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No. 819955

Court of Appeals No. 35883-2II

IN THE SUPREME COURT
OF THE STATE OF WASHINGTON

G-P GYPSUM CORPORATION,

Respondent,

vs.

STATE OF WASHINGTON, DEPARTMENT OF REVENUE;

Petitioner.

BRIEF OF AMICUS CURIAE
WASHINGTON STATE ASSOCIATION OF
MUNICIPAL ATTORNEYS

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TABLE OF CONTENTS

	PAGE
TABLE OF CONTENTS.....	i
TABLE OF AUTHORITIES	ii
I. INTRODUCTION	1
II. IDENTITY AND INTEREST OF AMICUS CURIAE.....	1
III. STATEMENT OF THE CASE	2
IV. ISSUE PRESENTED	3
V. ARGUMENT.....	3
A. The Legislature's express intent in enacting RCW 82.14.230 was to maintain a revenue source for cities that had been lost due to federal deregulation of brokered natural gas and may be considered in contruing the statue.....	3
B. The word "use" in the city BNG use tax statute should be given its ordinary meaning and not be limited to first use within the state, as provided in RCW 82.12.010(5).....	4
C. Construing RCW 82.14.230 to apply the ordinary meaning of "use" to natural gas consumers who consume the gas within the city and without regard to the phrase "within the state" in RCW 82.12.010(a) leads to a result consistent with the expressed intent of the Legislature..	5
VI. CONCLUSION.....	7
CERTIFICATE OF SERVICE.....	iii

TABLE OF CASES AND AUTHORITIES

	PAGE
<u>WASHINGTON STATE CASES</u>	
<i>G-P Gypsum v. Dep't of Revenue</i> , 144 Wn. App. 664, 183 P.3d 1109 (2008).....	3
<i>Judd v. Am. Tel. & Tel. Co.</i> , 152 Wn.2d 195, 204, 95 P.3d 337 (2004).....	3
<u>WASHINGTON STATUTES</u>	
LAWS OF 1989, ch. 834, § 1.....	2
RCW 35.21.870	2
Chapter 82.04 RCW.....	4
Chapter 82.08 RCW.....	4
Chapter 82.12 RCW.....	4
RCW 82.12.010 (a).....	5
RCW 82.12.010(5).....	1, 3, 4
RCW 82.12.010(5)(a)	4, 5
Chapter 82.14 RCW.....	4
RCW 82.14.010(2).....	4
RCW 82.14.230.	1, 2, 3, 5, 7
RCW 82.14.230(1).....	1, 4, 5, 7
RCW 82.14.010(2).....	1, 5
RCW 82.14.23(1).....	5
<u>OTHER AUTHORITIES</u>	
Perkins Coie, <i>Washington Use Tax Refund Opportunity – G-P Gypsum Corporation v. State of Washington, Department of Revenue</i> , (2008), http://www.perkinscoie.com/news/pubs_detail.aspx?publication=1687&op=updates	2, 6, 7
See Appendix A	

Energy Information Administration, Official Energy Statistics from the U.S. Government, *Interstate Natural Gas Supply Dependency, 2007*, http://www.eia.doe.gov/pub/oil_gas/natural_gas/analysis_publications/ngpipeline/dependstates_map.html.
See Appendix B5, 6

Energy Information Administration, Official Energy Statistics from the U.S. Government, *Number of Producing Gas Wells (2009)*, http://tonto.eia.doe.gov/dnav/ng/ng_prod_wells_sl_a.htm.6
See Appendix C

Energy Information Administration, Official Energy Statistics from the U.S. Government, Natural Gas Pipeline Capacity & Utilization, *Interstate Pipeline Capacity on a State-to-State Level – spreadsheet (western region)*, (2009), http://www.eia.doe.gov/pub/oil_gas/natural_gas/analysis_publications/ngpipeline/usage.html.6
See Appendix D

Energy Information Administration, Official Energy Statistics from the U.S. Government, *U.S. Natural Gas Pipeline Network, 2009*, http://www.eia.doe.gov/pub/oil_gas/natural_gas/analysis_publications/ngpipeline/ngpipelines_map.html.6
See Appendix E

Energy Information Administration, Official Energy Statistics from the U.S. Government, *Major U.S. Natural Gas Transportation Corridors, 2008*, http://www.eia.doe.gov/pub/oil_gas/natural_gas/analysis_publications/ngpipeline/transcorr_map.html.6
See Appendix F

I. INTRODUCTION

This case requires the Court to determine to what degree the definition of “use” in RCW 82.12.010(5) is “applicable” to the city local brokered natural gas use tax [hereinafter the “city BNG use tax”] under RCW 82.14.230.

The outcome of the Court’s review will determine whether cities may impose the city BNG use tax when the taxpayer has burned or consumed the gas in a city “as a consumer” in the ordinary sense of the word “use,”¹ or whether they may only impose the city BNG use tax if “the *first* act within . . . [the state of Washington] . . . by which the taxpayer takes or assumes dominion or control over . . . [the BNG] . . . (as a consumer)”² also occurs within city limits. (Emphasis added).

As more fully discussed below, reading these statutes together to apply the ordinary meaning of “use” of natural gas is in keeping with the Legislature’s express purpose and intent in adopting the city BNG use tax in 1989 and better harmonizes the statutes.

II. IDENTITY AND INTEREST OF AMICUS CURIAE

WSAMA is a non-profit organization of municipal attorneys in Washington. Washington has 281 cities and towns, ranging from Seattle, at over half a million citizens, to Krupp, with a population of about 60.

¹ RCW 82.14.230(1).

