

Rates and Regulatory Affairs
Facsimile: 503.721.2532



August 5, 2005

VIA ELECTRONIC FILING

Public Utility Commission of Oregon
ATTN: Filing Center
550 Capitol Street NE, Suite 215
Post Office Box 2148
Salem, Oregon 97308-2148

RE: OPUC Docket No. UG 163

Enclosed for filing is Northwest Natural Gas Company's Stipulation and Testimony in the subject proceeding. Original signatures are included for all parties with the exception of Philip Carver of ODOE and Stephanie Andrus of OPUC, which were provided by facsimile. I will forward these two original signatures to the Filing Center once our office receives them. An electronic copy of this filing will also be served on all parties listed on the attached certificate of service.

Sincerely,



C. Alex Miller
Director, Regulatory Affairs & Forecasting

Enclosures

cc: Service List

BEFORE THE PUBLIC UTILITY COMMISSION OF OREGON

UG 163

In the Matter of

NORTHWEST NATURAL

Investigation Regarding Possible Continuation of
Distribution Margin Normalization Tariff

STIPULATION

This Stipulation is entered into for the purpose of resolving all the contested issues in this proceeding.

PARTIES

1. The parties to this Stipulation are NW Natural Gas Company (“NW Natural” or “the Company”), Citizens’ Utility Board, NW Energy Coalition, Natural Resources Defense Council, Community Action Directors of Oregon (“CADO”), Oregon Energy Coordinators Association (“OECA”), Staff of the Public Utility Commission of Oregon, Northwest Industrial Gas Users and Oregon Department of Energy (each, a “Party”; collectively, the “Parties”).

BACKGROUND

2. On September 12, 2002, the Public Utility Commission of Oregon (“Commission”) in Docket UG 143 authorized NW Natural to implement a Distribution Margin Normalization (“DMN”) Tariff (also referred to as a “partial decoupling mechanism”). The Commission’s Order in that proceeding (Order No. 02-634) approved a Settlement Agreement which contained the following provision:

1.9 The partial decoupling mechanism . . . shall terminate on September 30, 2005, unless otherwise extended by agreement of the Specified Parties or by approval of the Commission as further described in this Paragraph 1.9.

1.9.1 Prior to the September 30, 2005 termination date, NW Natural will arrange for a study by an independent entity regarding the effectiveness of the partial decoupling mechanism, according to the criteria and standards developed in Paragraph 1.9.2 of this Agreement. No later than March 31, 2005, NW Natural will submit the results of the independent study to the parties to this Docket and the Commission. Also no later than March 31, 2005, NW Natural will request by petition that the Commission open an investigation on the issue of whether to continue the partial decoupling mechanism, with modifications or not, subsequent to September 30, 2005.

3. On March 31, 2005, NW Natural commenced this proceeding with its Petition to Commence Investigation (“Petition”) on the issue of whether to continue the DMN Tariff subsequent to September 30, 2005. NW Natural included with its Petition the results of the independent study performed by Laurits R. Christensen Associates, Inc. (“Christensen Associates”)

4. Pursuant to Administrative Law Judge Katherine A. Logan’s Prehearing Conference Report of May 9, 2005, a settlement conference was held on May 17. The settlement conference was open to all parties in this Docket. At the settlement conference, all parties to this proceeding agreed or did not oppose the following:

To enable the Commission to complete its investigation in this docket under the above schedule, NW Natural’s Schedule 190, Partial Decoupling Mechanism, shall be extended beyond its scheduled September 30, 2005 termination date, subject to the following:

- a. For deferrals accrued by NW Natural in the Partial Decoupling Deferral Account for usage after September 30, 2005, such amounts shall not automatically be amortized in accordance with Schedule 190. Rather, treatment of such deferrals shall be addressed by the parties and determined by the Commission’s order in this proceeding.
- b. Any changes to the price elasticity adjustment pursuant to an order in this proceeding will be made only on a prospective basis (*i.e.*, in the event the tariff terminates at the conclusion of this proceeding, NW Natural will not be required to make refunds to customers).

