presentation approach for any CRM adjustments. Based on earlier comments in this docket it would seem that each utility has varied preferences around this issue. In NW Natural's experience, separating this type of rate adjustment into a line item on the bill may confuse customers and generate unnecessary increases in Call Center activity. While a separate line item may provide transparency, NW Natural's experience is that the confusion may outweigh the benefits of the transparency.

NW Natural appreciates the opportunity to provide comments on the Commission's draft policy statement.

Please address correspondence on this matter to me with copies to the following:

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Sincerely,

NW NATURAL

/s/ Mark R. Thompson

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