² From the state use tax definition of “use” at RCW 82.12.010(5).

WSAMA members represent municipalities throughout the state, as both in-house counsel and as private, outside legal counsel. WSAMA associate members include attorneys that advise their clients on tax matters, including the approximately 46 cities in Washington, which impose the city BNG use tax under RCW 82.14.230 which is at issue in this case. These cities also impose a local utility tax on natural gas utilities under RCW 35.21.870. These cities provide police, fire and other public services to natural gas consumers – large and small – in each of their cities. If the Court of Appeals decision stands, not only Tacoma but also the remaining 45 cities which impose these taxes, will face both loss of future revenue and potential refund requests.³

III. STATEMENT OF THE CASE

The Supplemental Brief of Petitioner Department of Revenue before this Court sets forth the facts of this case, and there is no need to repeat them at length here. WSAMA therefore incorporates by reference the Department's factual background of the case. (Supp. Br. Pet. at 1-2).

³ The Amicus Curiae Memorandum of the City of Seattle and Association of Washington Cities in Support of Petition for Review at pp 2-5, and its Appendix 2 [Brokered Natural Gas Use Tax for Washington Cities 2002-2005] set forth the fiscal importance of this case to the cities that have a city BNG use tax. The likelihood of refund requests if the Court of Appeals decision is upheld is substantial. See Perkins Coie, *Washington Use Tax Refund Opportunity – G-P Gypsum Corporation v. State of Washington, Department of Revenue*, (2008), http://www.perkinscoie.com/news/pubs_detail.aspx?publication=1687&op=updates.

⁴ Laws of 1989, Ch. 834 § 1

III. ISSUE PRESENTED

Whether the Court of Appeals correctly determined that the statutory definition of “use” in RCW 82.12.010(5) is fully “applicable” to determining where “use” of natural gas occurs for purposes of the city BNG use tax and whether it is thus G-P’s “first act of dominion and control within the state” that triggers application of BNG use tax, not consumption of the BNG at its manufacturing plant in Tacoma. *G-P Gypsum v. Dep’t of Revenue*, 144 Wn. App. 664, 183 P.3d 1109 (2008).

II. ARGUMENT

- A. **The Legislature’s express intent in enacting RCW 82.14.230 was to maintain a revenue source for cities that had been lost due to federal deregulation of brokered natural gas and may be considered in construing the statute.**

The Legislature made clear its purpose in adopting the city BNG use tax in 1989:

Due to a change in the federal regulations governing the sale of brokered natural gas, cities have lost significant revenues from the utility tax on natural gas. It is therefore the intent of the legislature to adjust the utility and use tax authority of the state and cities to maintain this revenue source for the municipalities and provide equality of taxation between intrastate and interstate transactions.⁴

Legislative purpose sections may be considered in construing statutes even if they are not operative enactments. *Judd v. Am. Tel. & Tel. Co.*, 152 Wn.2d 195, 204, 95 P.3d 337 (2004).

B. The word “use” in the city BNG use tax statute should be given its ordinary meaning and not be limited to first use within the state, as provided in RCW 82.12.010(5).

RCW 82.14.230(1) authorizes cities to impose “a use tax for the privilege of using natural gas or manufactured gas *in the city* as a consumer.” (Emphasis added). Counties are not authorized to impose the tax, so it would not apply to use of BNG in unincorporated areas.

RCW 82.14.010(2) provides that “The meaning ascribed to words and phrases in chapters 82.04, 82.08 and 82.12 RCW, as now or hereafter amended, *insofar as applicable*, shall have full force and effect with respect to taxes imposed under authority of this chapter.” (Emphasis added). The three referenced chapters are the state business and occupation tax, state retail sales tax, and state use tax chapters, respectively. Chapter 82.14 RCW is the local retail sales and use tax chapter.

RCW 82.12.010(5)(a), part of the state use tax definitional section, provides in pertinent part that “‘Use,’ ‘used,’ ‘using,’ or ‘put to use’ shall have their *ordinary meaning*, and shall mean:,,, (w)ith respect to tangible personal property, the first act within this state by which the taxpayer takes or assumes dominion or control over the article of tangible personal property (as a consumer), and include installation, storage, withdrawal from storage, distribution, or any other act preparatory to subsequent actual use or consumption within this state.” (Emphasis added.)

When read together with RCW 82.14.230(1) and RCW 82.14.010(2), the phrase “within the state” in the state use tax definitions RCW 82.12.010(5)(a) is not applicable to the city BNG use at all, and city BNG use tax applies when the gas is consumed in the city – in the ordinary sense of the word.

C. Construing RCW 82.14.230 to apply the ordinary meaning of “use” to natural gas consumers who consume the gas within the city and without regard to the phrase “within the state” in RCW 82.12.010(a) leads to a result consistent with the expressed intent of the Legislature.

The purpose of the Legislature in adopting RCW 82.14.230(1) was to preserve a revenue source for cities by authorizing them to impose the use tax for “using natural gas...*in the city as a consumer.*”

Construing “use” for purposes of levying the city BNG use tax under RCW 82.14.230 as the “first act of dominion and control within the state of Washington” may permit some cities to impose the tax, but only if they are the location of the first act of dominion and control within the entire state and if one ignores the ordinary meaning of “use” of natural gas.

