

Mark R. Thompson
Manager, Rates and Regulation
Tel: 503.721-2476
Fax: 503.721.2516
Email: mark.thompson@nwnatural.com



March 23, 2015

NWN OPUC Advice No. 14-23

VIA ELECTRONIC FILING

Public Utility Commission of Oregon
3930 Fairview Industrial Drive SE
Post Office Box 1088
Salem, OR 97308-1088

Attn: Filing Center

**Re: NW Natural's Notice to Attend Public Meeting on March 24, 2015
Schedule 177, System Integrity Program (SIP) Recovery Mechanism**

On October 21, 2014, NW Natural filed an application (OPUC Advice No. 14-23) to extend its System Integrity Program (SIP), with certain modifications. On March 4, 2015, Staff filed its recommendation with the Public Utility Commission of Oregon concerning that application, stating its recommendation that NW Natural's application not be adopted. NW Natural is submitting this letter at the request of Staff to notify the Commission that NW Natural representatives will attend the public meeting to provide a response to Staff's recommendation, and to answer any questions or concerns the Commission may have about NW Natural's proposal.

As stated in its application, and at previous meetings with the Commission on this topic, NW Natural believes that the SIP should be extended because it forms an important part of NW Natural's safety program and this Commission's oversight over the Company's safety activities. The program effectively aligns the interest of all parties in improving system safety. It does this by creating a cost recovery avenue for safety investments that is outside the typical annual budgeting process, and therefore not subjected to spending constraints that may otherwise apply within the utility. NW Natural has proposed limits on its proposed SIP extension that will ensure the reasonableness of NW Natural's investments and the impact on rates.

NW Natural hopes that the Commission will approve its request at the public meeting on March 24, 2015, and we look forward to addressing any concerns or questions the Commission may have.

Sincerely,

/s/ Mark R. Thompson

Mark R. Thompson
Manager, Rates and Regulation