5. These terms were included in Judge Logan’s Prehearing Conference Report of May 20, 2005. Pursuant to that Prehearing Conference Report, NW Natural filed its direct testimony on May 27, 2005.

6. By separate advice filing submitted on May 27, 2005, NW Natural submitted a compliance filing consisting of proposed tariff revisions to extend Schedule 190 beyond September 30, 2005, subject to the terms and conditions agreed upon by the parties and set forth in Judge Logan’s May 20, 2005 Prehearing Conference Report.

7. As a result of the settlement conference and additional discussions, the Parties have agreed to proposed terms that would resolve the issues in this proceeding. The Parties submit this Stipulation to the Commission and request that the Commission approve the settlement as presented.

AGREEMENT

8. The Parties agree that the proposed tariff revisions submitted by NW Natural in its May 27, 2005 compliance filing fulfill the terms prescribed in Judge Logan's May 20, 2005 Prehearing Conference Report, and recommend that these tariffs be approved by the Commission and remain in effect until the conclusion of this proceeding.

9. The Parties agree that the DMN tariff, Schedule 190, should be extended for four (4) years, through September 30, 2009. Extending the DMN tariff for this period would allow the tariff to be analyzed alongside the Company's weather-adjusted rate mechanism ("WARM"), which will be in place through September 30, 2008, in accordance with the terms of the Stipulation approved by the Commission in Docket UG 152. (Order No. 03-507, Appendix C) Extending DMN for one additional year beyond the current sunset date for WARM (for a total of four years) ensures that any delays in analyzing and potentially extending WARM do not impact DMN. The Parties further agree that Schedule 190, as so extended, should be modified in accordance with paragraph 10 below.

10. The Parties agree that the DMN tariff, Schedule 190, to be extended pursuant to paragraph 9 above should be modified to revise to 100% the 90% factor that is currently applied to deferral adjustments.

11. The Parties agree that the proposed Schedule 190 included as NWN Exhibit 101 implements paragraphs 9 and 10 of this Stipulation, and should be approved by the Commission to become effective at the conclusion of this proceeding. This proposed tariff is included as Attachment 1 to this Stipulation.

12. The Parties agree that so long as the Company's DMN tariff, Schedule 190, remains in effect, the Parties will not seek termination of the Company's Schedule 300 (Oregon Low-Income Gas Assistance) and Schedule 301 (Public Purposes Funding Surcharge), Schedule 310 (Oregon Low-Income Gas Assistance, or "OLGA"), and Schedule 320 (Oregon Low-Income Energy Efficiency Program). Nothing in this paragraph shall preclude the Company from making tariff revisions directed by the Commission or making routine tariff revisions to Schedules 300, 301, 310, and 320 after consultation with the Parties, prior to September 30, 2009.

13. Industrial customers served on Schedules 3, 31 and 32 and industrial customers under special contracts will not be charged for any of the gas-related programs listed in paragraph #12. Correspondingly, these customers will not be eligible for Energy Trust Funding for natural gas related conservation and efficiency programs. The parties agree to work in good faith to monitor and police this provision.

14. The Company will work with representatives from CADO, OECA and other interested parties to establish an advisory group for the Oregon Low-Income Gas Assistance ("OLGA") program. This advisory group shall meet on a quarterly basis for the purpose of facilitating communications and providing advice regarding the administration of the OLGA program. The first meeting of this advisory group shall occur no later than October 1, 2005.

15. The Parties agree that this Stipulation is in the public interest and results in an overall fair, just, and reasonable outcome of the matters at issue in this proceeding.

16. The Parties agree that this Stipulation represents a compromise in the positions of the Parties. As such, conduct, statements, and documents disclosed in the negotiation of this Stipulation shall not be admissible as evidence in this or any other proceeding.

17. This Stipulation will be offered into the record of this proceeding as evidence pursuant to OAR 860-014-0085. The Parties agree to support this Stipulation throughout this proceeding and any appeal, provide witnesses to sponsor this Stipulation at the hearing, if such hearing is held, and recommend that the Commission issue an order adopting the settlements contained herein.

