

**BEFORE THE PUBLIC UTILITY COMMISSION
OF OREGON**

UM 1804

In the Matter of

NORTHWEST NATURAL GAS
COMPANY, dba NW NATURAL,

Application for Approval of Corporate
Reorganization to Create a Holding
Company.

RULING

DISPOSITION: NO ADDITIONAL DISCLOSURE ORDERED

I. INTRODUCTION

On May 17, 2017, Administrative Law Judge Power issued a ruling regarding motions to compel discovery filed by Commission Staff and the Oregon Citizens' Utility Board (CUB). In their motions, Staff and CUB indicated that Northwest Natural Gas Company had redacted portions of its responses to certain data requests, asserting variously the attorney-client privilege and work-product doctrine, as well as raising relevancy concerns. Both Staff and CUB requested an *in camera* review of the documents and redactions to determine whether the privileges and objections have been properly asserted.

In his ruling ALJ Power granted Staff's and CUB's request for an *in camera* review with respect to presentations to the company's Board of Directors, materials attached to rating agency presentations, and Board of Directors' meeting minutes. NW Natural promptly submitted the materials to the Commission and that review has been completed.

II. DOCUMENTS REQUESTED

A. Board Presentations

Staff Data Requests 6 and 16 and CUB Data Requests 2 and 3 seek copies of all Board of Directors' materials that discuss or deal with the planned reorganization, including risk assessments prepared by NW Natural for third parties.

NW Natural redacted portions of the requested documents, asserting attorney-client privilege or the work-product doctrine.

The *in camera* review found that NW Natural has properly applied the attorney-client privilege or work-product doctrine in redacting material from these documents. No additional material need be produced.

B. Rating Agency Presentations

Staff Data Request 15 asks for presentations made by NW Natural to any rating agencies, investment banks, or investors since January 1, 2015.

NW Natural withheld a portion of its presentations dated May 2015, December 2015, and May 2016. The disputed document is a financial forecast prepared by the company's Finance and Budget Department that incorporates an analysis of the likely resolution of the next rate case. NW Natural disputes the relevancy of the document on the basis that it does not include any assumptions regarding the proposed reorganization. The company also claims that it is protected by the work-product doctrine.

The *in camera* review confirmed that the financial forecast is not relevant to this proceeding and need not be produced.

C. Board of Directors' Minutes

In its DR 43(a), Staff requests unredacted copies of NW Natural's 2016 Board of Directors' meeting minutes—the meeting where the Board authorized the filing of the application to form a holding company with this Commission.

NW Natural claims that the redacted portions of the meeting minutes are protected by the attorney-client privilege and work-product doctrine because they capture its attorneys' legal advice seeking regulatory approval of the reorganization.

The *in camera* review confirmed that NW Natural has properly applied the attorney-client privilege in redacting material from these documents. Accordingly, no additional material need be produced.

Dated this 24th day of May 2017, at Salem, Oregon.



Michael Grant
Chief Administrative Law Judge