However, Washington is dependent on interstate natural gas to meet its needs.⁵ It has no natural gas production of its own.⁶ The few

⁵ Energy Information Administration, Official Energy Statistics from the U.S. Government, *Interstate Natural Gas Supply Dependency, 2007*, http://www.eia.doe.gov/pub/oil_gas/natural_gas/analysis_publications/ngpipeline/dependstates_map.html.

major natural gas pipelines bringing natural gas to Washington enter in only four counties: Whatcom, Cowlitz, Spokane and Benton.⁷ All or most of the natural gas pipelines which supply natural gas to the state enter the state before entering any city.⁸

Thus, few if any, of the 46 cities throughout the state that now impose the city BNG use tax are likely to be able to do so if the Court of Appeals decision stands and the few pipelines in the state bypass them. It would be illogical for the Legislature to authorize the city BNG use tax, only for it to apply based on geographical accident, if at all.

Neither is it mere speculation that the Court's decision is being closely watched and that cities will face refund requests from large users

⁶ The Energy Information Administration (EIA), created by Congress in 1977 as the statistical agency of the U.S. Department of Energy, lists no producing natural gas wells in Washington. See Energy Information Administration, Official Energy Statistics from the U.S. Government, *Number of Producing Gas Wells* (2009), http://tonto.eia.doe.gov/dnav/ng/ng_prod_wells_sl_a.htm.

⁷ Energy Information Administration, Official Energy Statistics from the U.S. Government, *Natural Gas Pipeline Capacity & Utilization, Interstate Pipeline Capacity on a State-to-State Level – spreadsheet* (western region), (2009), http://www.eia.doe.gov/pub/oil_gas/natural_gas/analysis_publications/ngpipeline/usage.html.

⁸ Perkins Coie, *Washington Use Tax Refund Opportunity – G-P Gypsum Corporation v. State of Washington, Department of Revenue*, (2008), http://www.perkinscoie.com/news/pubs_detail.aspx?publication=1687&op=updates.

See also Energy Information Administration, Official Energy Statistics from the U.S. Government, *U.S. Natural Gas Pipeline Network, 2009*, http://www.eia.doe.gov/pub/oil_gas/natural_gas/analysis_publications/ngpipeline/ngpipelines_map.html.

See also Energy Information Administration, Official Energy Statistics from the U.S. Government, *Major U.S. Natural Gas Transportation Corridors, 2008*, http://www.eia.doe.gov/pub/oil_gas/natural_gas/analysis_publications/ngpipeline/transcorr_map.html.

of natural gas for substantial amounts for previously collected BNG use taxes.⁹

Imposing the city BNG use tax where the user consumes the gas is far more consistent with the language of RCW 82.14.230(1).

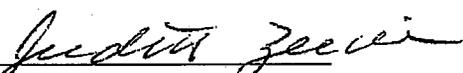
CONCLUSION

The city BNG use tax was adopted in 1989 against a backdrop of natural gas deregulation and declining city revenues from natural gas utility tax. Then as now, large industrial consumers of natural gas contract for delivery of natural gas at their industrial facilities from brokers outside the city where their plants are located.

The interpretation of the statutes proposed by G-P Gypsum and adopted by the appellate court, is contrary to the language of the statutes, the intent of the Legislature, and will undermine rather than implement the Legislature's purpose in enacting RCW 82.14.230.

The appellate court incorrectly construed RCW 82.14.230 and should therefore be reversed.

RESPECTFULLY SUBMITTED this 16th day of October, 2009.



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⁹ Perkins Coie at 2.



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Washington Use Tax Refund Opportunity —G-P Gypsum Corporation v. State of Washington, Department of Revenue
05.27.2008

On May 20, 2008, Division II of the Washington Court of Appeals held that, for purposes of the local use tax on brokered natural gas (BNG), the place of use is where the taxpayer first exercises dominion and control over the gas and not where it is burned or consumed. *G-P Gypsum Corporation v. State of Washington, Department of Revenue*.

Related Practices

State & Local Tax

G-P Gypsum Corporation (Gypsum) burned or consumed natural gas in the process of manufacturing wallboard in Tacoma, Washington. Gypsum purchased the natural gas near both Sumas and Sumner, Washington and hired a pipeline carrier to transport the gas from the delivery point to Tacoma. Gypsum voluntarily reported both the state BNG use tax and the City of Tacoma BNG use tax on the gas it consumed in Tacoma—both taxes were remitted to the State Department of Revenue (Department), which administers both the state and local BNG taxes. Later, Gypsum sought a refund of the local tax reported for the City of Tacoma for the years 1996 through 2000 in the amount of \$853,722, alleging that its "use" did not occur in Tacoma, where the BNG use tax rate is currently 6%. Sumas, for example, currently imposes no tax.

The History of the BNG Use Tax

Before deregulation of the natural gas industry, consumers purchased their natural gas from local distribution or gas companies. Sellers of such natural gas were subjected to Washington state and local public utility taxes. With deregulation, around 1985, large users increasingly purchased gas directly from producers, having it merely transported by the interstate pipeline companies and local distribution companies to the consumers' locations. Consequently, public utility tax was avoided. Gas purchased from brokers, however, was subjected to the general state and local retail sales and use taxes. This created differential tax obligations between those that purchased their gas from brokers and those that purchased it from the local gas company. In 1989, the state legislature attempted to correct the inequity by enacting the state BNG use tax and authorizing the local BNG use taxes. The BNG use taxes were enacted to complement the public utility taxes, with the total tax rates (state and local) under both schemes being equal. Natural gas was no longer subject to the generally applicable sales and use taxes.

The Court's Decision

RCW 82.14.230 authorizes cities to impose a use tax on the use of natural gas "in the city as a consumer." Tacoma adopted an ordinance that imposed such a tax "for the privilege of using natural gas . . . in the City as a consumer." The Department's argument on behalf of Tacoma was that Gypsum "is using the tax in the city as a consumer" and the plain language of the statute and ordinance both "makes such use of natural gas subject to Tacoma's BNG use tax."