18. If this Stipulation is challenged by any other party to this proceeding, the Parties to this Stipulation reserve the right to cross-examine witnesses and put on such case as they deem appropriate to respond fully to the issues presented, including the right to raise issues that are incorporated in the settlements embodied in this Stipulation. Notwithstanding this reservation of rights, the Parties agree that they will support the Commission's adoption of the terms of this Stipulation.

19. The Parties have negotiated this Stipulation as an integrated document. If the Commission rejects all or any material portion of this Stipulation or imposes additional material conditions in approving this Stipulation, any Party disadvantaged by such action shall have the rights provided in OAR 860-014-0085 and shall be entitled to seek reconsideration or appeal of the Commission's Order.

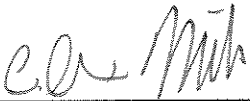
20. By entering into this Stipulation, no Party shall be deemed to have approved, admitted, or consented to the facts, principles, methods, or theories employed by any other party in arriving at the terms of this Stipulation. No Party shall be deemed to have agreed that any provision of this Stipulation is appropriate for resolving issues in any other proceeding.

21. This Stipulation may be executed in counterparts and each signed counterpart shall constitute an original document.


This Stipulation is entered into by each Party on the date entered below such Party's signature.

DATED: August 5, 2005.

NORTHWEST NATURAL GAS
COMPANY

By 
C. Alex Miller
Director, Regulatory Affairs and
Forecasting

CITIZENS' UTILITY BOARD

By 
Bob Jenks
Executive Director

OREGON DEPARTMENT OF ENERGY

NW ENERGY COALITION

By Philip H. Carver 7/27/05
Philip H. Carver

By _____
Steven Weiss
Sr. Policy Associate

NATURAL RESOURCES DEFENSE
COUNCIL

COMMUNITY ACTION DIRECTORS OF
OREGON

By _____
Steven Weiss

By _____
Jim Abrahamson
Oregon Energy Partnership
Coordinator

OREGON ENERGY COORDINATORS
ASSOCIATION

PUBLIC UTILITY COMMISSION OF
OREGON

By _____
Jim Abrahamson
Oregon Energy Partnership
Coordinator

By _____
Jason W. Jones
Attorney for Staff

NORTHWEST INDUSTRIAL GAS
USERS

By _____
Paula E. Pyron
Executive Director

OREGON DEPARTMENT OF ENERGY

NW ENERGY COALITION

By _____
Philip H. Carver

By Steven Weiss
Steven Weiss
Sr. Policy Associate

NATURAL RESOURCES DEFENSE
COUNCIL

COMMUNITY ACTION DIRECTORS OF
OREGON

By Steven Weiss
Steven Weiss
for Ralph Cavanagh

By _____
Jim Abrahamson
Oregon Energy Partnership
Coordinator

OREGON ENERGY COORDINATORS
ASSOCIATION

PUBLIC UTILITY COMMISSION OF
OREGON

By _____
Jim Abrahamson
Oregon Energy Partnership
Coordinator

By _____
Jason W. Jones
Attorney for Staff

NORTHWEST INDUSTRIAL GAS USERS

By _____
Paula E. Pyron
Executive Director

OREGON DEPARTMENT OF ENERGY

NW ENERGY COALITION

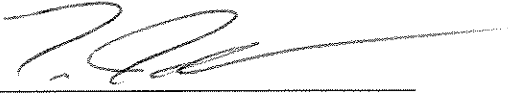
By _____
Philip H. Carver

By _____
Steven Weiss
Sr. Policy Associate

NATURAL RESOURCES DEFENSE
COUNCIL


COMMUNITY ACTION DIRECTORS OF
OREGON

By _____
Steven Weiss

By  _____
Jim Abrahamson
Oregon Energy Partnership
Coordinator

OREGON ENERGY COORDINATORS
ASSOCIATION

PUBLIC UTILITY COMMISSION OF
OREGON

By  _____
Jim Abrahamson
Oregon Energy Partnership
Coordinator

By _____
Jason W. Jones
Attorney for Staff

NORTHWEST INDUSTRIAL GAS USERS

By _____
Paula E. Pyron
Executive Director

OREGON DEPARTMENT OF ENERGY

