

From: [GRANT Michael](#)
To: [MENZA Candice](#)
Subject: FW: UM 1633 Request for Informal Discovery Conference in order to Resolve Discovery Dispute between CUB and Utilities
Date: Monday, April 21, 2014 9:16:08 AM
Attachments: [Attachment to Data Requests on Retirement.xlsx](#)
[CUB_DR_034.docx](#)
[A30.doc](#)
[CUB_DR_31_Response_Document.docx](#)
[OR UM-1633 CUB \(39-40\) 3-31-14.pdf](#)
[CUB_DR_039.pdf](#)
[IPCQ's Response to CUB's DR 57 \(00138220xBCD5C\).doc](#)

From: Catriona McCracken [<mailto:Catriona@oregoncub.org>]
Sent: Friday, April 18, 2014 3:02 PM
To: GRANT Michael
Cc: dockets; dockets@idahopower.com; efilings@nwnatural.com; oregondockets@pacificcorp.com; liz.andrews@avistacorp.com; pamela.archer@cngc.com; BAHR Brian; tbrooks@cablehouston.com; bryce.dalley@pacificcorp.com; pat.ehrbar@avistacorp.com; efinklea@nwigu.org; Bob Jenks; JONES Jason W; Catriona McCracken; david.meyer@avistacorp.com; Inordstrom@idahopower.com; michael.parvinen@cngc.com; dockets@mcd-law.com; maryalice.rosales@cngc.com; ias@dvclaw.com; rsmithla@aol.com; cstokes@cablehouston.com; mark.thompson@nwnatural.com; doug.tingey@pgn.com; pge.opuc.filings@pgn.com; bvc@dvclaw.com; sarah.wallace@pacificcorp.com
Subject: UM 1633 Request for Informal Discovery Conference in order to Resolve Discovery Dispute between CUB and Utilities

Dear Judge Grant:

CUB issued the following data request to all six Oregon utilities:

“Please fill in the attached table for all years. Please submit the electronic Excel file with all cells working and intact. For years where the information is not available or not applicable, put N/A for not applicable, and for unavailable U/A. Please explain missing information, where possible.”

The excel spreadsheet that was attached to this data request sought information related to all forms of executive compensation and non executive compensation for the years 1987 to 2014 and asked the utilities to split out monies contributed to retirement savings plans (like 401(k) plans) from monies contributed to pension benefit plans. It also sought total compensation and amounts collected in rates for each type of compensation. A copy of the excel spread sheet is attached.

All of the utilities have now responded to this data request voicing various objections from referencing prior data response answers (which CUB believes to be non-responsive); to claims that the request is unduly burdensome; seeks information that is not relevant; is overly broad; beyond the scope; requests information not kept in the ordinary course of business; or requires development of a special study. Copies of each utility's response are attached to this email.

Because this case is so technical and the issues are difficult to explain, CUB has already provided the following explanation to each of the utilities who requested additional clarification when contacted yesterday in order to confer regarding my request to your Honor for an informal discovery conference:

“CUB seeks the requested information because it is attempting to identify the relationship between open, closed, and partially open retirement plans and FAS 87 and the prepaid pension asset. The fact is that the companies in this docket all have very different positions and standings regarding the prepaid pension asset/accrued pension liability. Moreover, each company has different policies in place regarding the treatment of existing employees, new hires, and future employees. Idaho power, for example has an open policy with regards to its pension plan. That means, for past, existing, and future employees, all effects of retirement benefits are wholly contained within the pension account. Future employees have the effect of creating forward-looking FAS 87 expenses for the company, past employees have effected historical FAS 87 expenses, required contributions and continue to have effects on those numbers going forward. The prepaid pension asset is a result of the annual accumulation of netting contributions against FAS 87 expense. Other companies, however, have some employees in pension plans, and others in retirement plans.

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. Without that future retirement liability adding to FAS 87, CUB is concerned that 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. To the degree that the future growth in the prepaid pension asset is linked to the closing of pension funds to existing employees, then any new policies proposed should be designed to work without existing retirees contributing to FAS 87.

There is undoubtedly a link between the growth in the prepaid pension asset and the closing of the pension plans because the closing of the pension plans reduces FAS 87 expense and the prepaid pension asset is the difference between contributions and FAS 87. But this might, or might not, be a problem. It is possible that closing the pension accounts and converting to a defined contribution plan, while raising the prepaid pension asset, more than offsets that increase by reducing FAS 87 expense and the ongoing costs of retirement.

To understand the relationship between the status of pension plans (closed, partially open, and fully open) and FAS 87, CUB is seeking information about current non-pension retirement plans. This will help us identify the size of the liability that has moved from the pension plan (and no longer contributes to FAS 87).”

Given the short timeline until prehearing briefs are due on May 16, 2014, I am

sending this information to you in explanation of our request for a discovery conference pursuant to OAR 860-001-0500(4). With six separate utilities, to each of whom CUB would be required to send a motion to compel with the attendant deadlines, it seemed better to ask for a discovery conference in the hope of maintaining the current schedule and permitting the filing of prehearing briefs on May 16, 2014. However, if your Honor prefers CUB is also amenable to filing motions to compel with the understanding that such filing would then require a scheduling change to permit time for briefing after the matter was resolved. If your Honor is amenable to an informal telephone conference for resolving this discovery matter could you please provide the parties with dates when you would be available for a discovery conference.