APPENDIX A-1

Gypsum on the other hand argued that "use" is statutorily defined by former RCW 82.12.010(2) (today (5)) as meaning "the first act within this state by which the taxpayer takes or assumes dominion or control." This act does not take place in Tacoma. Most all of the controversy focused upon whether that definition was applicable to the local BNG use tax authorized under Chapter 82.14 RCW. Former RCW 82.14.020(7) (now (9)) provided that the meaning of words used in Chapter 82.12 RCW "*insofar as applicable*, shall have full force and effect with respect to" the local BNG taxes authorized under Chapter 82.14 RCW. Gypsum argued that the definition was fully applicable, whereas the Department argued that the definition did not apply to "local taxes" and that "use" should be interpreted to mean "consumption," not first dominion and control.

The court concluded that because no other statutory provision precluded application of the definition, there was no basis not to rely upon it. The concurring opinion would have applied an even broader interpretation to the meaning of "use" but agreed with the majority that only the first use is taxable and, therefore, Gypsum was still not taxable in Tacoma.

The court ordered the case be remanded for entry of judgment in favor of Gypsum. The Department has 20 days in which to seek reconsideration or 30 days to request discretionary review by the Washington Supreme Court.

Consequences of the Decision

There are approximately 210 taxpayers reporting BNG use taxes in the amount of \$11 million each year to the cities. They are primarily large industrial users of natural gas, nearly all of whom probably take delivery outside of the city in which the gas is consumed. In fact, there are approximately six gas pipelines entering Washington State and most, if not all, enter the state before entering any city, meaning, under the court's holding, that the first use of natural gas purchased from non-utilities may never be subject to a local use tax on natural gas. Therefore, such purchasers of natural gas should consider whether refund claims would be appropriate and when in light of the possibility that the Department could seek review of the decision. The general statute of limitations for claiming a refund of use tax allows a claim for taxes paid in the current calendar year (2008) and the four preceding calendar years (2004-2007).

Interestingly, this decision may raise issues with respect to purchases of tangible personal property other than natural gas subject to local use taxes. The same definition of "use" is equally applicable, and only time will tell whether issues like those in cases like *PACCAR v. Department of Revenue*, *Honeywell v. State of Washington*, *Allied Signal v. Washington State Department of Revenue* (all cases handled by Perkins Coie) might implicate the local use tax analysis for such other tangible personal property. Additionally, in the case of other tangible personal property, the local use tax rate differential may not be as substantial as in the case of the local BNG use taxes.

APPENDIX A-2



[Glossary](#)

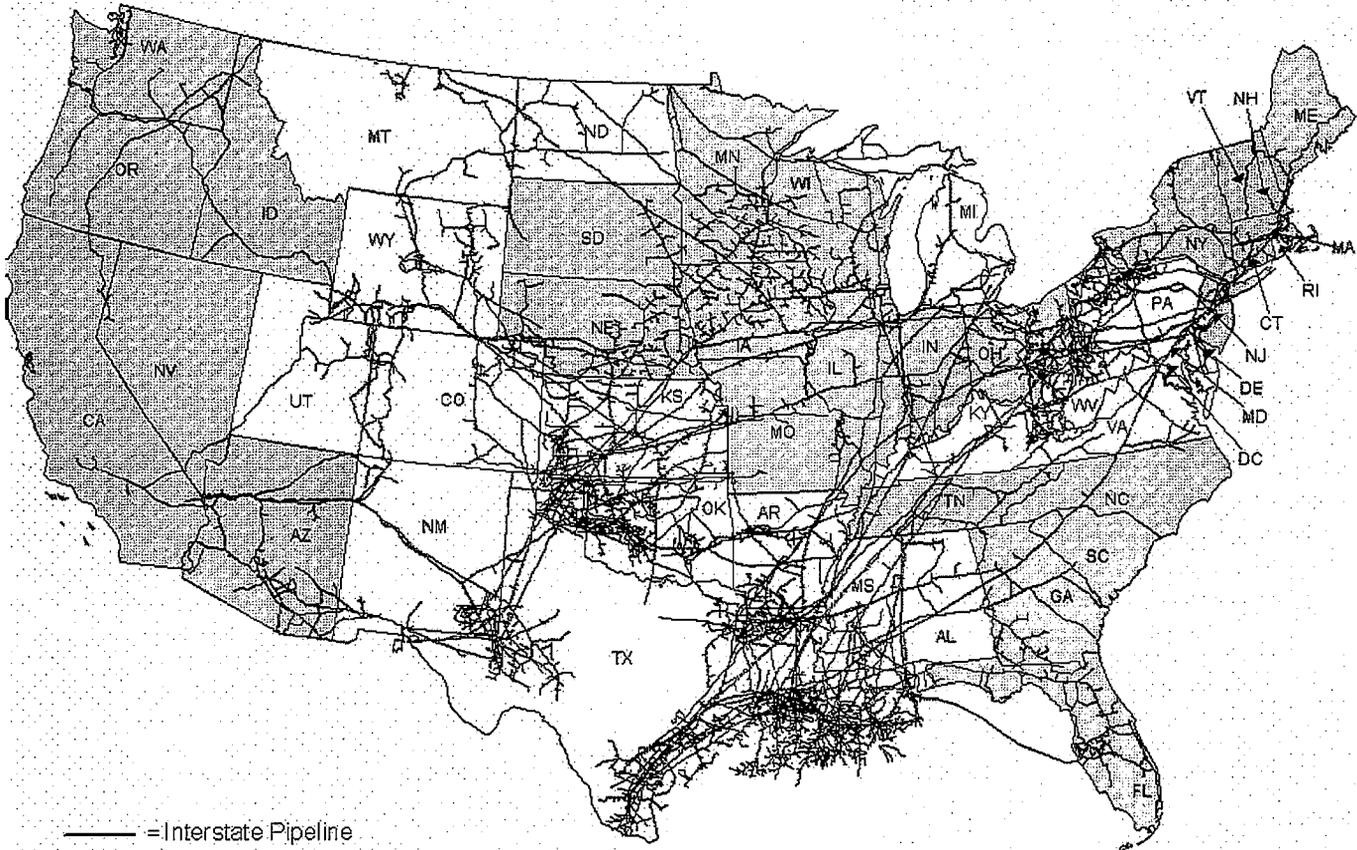
[Home](#) > [Natural Gas](#) > [About U.S. Natural Gas Pipelines](#) > States Dependent on Interstate Pipelines