NW ENERGY COALITION

By _____
Philip H. Carver

By _____
Steven Weiss
Sr. Policy Associate

NATURAL RESOURCES DEFENSE
COUNCIL

COMMUNITY ACTION DIRECTORS OF
OREGON

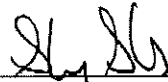
By _____
Steven Weiss

By _____
Jim Abrahamson
Oregon Energy Partnership
Coordinator

OREGON ENERGY COORDINATORS
ASSOCIATION

PUBLIC UTILITY COMMISSION OF
OREGON

By _____
Jim Abrahamson
Oregon Energy Partnership
Coordinator

By  _____
~~Jason W. Jones~~ Stephanie S. Andrews
Attorney for Staff

NORTHWEST INDUSTRIAL GAS USERS

By _____
Paula E. Pyron
Executive Director

OREGON DEPARTMENT OF ENERGY

NW ENERGY COALITION

By _____
Philip H. Carver

By _____
Steven Weiss
Sr. Policy Associate

NATURAL RESOURCES DEFENSE
COUNCIL

COMMUNITY ACTION DIRECTORS OF
OREGON

By _____
Steven Weiss

By _____
Jim Abrahamson
Oregon Energy Partnership
Coordinator

OREGON ENERGY COORDINATORS
ASSOCIATION

PUBLIC UTILITY COMMISSION OF
OREGON

By _____
Jim Abrahamson
Oregon Energy Partnership
Coordinator

By _____
Jason W. Jones
Attorney for Staff

NORTHWEST INDUSTRIAL GAS USERS

By *Paula E. Pyron*
Paula E. Pyron
Executive Director

Q. Please state your names and positions.

A. My name is Bryan Conway. I am Program Manager, Economics & Policy Analysis Section of the Public Utility Commission of Oregon. My witness qualification statement is included as an attachment to this testimony.

My name is C. Alex Miller. I am employed by NW Natural Gas Company (“NW Natural” or “the Company”) as Director of Regulatory Affairs and Forecasting. I have previously filed testimony in this docket.

My name is Bob Jenks. I am executive director of the Citizens’ Utility Board (“CUB”). My witness qualification statement is included as an attachment to this testimony.

My name is Paula Pyron. I am the Executive Director of Northwest Industrial Gas Users (“NWIGU”). My witness qualification statement is included as an attachment to this testimony.

My name is Philip H. Carver. I am a Senior Policy Analyst at Oregon Department of Energy (“ODOE”). My witness qualification statement is included as an attachment to this testimony.

My name is Jim Abrahamson. I am the Oregon Energy Partnership Coordinator, and I represent Community Action Directors of Oregon (“CADO”) and Oregon Energy Coordinators Association (“OECA”) in this proceeding. My witness qualification statement is included as an attachment to this testimony.

My name is Steven Weiss. I am Senior Policy Associate of the NW Energy Coalition (“NWEC”). In this proceeding, I am also representing the Natural Resources Defense Council (“NRDC”). My witness qualification statement is included as an attachment to this testimony.

Q. What is the purpose of your testimony?

A. The purpose of our joint testimony is to describe and support the stipulation among Staff of the Public Utility Commission of Oregon (“Staff”), NW Natural, CUB, NWEC, CADO, OECA, NRDC, ODOE and NWIGU regarding continuation of the Distribution Margin Normalization (“DMN”) tariff (“Stipulation”).

Q. Does the Stipulation resolve all the contested issues in this proceeding?

A. Yes. The purpose of this proceeding was to investigate whether NW Natural’s DMN tariff should continue beyond September 30, 2005. As discussed later in our testimony, the Stipulation provides for extension of the Company’s DMN tariff for four (4) years, through September 30, 2009, subject to other conditions included in the Stipulation.

