

NORTHWEST INDUSTRIAL GAS USERS

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December 19, 2008

VIA ELECTRONIC FILING to: jean.jewell@puc.idaho.gov

Ms. Jean D. Jewell
Commission Secretary
Idaho Public Utilities Commission
472 W. Washington
Boise, ID 83702-5983

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IDAHO PUBLIC
UTILITIES COMMISSION

RE: Matter of the Commission's Inquiry about Energy Affordability Issues and Workshops, Comments of the Northwest Industrial Gas Users

Dear Ms. Jewell:

In response to the Idaho Public Utilities Commission's September 29, 2008 Notice of Public Workshops and Notice of Scheduling in Order No. 30644, and as modified by Order 30685, in the above-captioned proceeding, the Northwest Industrial Gas Users ("NWIGU") respectfully submits its comments for the Commission's consideration.

NWIGU is a non-profit trade association comprised of thirty-eight end-users of natural gas with major facilities in the States of Oregon, Washington, and Idaho. NWIGU members include diverse industrial interests, including food processing, pulp and paper, wood products, aluminum, steel, chemicals, electronics, and aerospace. The association provides an informational service to its members and participates in various regulatory matters that affect member interests. NWIGU member companies purchase transportation services from Northwest Pipeline GP, and from TransCanada's Gas Transmission Northwest Corporation ("GTN") either directly or through capacity release from marketers, and purchase sales and transportation services from regional local distribution companies, including Intermountain Gas Company ("Intermountain"), that acquire service from these interstate pipelines.

NWIGU appreciates this opportunity to provide comments in this proceeding and requests that communications in reference to these comments are addressed to:

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In this proceeding, the IPUC has provided a forum for the exploration of issues related to the affordability of energy for consumers, including bill mitigation payment plans, bill payment assistance, bill reduction (including conservation and weatherization), reduction of consumer costs, barriers to service (e.g., deposits), and case management. The Commission's express objective is to identify new programs, policies and/or legislation, procedures, and/or resources that could be implemented to address energy affordability. As a follow up to workshops held by the Commission in October, Staff has now released its Comments outlining its recommendations to the Commission to which NWIGU wishes to respond.

In its comments, the Staff identified five ways to provide new and additional funds for bill payment assistance to low-income consumers: 1) create utility programs designed to help low-income customers pay energy bills funded by all utility customers through rates (a low income rate assistance program or "LIRAP"); 2) increase voluntary contributions to non-profit fuel funds; 3) increase federal funding for the Low-Income Home Energy Assistance Program ("LIHEAP"); 4) increase LIHEAP funding received by Idaho through leveraging; and, 5) create a program funded by Idaho state tax revenue to provide financial assistance to low-income households.

NWIGU applauds the Commission and its Staff for examining ways to improve energy affordability. In particular, industrial customers support and partner with the utilities to make voluntary contributions to non-profit fuel funds and to assist the utilities in raising community awareness of these programs to assist those in need in our communities with support for their winter heating bills. NWIGU urges the utilities to also contribute to these voluntary programs with the utilities' shareholder dollars as well. NWIGU also believes that the Commission can play an important role itself in raising additional public awareness of voluntary contribution programs.

NWIGU agrees with Staff's recommendation that the Commission review increased federal funding for LIHEAP in conjunction with Idaho's Congressional delegation and that the leveraging of LIHEAP funding in Idaho should be pursued. Industrial customers do not, however, support Staff's recommendation that a LIRAP program be instituted in Idaho by the Commission's advocacy for legislation to surcharge other customers for the benefit of low income customers with bill assistance. NWIGU members support voluntary contributions to non-profit fuel funds, but do not support legislation that would provide for cross subsidies in other customers' rates to support low income consumers through this Commission. NWIGU

members believe that a social program to provide financial assistance to low-income households should be considered by the legislature only in the context of funding by Idaho state tax revenue, just like LIHEAP at the federal level, and should not be accomplished by charges on other customer bills through this Commission.

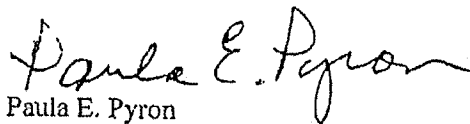
NWIGU also supports cost-effective conservation programs for a gas utility's sales customers as the sales customers collectively benefit from the utility's conservation efforts through reduced commodity purchases that the utility makes on their behalf. NWIGU agrees with Staff's recommendation that the consideration of low-income weatherization efforts as part of a utility's cost-effective conservation program for its sales customers should be considered in future rate cases.

In addition to those issues identified by the workshops and Staff in this docket, NWIGU also urges the Commission to focus on its role in promoting energy affordability by supporting natural gas resource development and infrastructure access for Idaho consumers at reasonable costs. While NWIGU realizes that the focus of this proceeding is on low-income residential consumers, NWIGU would urge the Commission to take a supportive role in proceedings before the Federal Energy Regulatory Commission and other forums by providing visible support to natural gas resource development and infrastructure proposals that benefit Idaho (e.g., by intervening in support of pipeline proposals that benefit Idaho natural gas customers) or by intervening in the next round of expected natural gas pipeline rate cases that will impact Idaho consumers to help keep charges reasonable that are passed through to all Idaho consumers in their utility bills. A more active role by the Commission in these proceedings would benefit all energy consumers, whether residential or industrial.

If additional issues are brought forward in this docket, NWIGU respectfully reserves the right to make additional comments.

With the hard copy original of this filing, NWIGU is submitting an original and seven copies of the Northwest Industrial Gas Users' Comments for filing in the above-referenced case. If you have any questions, please call me at 503.636-2580. Thank you for your assistance with this matter.

Very truly yours,



Paula E. Pyron
Executive Director
Northwest Industrial Gas Users

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