About U.S. Natural Gas Pipelines - Transporting Natural Gas

States in grey which are at least 85% dependent on the interstate pipeline network for their natural gas supply are:

- New England** - Connecticut, Maine, Massachusetts, New Hampshire, Rhode Island, Vermont
- Southeast** - Florida, Georgia, North Carolina, South Carolina, Tennessee
- Northeast** - Delaware, Maryland, New Jersey, New York, District of Columbia
- Midwest** - Illinois, Indiana, Minnesota, Ohio, Wisconsin
- Central** - Iowa, Missouri, Nebraska, South Dakota
- West** - Arizona, California, Idaho, Nevada, Oregon, Washington

Interstate Natural Gas Supply Dependency, 2007



Note: A state's relative dependence on the interstate natural gas pipeline network for its supplies was determined by the level of natural gas consumed within the State in 2007 relative to the amount of natural gas produced within the State. A State with no natural gas production was 100 percent dependent on the interstate natural gas pipeline network for its supplies.

Source: Energy Information Administration, Form EIA176 "Annual Report of Natural Gas and Supplemental Gas Supply and Disposition."

APPENDIX B

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Natural Gas Navigator

Summary	Prices	Exploration & Reserves	Production	Imports/Exports & Pipelines	Storage	Consumption	Publications & Analysis
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Number of Producing Gas Wells

Period: Annual

Area	2002	2003	2004	2005	2006	2007	View History
U.S.	387,772	393,327	406,147	425,887	440,516	452,768	1989-2007
Alabama	4,803	5,157	5,526	5,523	6,227	6,591	1989-2007
Alaska	165	195	224	227	231	239	1989-2007
Arizona	7	9	6	6	7	7	1989-2007
Arkansas	6,755	7,606	3,460	3,462	3,814	4,773	1989-2007
California	1,232	1,249	1,272	1,356	1,451	1,540	1989-2007
Colorado	23,554	18,774	16,718	22,691	20,568	22,949	1989-2007
Gulf of Mexico	3,245	3,039	2,781	2,123	2,419	2,552	1989-2007
Illinois	225	240	251	316	316	316	1989-2007
Indiana	1,545	2,291	2,386	2,321	2,336	2,350	1989-2007
Kansas	16,957	17,387	18,120	18,946	19,713	19,713	1989-2007
Kentucky	14,367	12,900	13,920	14,175	15,892	16,563	1989-2007
Louisiana	17,100	16,939	20,734	18,838	17,459	18,145	1989-2007
Maryland	5	7	7	7	7	7	1989-2007
Michigan	7,700	8,600	8,500	8,900	9,200	9,712	1989-2007
Mississippi	979	427	1,536	1,676	1,836	2,315	1989-2007
Missouri	0	0	0	0	0	0	1989-2007
Montana	4,544	4,539	4,971	5,751	6,578	6,925	1989-2007
Nebraska	106	109	111	114	114	186	1989-2007
Nevada	4	4	4	4	4	4	1989-2007
New Mexico	35,873	37,100	38,574	40,157	41,634	42,644	1989-2007
New York	6,496	5,878	5,781	5,449	5,985	6,680	1989-2007
North Dakota	100	117	117	148	200	200	1989-2007
Ohio	34,593	33,828	33,828	33,735	33,945	34,416	1989-2007
Oklahoma	33,279	34,334	35,612	36,704	38,060	38,364	1989-2007
Oregon	18	15	15	15	14	18	1989-2007
Pennsylvania	40,830	42,437	44,227	46,654	49,750	52,700	1989-2007
South Dakota	69	61	61	69	69	71	1989-2007
Tennessee	400	430	280	400	330	305	1989-2007
Texas	65,779	68,572	72,237	74,827	74,265	76,436	1989-2007
Utah	3,005	3,220	3,657	4,092	4,858	5,197	1989-2007
Virginia	3,429	3,506	3,870	4,132	5,179	5,735	1989-2007
West Virginia	45,000	46,203	47,117	49,335	53,003	48,215	1989-2007
Wyoming	15,608	18,154	20,244	23,734	25,052	26,900	1989-2007

-- = No Data Reported; -- = Not Applicable; NA = Not Available; W = Withheld to avoid disclosure of individual company data.

Notes: Prior to 2001, the well counts for Federal Offshore Gulf of Mexico were included in the well counts for Alabama, Louisiana, and Texas. See Definitions, Sources, and Notes link above for more information on this table.