Q. Are all parties to the proceeding included in the Stipulation?

A. All parties are joining the Stipulation except Cascade Natural Gas Company and Avista Corporation. Although neither of these parties joined in the Stipulation, they do not object to the terms of the Stipulation or the entry of the Stipulation as the basis for settling the contested issues in this proceeding.

Q. Please describe the events leading up to agreement on the Stipulation.

A. On March 31, 2005, NW Natural commenced this proceeding with its Petition to Commence Investigation on the issue of whether to continue the DMN Tariff subsequent to September 30, 2005. NW Natural included with its Petition the results of the independent study performed by Laurits R. Christensen Associates, Inc. (“Christensen Associates”). Pursuant to Administrative Law Judge Katherine A. Logan’s Prehearing Conference Report of May 9, 2005, a settlement conference was held on May 17. The settlement conference was open to all parties in this Docket. After NW Natural filed its direct testimony on May 27, 2005, the parties conducted additional discussions during the

weeks that followed and ultimately agreed upon proposed terms that would resolve the issues in this proceeding.

Q. Please describe the terms of the Stipulation.

A. Paragraphs 8 through 15 of the Stipulation set forth the essential terms of the agreement among the parties. Our testimony will discuss these paragraphs in order.

Q. Please describe paragraph 8 of the Stipulation.

A. Paragraph 8 pertains to the proposed tariff revisions submitted by NW Natural in its May 27, 2005 compliance filing. At the May 17 settlement conference, it was agreed that NW Natural should extend its Schedule 190, Partial Decoupling Mechanism, beyond its scheduled September 30, 2005 termination date. This agreement was subject to the following terms:

- a. For deferrals accrued by NW Natural in the Partial Decoupling Deferral Account for usage after September 30, 2005, such amounts shall not automatically be amortized in accordance with Schedule 190. Rather, treatment of such deferrals shall be addressed by the parties and determined by the Commission's order in this proceeding.
- b. Any changes to the price elasticity adjustment pursuant to an order in this proceeding will be made only on a prospective basis (*i.e.*, in the event the tariff terminates at the conclusion of this proceeding, NW Natural will not be required to make refunds to customers).

These terms were included in Judge Logan's Prehearing Conference Report of May 20, 2005. By separate advice filing submitted on May 27, 2005, NW Natural submitted a compliance filing consisting of proposed tariff revisions to extend Schedule 190 beyond September 30, 2005, and including the conditions agreed upon at the May 17 settlement conference. In paragraph 8 of the Stipulation, the parties are agreeing that the tariff sheets submitted in this compliance filing fulfill the terms prescribed in Judge Logan's May 20, 2005 Prehearing Conference Report, and recommend that these tariffs

be approved by the Commission and remain in effect until the conclusion of this proceeding.

Q. What will happen to these tariffs at the conclusion of this proceeding?

A. If the Commission adopts the Stipulation, the Company will submit revised tariff sheets that implement the terms of the Stipulation. These terms are set forth in the remaining paragraphs of the Stipulation, which we discuss in the next sections of the testimony.

Q. Please describe paragraph 9 of the Stipulation.

A. Paragraph 9 addresses the primary issue for this proceeding, *i.e.*, whether NW Natural's Schedule 190 should be continued beyond its September 30, 2005 expiration date. According to paragraph 9, the parties agree that the DMN tariff should be extended an additional four (4) years, through September 30, 2009.

Q. Please explain the recommended four-year extension of the DMN tariff.

A. A four-year extension will allow the DMN tariff to be evaluated alongside the Company's weather-adjusted rate mechanism ("WARM"). Pursuant to a stipulation approved by the Commission in Docket UG 152, WARM will be in place for approximately three more years, until September 30, 2008. Extending the DMN tariff for one additional year beyond the expiration of WARM – for a total of four years – will ensure that any delay in analyzing and potentially extending WARM will not affect DMN.

Q. Please describe paragraph 10 of the Stipulation.

A. Paragraph 10 provides that the 90% distribution margin differential in effect under the DMN tariff will be increased to 100% through September 30, 2009. By increasing the deferral percentage to 100%, the non-weather related margin variability related to distribution fixed costs is eliminated.

