

**BEFORE THE PUBLIC UTILITY COMMISSION  
OF OREGON**

UM 1286

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

MEMORANDUM

**DISPOSITION: SCOPE OF PROCEEDINGS SPECIFIED;  
WORKSHOP TO BE HELD IN LIEU OF ORAL  
ARGUMENT**

At the second prehearing conference in this docket, on September 14, 2007, the parties agreed to proceed with this matter in two phases and set a schedule for the first phase. Their agreement is memorialized in a letter dated September 25, 2007, submitted on behalf of joint parties by Staff attorney David Hatton.

During the first phase, the parties will address mechanisms for the recovery of gas costs, including any proposed incentive arrangements. During the second phase the parties will address guidelines for implementing PGA mechanisms, any incentive mechanisms identified in Phase one, portfolio purchasing of natural gas, and related documentation.

The parties proposed that the first phase of the case would include two rounds of simultaneous comments, with opening comments filed on December 4, 2007, and reply comments due on January 22, 2008. While those comments focus on cost recovery and incentive mechanisms, any party may include comments regarding portfolio purchasing practices and guideline and risk shifting policies, to the extent that they are inextricably linked with the comments regarding cost recovery mechanisms. The parties proposed that the second phase of this docket be deferred until after a Commission decision in the first phase.

The parties requested oral argument before the Commission after the reply comments, to be scheduled for February, 2008.

By motion filed January 3, 2008, Staff and other parties propose that the Commission convene a workshop, with Commissioners in attendance, in lieu of the planned oral argument. During the workshop, parties would explain their own proposals, comment on other parties' proposals, and respond to questions from the Commissioners. The parties also request that an additional round of comments be scheduled to follow the workshop, to allow parties to respond to matters raised at the workshop.

The motion is granted. The oral argument is canceled. A workshop will be held in February. Notice of the workshop will be served at a later date. The additional round of comments will be due 10 days after the date of the workshop.

Dated at Salem, Oregon, this 4th day of January, 2008.

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Patrick Power  
Administrative Law Judge