

CABLE HUSTON BENEDICT HAAGENSEN & LLOYD LLP

**ATTORNEYS AT LAW
SUITE 2000
1001 SW FIFTH AVENUE
PORTLAND, OREGON 97204-1136**

**TELEPHONE (503) 224-3092
FACSIMILE (503) 224-3176**

EDWARD A. FINKLEA

EFINKLEA@CHBH.COM
www.cablehuston.com

January 10, 2007

**VIA ELECTRONIC FILING
& FIRST CLASS MAIL**

Oregon Public Utility Commission
550 Capitol St. NE, #215
PO Box 2148
Salem, OR 97308-2148
Attn: Filing Center

Re: UM 1286 – In the Matter of the Public Utility Commission of Oregon
Investigation into the Purchased Gas Adjustment (PGA) mechanism used by
Oregon' three local distribution companies.

Dear Filing Center:

Enclosed for filing are the original and one copy of the Northwest Industrial Gas Users' Petition to Intervene and Notice of Intent to Request an Issue Fund Grant in the above-captioned proceeding.

Thank you for your assistance in this matter. Should you have any questions regarding this matter, please feel free to contact me. Thank you.

Very truly yours,



Edward A. Finklea

EAF/tr

Enclosure

cc: UM-1286 Service List

**BEFORE THE PUBLIC UTILITY COMMISSION
OF OREGON**

UM 1286

In the Matter of)	
)	
THE PUBLIC UTILITY COMMISSION OF OREGON)	THE NORTHWEST INDUSTRIAL GAS USERS' PETITION TO INTERVENE
Investigation into the Purchased Gas Adjustment (PGA) mechanism used by Oregon's three local distribution companies.)	

Pursuant to ORS § 756.525 and OAR § 860-012-0001, the Northwest Industrial Gas Users ("NWIGU") hereby submit this Petition to Intervene in the above-captioned proceeding and seek party status as provided in OAR § 860-011-0035(7). In support of this Petition, NWIGU states as follows:

1. The name and address of NWIGU as a party of record in this proceeding is:

Paula E. Pyron
Executive Director
Northwest Industrial Gas Users
4113 Wolf Berry Court
Lake Oswego, OR 97035-1827
Telephone: (503) 636-2580
Facsimile: (503) 636-0703
E-Mail: ppyron@nwigu.org

Edward A. Finklea and Chad M. Stokes will represent NWIGU in this proceeding. All documents related to this proceeding should be served on NWIGU's attorneys at the following address:

Edward A. Finklea
Chad M. Stokes
Cable Huston Benedict Haagensen & Lloyd LLP
1001 SW Fifth Ave., Suite 2000
Portland, OR 97204-1136
Telephone: (503) 224-3092
Facsimile: (503) 224-3176
E-Mail: efinklea@chbh.com
cstokes@chbh.com

2. NWIGU is a non-profit association comprised of thirty-two 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, electric generation, 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 Williams Gas Pipeline – West, also known as Northwest Pipeline Corporation and Gas Transmission Northwest Corporation, and purchase sales and transportation services from local distribution companies (“LDCs”) that acquire service from the interstate pipelines. NWIGU member companies acquire natural gas sales and transportation services from Oregon’s gas distribution companies.

3. At the November 14, 2006, Public Meeting, Staff recommended that the Oregon Public Utility Commission (“Commission”) open an investigation into the Purchased Gas Adjustment (PGA) mechanism used by Oregon’s three local distribution companies. As Staff correctly indicates, the PGA mechanism was created for a stable, lower priced and more

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predicable natural gas market. Currently, such a market does not exist. Accordingly, Staff proposes to review the PGA mechanism and consider ways to redesign it to account for today's dynamic natural gas market. As a result of Staff's recommendation, the Commission initiated this proceeding.

4. As customers of Oregon's gas utilities, NWIGU member companies are impacted by the PGA mechanism and any proposed PGA redesign. Accordingly, NWIGU member companies have a direct and substantial interest in this proceeding. No other party can adequately represent NWIGU member companies' interest and NWIGU will be affected by any Commission determination made in this proceeding.

5. NWIGU's participation in this proceeding will assist the Commission in resolving the issues, and will not unreasonably broaden the issues, unduly burden the record, or delay the proceeding.

WHEREFORE, NWIGU respectfully requests leave to intervene and requests all the rights of a party in this proceeding.

Dated: January 9, 2007

Respectfully submitted,



Edward A. Finklea, OSB # 84216
Chad M. Stokes, OSB # 00400
Cable Huston Benedict Haagenesen & Lloyd LLP
1001 SW Fifth Ave., Suite 2000
Portland, OR 97204-1136
Telephone: (503) 224-3092
Facsimile: (503) 224-3176
E-Mail: efinklea@chbh.com
cstokes@chbh.com


Of Attorneys for the
Northwest Industrial Gas Users

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that I caused to be served the foregoing **NORTHWEST INDUSTRIAL GAS USERS' PETITION TO INTERVENE** via electronic mail and/or prepaid First Class Mail on all Pre-certified Intervenor and on the attached Service List obtained on January 10, 2007 from the Oregon Public Utility Commission's Website as follows:

LOWREY R BROWN Citizens Utility Board of Oregon 610 SW BROADWAY - STE 308 PORTLAND OR 97205 lowrey@oregoncub.org	JASON EISDORFER Citizens Utility Board of Oregon 610 SW BROADWAY STE 308 PORTLAND OR 97205 jason@oregoncub.org
BOB JENKS Citizens Utility Board of Oregon 610 SW BROADWAY - STE 308 PORTLAND OR 97205 bob@oregoncub.org	KEN ZIMMERMAN Public Utility Commission of Oregon 550 CAPITOL ST NE, STE 215 SALEM OR 97301 ken.zimmerman@state.or.us

DATED: This 10th day of January, 2007.