Q. Please describe paragraph 11 of the Stipulation.

A. NW Natural included a proposed Schedule 190 tariff with its direct testimony that would implement the recommended revisions to the DMN tariff to revise the distribution margin differential and extend the effective date. Paragraph 11 states the parties' agreement that this proposed Schedule 190, included as NWN Exhibit 101, implements the Stipulation. (It should be noted that while Exhibit 101 reflects a proposed term ending on September 30, 2008, the Stipulation provides for an additional year beyond that proposed in NW Natural's direct testimony, to September 30, 2009.) Attachment 1 to the Stipulation is the form of tariff that implements the terms of the Stipulation, and the parties recommend its approval by the Commission to become effective at the conclusion of this proceeding.

Q. Please describe paragraph 12 of the Stipulation.

A. This paragraph addresses the relationship between the DMN tariff and the Company's collection of public purpose funding to fund energy efficiency, demand-side management and energy audit programs operated by the Energy Trust of Oregon. Although the parties to the Stipulation did not reach agreement on the issue of whether there is a linkage between the DMN tariff and the public purpose funding provisions, the parties did agree that so long as the DMN tariff remains in place, the Company's public purpose funding surcharge (Schedule 301) and related tariffs for Oregon Low-Income Gas Assistance (Schedule 300), Oregon Low-Income Gas Assistance ("OLGA") (Schedule 310), and Oregon Low-Income Energy Efficiency Program (Schedule 320) should not be terminated. The parties therefore agree not to seek termination of these Schedules prior to September 30, 2009 to coincide with the period in which the DMN tariff will remain in place.

Q. Does paragraph 12 prohibit all revisions to the affected Schedules?

A. No. The Company is not precluded from making routine tariff revisions to Schedules 300, 301, 310, and 320 prior to September 30, 2009, as may be necessary from time to time. Prior to doing so, however, the Company is required to consult with the parties.

Q. Please describe paragraph 13 of the Stipulation.

A. Paragraph 13 clarifies that because certain customers are not charged for any of the gas-related programs provided under Schedules 301, 310 and 320, these customers correspondingly are not eligible for Energy Trust Funding for natural gas related conservation and efficiency programs. The customers included within the scope of paragraph 13 are industrial customers served on Schedules 3, 31 and 32 and industrial customers under special contracts.

Q. What does paragraph 14 of the Stipulation provide?

A. Under paragraph 14, an advisory group for the OLGA program will be established through the efforts of the Company and representatives from CADO, OECA and other interested parties. It is envisioned that this advisory group will meet on a quarterly basis for the purpose of facilitating communications and providing advice regarding the administration of the OLGA program. Paragraph 14 provides that the first meeting of this advisory group will occur no later than October 1, 2005.

Q. Please explain paragraph 15 of the Stipulation.

A. In paragraph 15, the parties express their agreement that the Stipulation is in the public interest and results in an overall fair, just, and reasonable outcome of the matters at issue in this proceeding.

Q. What other terms does the Stipulation include?

A. The Stipulation represents negotiated compromises among the parties. Thus, the parties have agreed that no particular party shall be deemed to have approved the facts, principles, methods, or theories employed by any other in arriving at the Stipulation, and that the terms incorporated in the Stipulation should not be viewed as precedent in subsequent proceedings. In addition, the parties have the right to withdraw from the Stipulation if any material part is rejected by the Commission.

Q. What do the parties recommend regarding the Stipulation?

A. We recommend that the Commission adopt the Stipulation as the basis for resolving all the contested issues in this proceeding, and that the Commission approve the proposed Schedule 190 included as Attachment 1 to the Stipulation.

Q. Does this conclude your joint testimony?

A. Yes.

WITNESS QUALIFICATION STATEMENT

NAME: Bryan A. Conway

EMPLOYER: Public Utility Commission of Oregon

TITLE: Program Manager, Economic & Policy Analysis Section

ADDRESS: 550 Capitol Street NE Suite 215, Salem, Oregon 97310.

