

**BEFORE THE PUBLIC UTILITY COMMISSION  
OF OREGON**

UM 1635

In the Matter of

NORTHWEST NATURAL GAS  
COMPANY, dba NW NATURAL,

Mechanism for Recovery of  
Environmental Remediation Costs.

PREHEARING CONFERENCE  
MEMORANDUM

On December 21, 2012, the Public Utility Commission of Oregon held a prehearing conference in this docket. Representatives appeared on behalf of Commission Staff; the Citizens' Utility Board of Oregon (CUB); NW Natural Gas Company, dba NW Natural; the Northwest Industrial Gas Users (NWIGU); and Portland General Electric Company (PGE).

**Petitions to Intervene**

Before the conference, petitions to intervene were filed by NWIGU and PGE. No party attending the conference objected to the petitions. Upon review of the petitions, I find that NWIGU and PGE each have sufficient interest in the proceedings to participate and that their participation will not unreasonably broaden the issues, burden the record, or delay the proceedings.<sup>1</sup> The petitions to intervene are granted.

In addition, CUB filed a notice of intervention on December 12, 2012, in compliance with ORS 774.180.

**Procedural Schedule**

During the conference, the parties agreed to conduct a party workshop on January 9, 2013.<sup>2</sup> The parties also asked for time to conduct additional workshops or settlement discussions before a full procedural schedule is adopted. I agreed to this proposal. A full procedural schedule will not be established at this time.

A prehearing conference will be set for February 4, 2013, to set a procedural schedule for the remainder of the docket. The parties should feel free to propose a different date for

---

<sup>1</sup> See OAR 860-001-0300.

<sup>2</sup> The parties are free to change the dates of or to schedule additional workshops and settlement conferences without Commission approval. This date is included for the parties' convenience.

the prehearing conference if developments during workshops or settlement conferences make another date more appropriate.

**Issues List**

The Notice of Prehearing Conference and Memorandum issued on December 10, 2012, identified the following issues to be addressed in this docket:

1. The prudence of NW Natural's environmental remediation costs;
2. The appropriate deadband to be applied to recovery of environmental remediation costs;
3. The appropriate application of the earnings test ordered in docket UG 221;  
and
4. The appropriate rate spread to apply to recoverable costs.

No party objected to this issues list, though CUB advised the parties of several sub-issues it intends to raise in this docket under Issue 3.

Dated this 24th day of December, 2012, at Salem, Oregon.



---

Lisa D. Hardie  
Administrative Law Judge

Attachment: Notice of Contested Case Rights and Procedures

## NOTICE OF CONTESTED CASE RIGHTS AND PROCEDURES

Oregon law requires state agencies to provide parties written notice of contested case rights and procedures. Under ORS 183.413, you are entitled to be informed of the following:

**Hearing:** The time and place of any hearing held in this proceeding will be noticed separately. The Commission will hold the hearing under its general authority set forth in ORS 756.040 and use procedures set forth in ORS 756.518 to 756.610 and OAR Chapter 860, Division 001. Copies of these statutes and rules may be accessed via the website at [www.puc.state.or.us](http://www.puc.state.or.us). The Commission will hear issues as identified by the parties.

**Right to Attorney:** As a party to this hearing, you may be represented by counsel. Should you desire counsel but cannot afford one, legal aid may be able to assist you; parties are ordinarily represented by counsel. The Commission staff, if participating in the case, will be represented by the Department of Justice. Once a hearing has begun, you will not generally be allowed to postpone the hearing to obtain counsel.

**Administrative Law Judge:** The Commission has delegated the authority to preside over hearings to Administrative Law Judges (ALJs). The scope an ALJ's authority is defined in OAR 860-001-0090. The ALJ make evidentiary and other procedural rulings, analyze the contested issues, and present legal and policy recommendations to the Commission.

**Hearing Rights:** You have the right to respond to all issues identified, and present evidence and witnesses on those issues. See OAR 860-001-0450 to OAR 860-001-0490. You may obtain discovery from other parties through depositions, subpoenas, and data requests. See ORS 756.538 and 756.543; OAR 860-001-0500 to 860-001-0540.

**Evidence:** Evidence is generally admissible if it is of a type relied upon by reasonable persons in the conduct of their serious affairs. See OAR 860-001-0450(1)(b). Objections to the admissibility of evidence must be made at the time the evidence is offered. Objections are generally made on grounds that the evidence is unreliable, irrelevant, repetitious, or because its probative value is outweighed by the danger of unfair prejudice, confusion of the issues, or undue delay. The order of presenting evidence is determined by the ALJ. The burden of presenting evidence to support an allegation rests with the person raising the allegation. Once a hearing is completed, the ALJ will not generally allow the introduction of additional evidence without good cause.

**Record:** The hearing will be recorded, either by a court reporter or by audio/digital tape, to preserve the testimony and other evidence presented. Parties may contact the court reporter about ordering a transcript or request the Commission for a copy of the tape for a fee set forth in OAR 860-001-0060(3)(e)(B). The hearing record will be made part of the evidentiary record that serves as the basis for the Commission's decision and, if necessary, the record on any judicial appeal.

**Final Order and Appeal:** After the hearing, the ALJ will prepare a draft order resolving all issues and present it to the Commission. The ALJ's draft order is not open to party comment. The Commission will make the final decision in the case and may adopt, modify, or reject the ALJ's recommendation. If you disagree with the Commission's decision, you may request reconsideration of the final order within 60 days. See ORS 756.561 and OAR 860-001-0720. You may also file a petition for review with the Court of Appeals within 60 days. See ORS 756.610.