CUB has conferred with each utility in an attempt to resolve this matter. Five out of the six utilities have responded that their objections remain (Idaho Power, Avista, PGE, Cascade and PacifiCorp), discussions are ongoing with NWN to whom we have sent the same clarification of our request as set forth above for your reference.

Thank you for your attention to this matter.

Catriona



G. Catriona McCracken

General Counsel/CUB Regulatory Program Director

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<http://www.cubpolicycenter.org>

<http://www.cubconnects.org>

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April 1, 2014

Subject: Docket No. UM 1633
Idaho Power Company's Response to the Citizens' Utility Board of Oregon's
("CUB") Data Request 57

CUB'S DATA REQUEST NO. 57:

Please fill in the attached table for all years. Please submit the electronic Excel file with all cells working and intact. For years where the information is not available or not *[sic]* applicable, put N/A for not applicable, and for unavailable U/A. Please explain missing information, where possible.

IDAHO POWER COMPANY'S RESPONSE TO CUB'S DATA REQUEST NO. 57:

Idaho Power Company objects to this Request because it is overly broad, burdensome, and seeks information that is beyond the scope of the issue of establishing a broad policy for rate recovery of pension-related costs on a prospective basis. Please see OAR 860-001-0500(2); ORCP 36 B(1).

April 8, 2014

TO: Nadine Hanhan
Citizens' Utility Board of Oregon (CUB)
nadine@oregoncub.org
dockets@oregoncub.org

FROM: Patrick G. Hager
Manager, Regulatory Affairs

**PORTLAND GENERAL ELECTRIC
UM 1633
PGE Response to CUB Data Request No. 039
Dated March 25, 2014**

Request:

Please fill in the attached table for all years. Please submit the electronic Excel file with all cells working and intact. For years where the information is not available or nor applicable, put N/A for not applicable, and for unavailable U/A. Please explain missing information, where possible.

Response:

PGE objects to this request on the basis that it is unduly burdensome, and to the extent it requests information that is not relevant or reasonably calculated to lead to the discovery of admissible evidence in this docket. Notwithstanding this objection, PGE responds as follows:

Please refer to Attachment 005-A of PGE's response to CUB Data Request No. 005 for information related to PGE's pension plan for the years requested.



Pacific Power |
Rocky Mountain Power
825 NE Multnomah, Suite 2000
Portland, Oregon 97232

March 31, 2014

Nadine Hanhan
Citizens' Utility Board of Oregon
610 SW Broadway Ste 308
Portland, OR 97205
Nadine@oreongcub.org (C)
dockets@oregoncub.org (C)

RE: OR Docket No. UM-1633
CUB Data Request (39-40)

Please find enclosed PacifiCorp's Response to CUB Data Request 39. The response to CUB 40 will be shipped separately.

If you have any questions, please call Bryce Dalley at (503) 813-6389.

Sincerely,

Bryce Dalley
Vice President, Regulation

Enclosures

C.c.: Irion A. Sanger/ICNU ias@dvclaw.com (C)
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Kay Barnes/OPUC puc.datarequests@state.or.us (C) (2 copies)
Jason Jones/OPUC jason.w.jones@state.or.us (C)

UM 1633/PacifiCorp
March 31, 2014
CUB Data Request 39

CUB Data Request 39

Please fill in the attached table for all years. Please submit the electronic Excel file with all cells working and intact. For years where the information is not available or not applicable, put N/A for not applicable, and for unavailable U/A. Please explain missing information, where possible.

Response to CUB Data Request 39

The Company objects to this request as unduly burdensome, not reasonably calculated to lead to the discovery of admissible evidence, and as requesting information not maintained in the ordinary course of business or development of a special study. Without waiving these objections, the Company responds as follows:

Please refer to the Company's response to CUB Data Requests 5, 8 and 17.



Rates & Regulatory Affairs

UM 1633 – Investigation into
Treatment of Pension Costs in Utility Rates

Data Request Response

Request No. UM 1633-CUB-DR 31:

Please fill in the attached table for all years. Please submit the electronic Excel file with all cells working and intact. For years where the information is not available or not applicable, put N/A for not applicable, and for unavailable U/A. Please explain missing information, where possible.

Response: 04/01/2014

The Company has provided its pension plan information from 1987 through 2014 (projected) in response to UM 1633 CUB DR 5.

With regard to the other types of compensation information requested, the Company objects to this request on the basis that it is not reasonably calculated to lead to admissible evidence in this docket. The purpose of the UM 1633 docket is for the Commission to adopt a general policy on the treatment of pension costs in rates. Detailed information as to non-pension forms of compensation is not relevant to this docket. Furthermore, it would be unduly burdensome to gather the information in the format requested from historical records going back to 1987. The amount of the Company's compensation packages are vetted in rate cases when determining the revenue requirement for just and reasonable rates.

CASCADE NATURAL GAS CORPORATION
Citizens' Utility Board of Oregon
Investigation into Treatment of Pension Costs
UM 1633

Request No. 30

Date prepared: April 9, 2014

Preparer: Michael Parvinen

Contact: Michael Parvinen

Telephone: 509-734-4593

A30. Please fill in the attached table for all years. Please submit the electronic Excel file with all cells working and intact. For years where the information is not available or not applicable, put N/A for not applicable, and for unavailable U/A. Please explain missing information, where possible.

Response:

Please refer to response to CUB DR No. 26 updated on 4/2/14.