EDUCATION: B.S. University of Oregon, Eugene, Oregon
Major: Economics; 1991

M.S. Oregon State University, Corvallis, Oregon
Major: Economics; 1994

In addition, I have completed all of the required and elective coursework for a Ph.D. in economics from Oregon State University. My fields of study were Industrial Organization and Applied Econometrics.

EXPERIENCE: Starting in October 1998, I have been employed by the Public Utility Commission of Oregon. I am currently the Program Manager of the Economic & Policy Analysis Section. My responsibilities include leading research and providing technical support on a wide range of policy issues for electric, telecommunications, and gas utilities. I have testified before the Commission on policy and technical issues in UG 132, UE 115, UE 116, UE 165, UE 170 and have been the Summary Staff Witness in UP 158, UP 168, UP 165/170, UX 27, UX 28, UM 967, UM 1041, UM 1045, and UM 1121.

From December 1994 to October 1998, I worked for the Oregon Employment Department as a Research Analyst in their Research Section. Duties included leading research projects on various policy issues involving labor economics and information systems.

OTHER EXPERIENCE: I am currently a faculty member of the University of Phoenix teaching graduate and undergraduate economics courses.

From January 1998 through September 2000, I was a part time instructor at Linn-Benton Community College teaching principles of economics.

From July 1992 through June 1994, I was a graduate teaching assistant at Oregon State University teaching introductory principles of economics.

WITNESS QUALIFICATION STATEMENT

NAME: Bob Jenks

EMPLOYER: Citizens' Utility Board of Oregon

TITLE: Executive Director

ADDRESS: 610 SW Broadway, Suite 308
Portland, OR 97205

EDUCATION: Bachelor of Science, Economics
Willamette University, Salem, OR

PREVIOUS

EXPERIENCE: Provided testimony or comments in a variety of OPUC dockets, including UE 88, UE 92, UM 903, UM 918, UE 102, UP 168, UT 125, UT 141, UE 115, UE 116, UE 137, UE 139, UE 161, UE 165, UE 167, UE 170, UG 152, UM 995, UM 1050, UM 1071, UM 1147, and UM 1121. Participated in the development of a variety of Least Cost Plans and PUC Settlement Conferences. Provided testimony to Oregon Legislative Committees on consumer issues relating to energy and telecommunications. Lobbied the Oregon Congressional delegation on behalf of CUB and the National Association of State Utility Consumer Advocates.

Between 1982 and 1991, worked for the Oregon State Public Interest Research Group, the Massachusetts Public Interest Research Group, and the Fund for Public Interest Research on a variety of public policy issues.

MEMBERSHIP: National Association of State Utility Consumer Advocates
Board of Directors, OSPIRG Citizen Lobby
Telecommunications Policy Committee, Consumer Federation of America
Electricity Policy Committee, Consumer Federation of America

Paula E. Pyron
Statement of Qualifications

Paula Pyron is the Executive Director of the Northwest Industrial Gas Users (“NWIGU”), a nonprofit association of 32 large end-users of natural gas with facilities in Oregon, Washington and Idaho. The association represents its members’ interests in distributor and pipeline rate cases, tariff filings and regulatory policy issues in the three states and at the Federal Energy Regulatory Commission. Ms. Pyron accepted this representation of NWIGU effective September 2000.

Ms. Pyron has been a lawyer since 1983, hailing from the oil patch in Tulsa, Oklahoma for the first several years of her business-focused practice with the law firm of Boesche, McDermott & Eskridge. She began private practice in Portland, Oregon in 1991 with an emphasis in energy regulation and contract negotiation. She represented Northwest Industrial Gas Users from 1991 to 1999 as an outside counsel, most recently as a partner at Energy Advocates LLP, and prior to that firm’s founding was a partner at Ball Janik LLP. Until her recent engagement as NWIGU’s executive director, since April 1999 she managed the legal department in Portland as Assistant General Counsel for PG&E Gas Transmission, Northwest Corporation.

