

**BEFORE THE PUBLIC UTILITY COMMISSION
OF OREGON**

UG 221

In the Matter of

NORTHWEST NATURAL GAS
COMPANY, dba NW NATURAL,

Request for a General Rate Revision

BENCH REQUEST AND BRIEFING
REQUEST

DISPOSITION: NW NATURAL DIRECTED TO SUBMIT ADDITIONAL
INFORMATION; BRIEFING REQUEST ISSUED TO ALL
PARTIES

Bench Request

The Commission is interested in additional information related to its review of NW Natural's request for a rate revision. Specifically, it is interested in additional context for NW Natural's request for recovery of environmental remediation costs. NW Natural is directed to provide responses to the following questions by the close of business on **September 10, 2012**. NW Natural may provide the information under the existing protective order.¹

1. Witness Sandra K. Hart mentions that there are solvent and insolvent insurers involved with the company's environmental remediation. Please provide the Commission with the following information:
 - a. The number of insurers and their policy limits.
 - b. The number of insolvent insurers and their policy limits.
 - c. With regard to insolvent insurers, has NW Natural asserted any claims with the Oregon Insurance Guaranty Association or pursued similar opportunities?
2. Ms. Hart states in her testimony: "Based on the language of its policies, controlling Oregon law and the underlying facts, NW Natural believes that each of its historical policies provide coverage for the costs related to the environmental damage that NW Natural is investigating and remediating."² Please identify the policies and coverage limits.

¹ If NW Natural has remaining concerns about confidentiality, it should so advise the Administrative Law Judge. The Commission understands that these questions may primarily go to the issue of prudence, an issue that will be addressed at a later date; however, the Commission is interested in additional context for the company's environmental remediation costs.

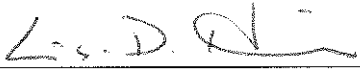
² NWN/1400, Hart/3.

Briefing Request

The Commission asks NW Natural to address the following issue in its briefing. Other parties are invited to address this issue, as well.

1. NW Natural seeks a change in the current ratemaking methodology for recovery of pension costs. As part of this request, it seeks recovery of past cash contributions that it was required to make to comply with federal law. NW Natural has pointed to a number of gas utilities that have been allowed to implement ratemaking methodologies other than pure FAS 87 recovery, methodologies that presumably allow utilities to recover large cash contributions such as those at issue here.
2. Have these gas utilities been limited to recovery of cash contributions that have been deferred through a deferral mechanism or included in a test year? Please point to any state Commission orders or legal decisions that allow a gas utility to recover cash contributions such as those at issue in this docket that (1) have not been the subject of a deferral order, or, if in a rate case, that (2) are outside the applicable test year.

Dated this 28th day of August, 2012, at Salem, Oregon.



Lisa D. Hardie
Administrative Law Judge