

# McDowell Rackner & Gibson PC



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May 29, 2015

## VIA ELECTRONIC FILING

PUC Filing Center  
Public Utility Commission of Oregon  
PO Box 1088  
Salem, OR 97308-1088

Re: Dockets UM 1635 and UM 1706

Attention Filing Center:

Attached for filing in the above-captioned dockets is NW Natural's Request to Withdraw its Application for Reconsideration and/or Clarification.

Please contact this office with any questions.

Very truly yours,

Wendy McIndoo  
Office Manager

Enclosure

cc: Service List

**BEFORE THE PUBLIC UTILITY COMMISSION  
OF OREGON**

**UM 1635 PHASE II & UM 1706**

In the Matters of  
NORTHWEST NATURAL GAS  
COMPANY, dba NW NATURAL,  
Mechanism for Recovery of  
Environmental Remediation Costs  
(UM 1635)  
and  
Request for Determination of the  
Prudence of Environmental Remediation  
Costs for the Calendar Year 2013 and the  
First Quarter of 2014  
(UM 1706)

**NW NATURAL'S  
REQUEST TO WITHDRAW ITS  
APPLICATION FOR RECONSIDERATION  
AND/OR CLARIFICATION**

1           On March 31, 2015, Northwest Natural Gas Company (NW Natural or the  
2           Company) filed an Application for Reconsideration or, in the alternative, for Clarification of  
3           Order No. 15-049, issued on February 20, 2015 (Application). Specifically NW Natural  
4           asked the Commission to reconsider or clarify that portion of its Order No. 15-049 (Order)  
5           in which it directed NW Natural to hold approximately \$100.3 million in insurance proceeds  
6           to be applied to future remediation costs “in a secure account, with interest accruing at the  
7           highest rate the company is able to obtain while reasonably minimizing the risk to the  
8           principal”<sup>1</sup>. The Company pointed out that it had incurred a tax liability of 39.5 percent on  
9           the insurance proceeds and therefore asked the Commission to issue an order confirming  
10          that only the after-tax balance need be held in a secure account.<sup>2</sup>

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<sup>1</sup> *In the Matters of Northwest Natural Gas Company, dba NW Natural, Mechanism for Recovery of Environmental Remediation Costs and Request for Determination of the Prudence of Environmental Remediation Costs for the Calendar Year 2013 and the First Quarter of 2015, Dockets UM 1635 and UM 1706, Order No. 15-049 at 7 (Feb. 20, 2015).*

<sup>2</sup> Application, pp. 3-5.

1 On April 15, 2015, Commission Staff (Staff), Northwest Industrial Gas Users  
2 (NWIGU), and Citizens' Utility Board of Oregon (CUB) all filed briefs opposing NW  
3 Natural's Application, and NW Natural filed a Reply on April 22. On May 1<sup>st</sup>,  
4 Administrative Law Judge Pines instructed the parties to "meet and confer regarding the  
5 issues raised in the application and in the responses to the application" and to report back  
6 to the Commission on any agreement they may be able to reach.<sup>3</sup>

7 Over the past two weeks the parties have met in an attempt to settle their  
8 differences regarding the appropriate treatment of the insurance proceeds that will be  
9 applied to future remediation expenses, and in particular, how those proceeds should be  
10 held and what rate interest should accrue. The parties have now reached an agreement  
11 in principle which they intend to memorialize, in a Stipulation and supporting brief, and file  
12 with the Commission by June 16, 2015. At that same time, the parties would file a motion  
13 requesting that the Commission amend its Order, pursuant to its authority under ORS  
14 756.568, in accordance with the parties' agreement.

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<sup>3</sup> ALJ Ruling, issued May 2015.

1            In light of this agreement in principle, Northwest Natural hereby requests that the  
2 Commission grant its request to withdraw its Application. Staff, NWIGU and CUB all  
3 support this request.

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DATED: May 29, 2015

**MCDOWELL RACKNER & GIBSON PC**



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