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APPENDIX C



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About U.S. Natural Gas Pipelines - Transporting Natural Gas

Natural Gas Pipeline Capacity & Utilization

[Overview](#) | [Utilization Rates](#) | [Integration of Storage](#) | [Varying Rates of Utilization](#) | [Measures of Utilization](#)

Overview of Pipeline Utilization

Natural gas pipeline companies prefer to operate their systems as close to full capacity as possible to maximize their revenues. However, the average utilization rate (flow relative to design capacity) of a natural gas pipeline system seldom reaches 100%. Factors that contribute to outages include:

- Scheduled or unscheduled maintenance
- Temporary decreases in market demand
- Weather-related limitations to operations

Most companies try to schedule maintenance in the summer months when demands on pipeline capacity tend to be lower, but an occasional unanticipated incident may occur that suspends transmission service.

Utilization Rates

Utilization rates below 100% do not necessarily imply that additional capacity is available for use. A pipeline company that primarily serves a seasonal market, for instance, may have a relatively low average utilization rate especially during the summer months. But that does not mean there is unreserved capacity on a long-term basis.

On the other hand, during periods of high demand for natural gas transportation services, usage on some portions of a pipeline system may exceed 100% of certificated capacity. Certificated capacity represents a minimum level of service that can be maintained over an extended period of time, and not the maximum throughput capability of a system or segment on any given day.

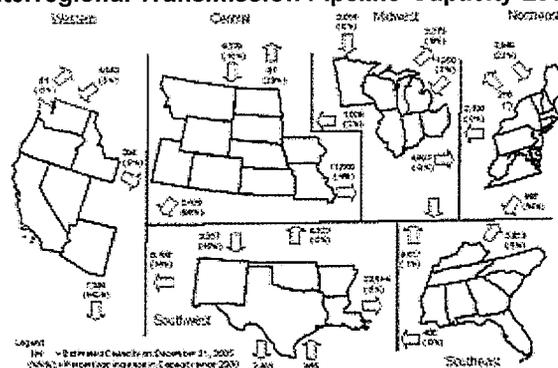
Exceeding 100% of capacity is accomplished by secondary compression and/or line packing, which means that compression is increased, within safety limits, to raise throughput temporarily.

Integration of Storage Capacity

Integrating storage capacity into the natural gas pipeline network design can increase average-day utilization rates.

This integration involves moving not only natural gas currently being produced but natural gas that has been produced earlier and kept in temporary storage facilities.

Interregional Transmission Pipeline Capacity Levels



[click to enlarge](#)

More information related to pipeline capacity and utilization...

[States Dependent on Interstate Pipelines - map](#)
[Major Transportation Corridors - map](#)

[Major Interstate Pipeline Companies - table](#)
[Pipeline Mileage by State & Region - table](#)

[Interstate Pipeline Capacity on a State-to-State Level - spreadsheet](#)

Other Natural Gas Transportation Topics:

[Interstate](#) - Pipeline systems that cross one or more States

[Intrastate](#) - Pipeline systems that operate only within State boundaries

[Network Design](#) - Basic concepts and parameters

[Regulatory Authorities](#)

[Transportation, Processing, & Gathering](#)

[Transportation Corridors](#) - Major interstate routes

[Underground Natural Gas Storage](#) - Includes regional discussion

[Pipeline Development & Expansion](#)

[U.S./Canada/Mexico Import & Export Locations](#)

APPENIX D-1

Storage is usually integrated into or available to the system at the production and/or consuming end as a means of balancing flow levels throughout the year. Trunklines serving markets with significant storage capacity have greater potential for achieving a high utilization rate because the load moving on these pipelines can be leveled. To the extent that these pipelines serve multiple markets, they also can achieve higher utilization rates because of the load diversity of the markets they serve.

Varying Rates of Utilization

Trunklines, which are generally upstream (closer to) the natural gas production fields and storage areas, may sometimes exhibit peak period utilization rates exceeding 100% because they are occasionally capable of handling much larger volumes than indicated by the operational design certificated by FERC.

Utilization on the grid systems, which are closer to the consuming market areas and downstream of the storage fields, is more likely to reflect a seasonal load profile of the market being served. The grid-type systems usually operate at lower average utilization levels than trunklines and usually show marked variation between high and low flow levels, reflecting seasonal service and local market characteristics.

Measures of Pipeline Utilization

There are several ways that natural gas pipeline system utilization may be estimated, as demonstrated in the following cases:

- As a measure of the average-day natural gas throughput relative to estimates of system capacity at State and regional boundaries
- The systemwide pipeline flow rate, which highlights variations in system usage relative to an estimated system peak throughput level
- A system peak-day usage rate, which generally reflects peak system deliveries relative to estimated system capacity

The latter measure is a good indication of how well the design of the system matches current shipper peak-day needs. For example, when a pipeline shows a comparatively low average usage rate (based on annual or monthly data) yet shows a usage rate approaching 100 percent on its peak day, it indicates that the system is called upon and is capable of meeting its shipper's maximum daily needs. Nevertheless, a large spread between average usage rates and peak-day usage rates may indicate opportunities to find better ways to utilize off-peak unused capacity.

In some cases, utilization rates exceeding 100 percent may be an artifact of the data that obscures the true operational status of the pipeline. In some instances the sum of individual transportation transactions may exceed pipeline capacity even though physically the pipeline may not be full. For example, suppose a segment from points A to D (with points B and C between A and D) has a capacity of 200 million cubic feet (MMcf) per day. Suppose further that this segment handles a 100 MMcf per day transaction from A to B, a second of 100 MMcf per day from B to C, and a third of 100 MMcf per day from C to D. The pipeline company will report transportation volumes of 300 MMcf per day, even though its capacity is 200 MMcf per day but is only 50 percent utilized on any one segment.

