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April 23, 2014

VIA ELECTRONIC AND U.S. MAIL

PUC Filing Center
Public Utility Commission of Oregon
PO Box 1088
Salem, OR 97308-1088

Attention ALJ Grant

Re: UM 1633 – In the Matter of OREGON PUBLIC UTILITY COMMISSION, Investigation into Treatment of Pension Costs in Utility Rates

Dear Judge Grant:

Pursuant to your email of April 21, 2014, NW Natural provides this brief response to CUB's April 18, 2014, email in which CUB explained its position with respect to certain data requests served on the utilities.

CUB has asked for a detailed breakdown of each utility's executive and non-executive compensation for the last 28 years—including information about base and incentive pay, health and dental benefits, and all forms of post-employment compensation. CUB has also asked for a detailed breakdown of the amounts collected in rates for the same time period. CUB's request is both irrelevant to the issues in this case and unduly burdensome due to the historical scope of the request.

First, as a general matter, this request for utility specific compensation data is beyond the scope of this general investigative docket. This docket was opened by the Commission to address whether, as a policy matter, the Commission should allow utilities to include their prepaid pension assets in rate base. This docket is not intended to be a utility-specific factual inquiry into the facts and circumstances underlying the development of each utility's prepaid pension asset. Nor is it intended to address the prudence of a particular utility's decision to offer a pension plan or a utility's decision to close, freeze, or keep open a pension plan. And this docket is not intended to be a utility-specific inquiry into general employee compensation. CUB's data request seeks utility-specific historical data regarding forms of compensation (e.g., medical and dental compensation) that are entirely unrelated to retirement benefits generally or

pension expenses specifically. Therefore, the data request seeks information that is irrelevant to the issues before the Commission in this case.

Second, CUB's request is unduly burdensome. The compensation information CUB requests goes back almost thirty years, and is therefore not easily accessible if at all. It should also be noted that much of the requested information that may be available would not exist electronically and would not be in the requested format. Finding and compiling the information requested would take many hours of employee time; given the irrelevance of this information to the issues in this docket, it would be unreasonable to require the utilities to go to the time and expense required to produce it.

CUB argues that non-pension retirement compensation plans are "important to understand because they give us an idea of the size of the current retirement liability that has been moved out of the pension plan and therefore does not put upward pressure on FAS 87." CUB is concerned that "without that future retirement liability adding to FAS 87 . . . FAS 87 will fall below zero as the pension plans become funded and will spit out negative FAS 87 indefinitely, growing the prepaid pension asset." CUB's explanation is disjointed and vague. The utilities do not believe the requested information will allow CUB to reach any definitive conclusions regarding correlations between plan status and the existence of a pre-paid pension asset or accrued pension liability. Absent a more clear explanation from CUB about the relevance of the information they seek to the issues in this docket, the utilities should not be required to produce this voluminous information.

Thank you for your attention to this matter.

Very truly yours,

A handwritten signature in black ink, appearing to read "Lisa Rackner". The signature is fluid and cursive, with a large loop at the end.

Lisa Rackner

Enclosures

cc: Service List

1 **CERTIFICATE OF SERVICE**

2 I hereby certify that I served a true and correct copy of the foregoing document in Docket UM
3 1633 on the following named person(s) on the date indicated below by email addressed to said
4 person(s) at his or her last-known address(es) indicated below.

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DATED: April 23, 2014



Wendy McIndoo
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