Edward A. Finklea, OSB # 84216
Chad M. Stokes, OSB #00400
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Portland, OR 97204-1136
Telephone: (503) 224-3092
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cstokes@chbh.com

Of Attorneys for the
Northwest Industrial Gas Users

**BEFORE THE PUBLIC UTILITY COMMISSION
OF OREGON**

UM 1286

In the Matter of)	
)	
THE PUBLIC UTILITY COMMISSION OF)	NORTHWEST INDUSTRIAL GAS
OREGON)	USERS' NOTICE OF INTENT TO
)	REQUEST AN ISSUE FUND
Investigation into the Purchased Gas)	GRANT
Adjustment (PGA) mechanism used by)	
Oregon's three local distribution companies.)	

The Northwest Industrial Gas Users ("NWIGU") file this Notice of Intent to Request an Issue Fund Grant in the above-captioned docket, UM 1286, pursuant to Section 6.2 of the Intervenor Funding Agreement ("IFA"). NWIGU submits this Notice of Intent to notify the Oregon Public Utility Commission ("OPUC" or Commission"), NW Natural, pre-certified organizations and intervenors in UM 1286 that NWIGU will request intervenor funding for this proceeding.

1. At the November 14, 2006, Public Meeting, Staff recommended that the Oregon Public Utility Commission ("Commission") open an investigation into the Purchased Gas Adjustment (PGA) mechanism used by Oregon's three local distribution companies. As Staff correctly indicates, the PGA mechanism was created for a stable, lower priced and more predictable natural gas market. Currently, such a market does not exist. Accordingly, Staff proposes to review the PGA mechanism and consider ways to redesign it to account for today's

dynamic natural gas market. As a result of Staff's recommendation, the Commission initiated this proceeding.

2. UM 1286 is an eligible proceeding under the IFA. The IFA defines an eligible proceeding as "any commission proceeding that directly affects one or more of the Participating Public Utilities." IFA Section 1(c). Docket No. UM 1286 will directly affect NW Natural as well as the other gas distribution companies in Oregon. NW Natural is a Participating Public Utility under Section 1(k) of the IFA. Therefore, an Issue Fund Grant may be made for this proceeding under Section 6.1 of the IFA.

3. NWIGU is pre-certified to receive an Issue Fund Grant under Article 5.2 of the IFA.

4. NWIGU identifies the NW Natural Fund Account as the account from which NWIGU intends to request an Issue Fund Grant.

5. NWIGU is filing this Notice of Intent along with its intervention as required by Section 6.2 of the IFA. In addition, this Notice of Intent is being served on NW Natural, all pre-certified organizations, and all parties identified on the service list for this Docket, UM 1286. NWIGU will submit a proposed budget at a later date.

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PAGE 2 -- NWIGU NOTICE OF INTENT TO REQUEST AN ISSUE FUND GRANT

Dated in Portland, Oregon, this 10th day of January, 2007.



Edward A. Finklea, OSB # 84216

Chad M. Stokes, OSB # 00400

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1001 SW 5th Avenue, Suite 2000

Portland, OR 97204

Telephone: (503) 224-3092

Facsimile: (503) 224-3176

E-Mail: efinklea@chbh.com

rlorenz@chbh.com

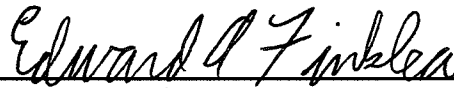
Of Attorneys for the
Northwest Industrial Gas Users

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that I caused to be served the foregoing **NORTHWEST INDUSTRIAL GAS USERS' NOTICE OF INTENT TO REQUEST AN ISSUE FUND GRANT** via electronic mail and/or prepaid First Class Mail on all Pre-certified Intervenors, NW Natural and on the attached Service List obtained on January 10, 2007 from the Oregon Public Utility Commission's Website as follows:

LOWREY R BROWN Citizens Utility Board of Oregon 610 SW BROADWAY - STE 308 PORTLAND OR 97205 lowrey@oregoncub.org	JASON EISDORFER Citizens Utility Board of Oregon 610 SW BROADWAY STE 308 PORTLAND OR 97205 jason@oregoncub.org
BOB JENKS Citizens Utility Board of Oregon 610 SW BROADWAY - STE 308 PORTLAND OR 97205 bob@oregoncub.org	KEN ZIMMERMAN Public Utility Commission of Oregon 550 CAPITOL ST NE, STE 215 SALEM OR 97301 ken.zimmerman@state.or.us
Michael Early Attorney for ICNU 1300 S.W. 5th Avenue, Suite 1750 Portland, OR 97201 mearly@icnu.org	C. Alex Miller NW Natural 220 NW 2ND AVE PORTLAND OR 97209 Alex.miller@nwnatural.com

DATED: This 10th day of January, 2007.



Edward A. Finklea, OSB # 84216
Chad M. Stokes, OSB #00400
Cable Huston Benedict Haagensen & Lloyd LLP
1001 SW Fifth Ave., Suite 2000
Portland, OR 97204-1136
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