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APPENDIX D-2

Western Region --- State-to-State Natural Gas Pipeline Capacity Levels -- One row per state-to-state crossing by a pipeline.

All capacity levels should be considered estimates since actual capacity on a pipeline depends upon a number of physical variables and changeable operating conditions. Average operating pressure (Column K) may not reflect current operational capabilities.

Ordered by State/Province to, State/Province from, and Delivering Pipeline Capacity Levels through December 31, 2008. Flow data through 2007.

Highlighted (yellow) rows indicate State border points where capacity increased in 2008, or were newly created in 2008.

MMcfd = Million cubic feet per day. NA = Not available.

<u>Delivering Pipeline</u>	<u>Region To</u>	<u>State To</u>	<u>County To</u>	<u>Region From</u>	<u>State From</u>	<u>County From</u>	<u>Receiving -- Delivering (From:) Pipeline</u>	<u>Line Looped?</u>	<u>Average Operating Pressure (PSIA)</u>
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States in the Western Region

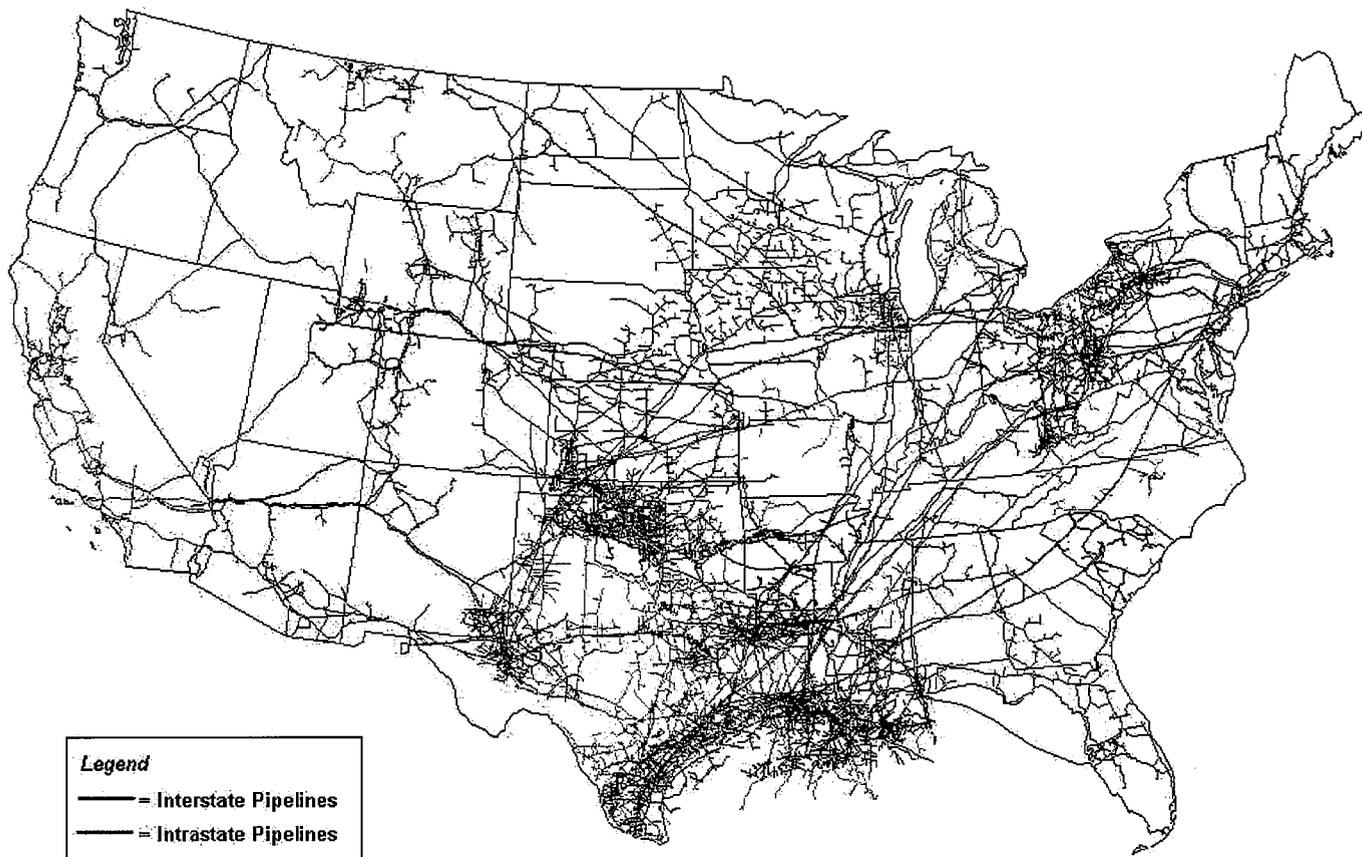
To Washington:									
Ferndale P L Co	Western	WA	Whatcom	Canada	BC	British Colun Ferndale P L Co	N		0
Northwest Pipeline Corp	Western	WA	Whatcom	Canada	BC	British Colun Northwest Pipeline Corp	Y		900
Sumas Cascade PL Co	Western	WA	Whatcom	Canada	BC	British Colun Sumas Cascade PL Co	N		0
Sumas Energy Usa Inc	Western	WA	Whatcom	Canada	BC	British Colun Sumas Energy Usa Inc	N		0
Sumas International PI Co	Western	WA	Whatcom	Canada	BC	British Colun Sumas International PI Co	N		0
Subtotal		WA			BC				
Gas Transmission Northwest	Western	WA	Spokane	Western	ID	Kootenai	Gas Transmission Northwest	Y	911
Subtotal		WA			ID				
Northwest Pipeline Corp	Western	WA	Benton	Western	OR	Umatilla	Northwest Pipeline Corp	N	900
Northwest Pipeline Corp	Western	WA	Cowlitz	Western	OR	Columbia	Northwest Pipeline Corp	N	900
Subtotal		WA			OR				
Total into Washington									

Excerpt of:

http://eia.doe.gov/pub/oil_gas/natural_gas/analysis_publications/ngpipeline/usage.html

About U.S. Natural Gas Pipelines - Transporting Natural Gas

U.S. Natural Gas Pipeline Network, 2009



Source: Energy Information Administration, Office of Oil & Gas, Natural Gas Division, Gas Transportation Information System

The EIA has determined that the informational map displays here do not raise security concerns, based on the application of the Federal Geographic Data Committee's *Guidelines for Providing Appropriate Access to Geospatial Data in Response to Security Concerns*

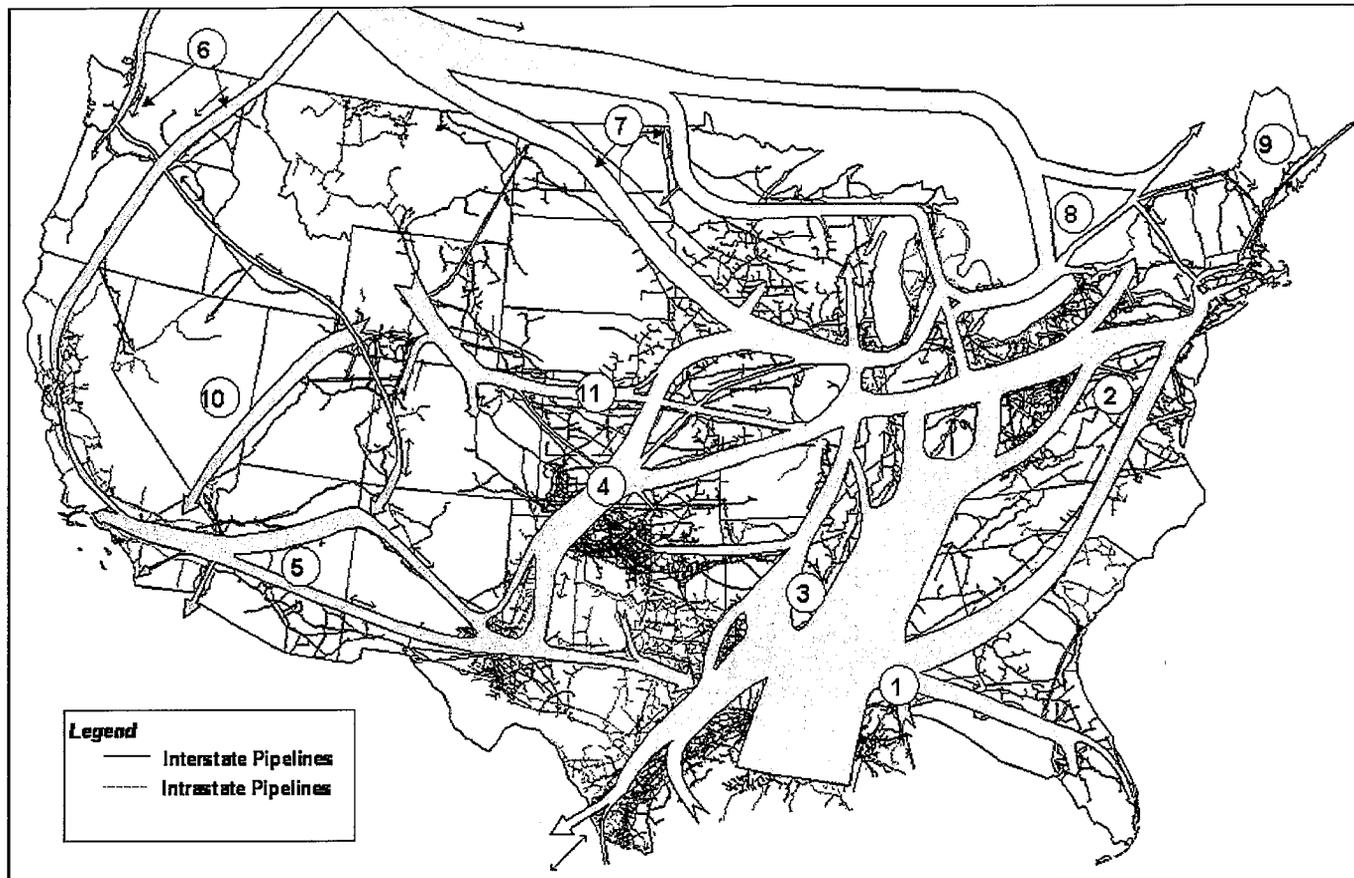
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APPENDIX E

About U.S. Natural Gas Pipelines - Transporting Natural Gas

Major U.S. Natural Gas Transportation Corridors, 2008



Source: Energy Information Administration, Office of Oil and Gas, Natural Gas Division, GasTran Gas Transportation Information System.

The EIA has determined that the informational map displays here do not raise security concerns, based on the application of the Federal Geographic Data Committee's *Guidelines for Providing Appropriate Access to Geospatial Data in Response to Security Concerns*.

APPENDIX F