Ms. Pyron is admitted to practice in the state bars of Oregon and Oklahoma and numerous federal courts. She is a 1983 graduate of the University of Tulsa, College of Law and has a BS in Economics, *summa cum laude* from the University of Texas at Dallas. She has testified on energy regulatory and legislative matters in Oregon and Washington before the Oregon Public Utility Commission (OPUC), the Washington Utilities and Transportation Commission (WUTC), and state legislative committees. She has appeared on numerous occasions before the WUTC, the OPUC and the Idaho Public Utility Commission as executive director of NWIGU.

Biographical Summary

Philip H. Carver, Ph.D
Oregon Department of Energy
625 Marion St. NE
Salem, OR 97301-3737

Telephone: (503) 378-6874 Fax: (503) 373-7806

E-Mail: philip.h.carver@state.or.us

EMPLOYMENT

1992 - Current: Senior Policy Analyst

The Renewable Resource Division the Oregon Department of Energy (ODOE). Develop, coordinate and negotiate energy policies and plans, provide technical analysis, manage contracts, and testify in proceedings. Recent tasks included:

- Technical Subcommittee Chair for the Governor's Advisory Group on Global Warming.
- Providing estimates of the utility fuel mixes and emissions for the retail customers of PacifiCorp and Portland General Electric
- Participant in the design of the Western Renewable Energy Generation Information System (WREGIS) for verifying and tracking the ownership of renewable certificates (a.k.a. green tags).
- Filing testimony before the Oregon Public Utility Commission on utility least-cost plans, rate design, utility disclosure of fuel sources and air emissions, and utility tariffs and incentives regarding conservation and renewable resources.
- Representing ODOE on the Northwest Transmission Assessment Committee, including assessments of wind integration in Oregon and Washington
- Representing ODOE on the Committee on Regional Electric Power Cooperation (CREPC members are the energy departments and public utility commissions of the 11 western states and 3 western Canadian provinces), also a member of CREPC's Western Regional Assessment Team (WRAT)
- Staffing the Oregon Energy Facility Siting Council (EFSC)
- Filing testimony before the Federal Energy Regulatory Commission on electric price mitigation and regional transmission organizations (RTOs)

COLLEGE DEGREES

- 1978** Ph.D., The Department of Geography and Environmental Engineering, The Johns Hopkins University, Baltimore, MD. Field of study: utility and natural resource economics. Thesis: Price as a Water Utility Management Tool under Stochastic Conditions.
- 1972** BA with Honors, University of California, San Diego, Revelle College, La Jolla, CA. Major: economics. Minor: science.

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24

**QUALIFICATIONS AND BACKGROUND OF
THOMAS JAMES (JIM) ABRAHAMSON**

Q: Please state your name and business address.

A. My name is Thomas James (Jim) Abrahamson. My business address is 4035 12th Street Cut-Off, Suite 110, Salem, Oregon 97302.

Q. By whom are you employed and in what capacity?

A. I am the Oregon Energy Partnership Coordinator for the Community Action Directors of Oregon (CADO). In this capacity I work with CADO and the Oregon Energy Coordinators Association (OECA) to analyze, coordinate, communicate and implement issues and projects that provide needed energy benefits to low-income Oregonians.

Q. Please describe your educational background and professional experience.

A. I was awarded a Masters of Science in Economics and a Bachelor of Science in Economics from Portland State University in Portland, Oregon. I have been the Oregon Energy Partnership Coordinator since January, 2004. I have nearly 20 years of experience in the electric utility industry in a variety of capacities. Most recently, I was employed by Cinergy / PSI Energy and was based in Indianapolis, Indiana. While employed at Cinergy / PSI Energy I was Manager of Strategic Planning Systems. Other responsibilities included the development of long-term population, employment and electric load forecasts associated with PSI's first IRP filing with the Ohio PUC, and management of a major marketing program. Prior to that I was employed by Pacific

1 Power and Light Company in Portland, Oregon. While employed at Pacific Power my
2 responsibilities included long-term economic and electric load forecasting, strategic
3 planning, public policy, and the administration of Pacific's first integrated resource
4 planning process (RAMPP 1). While in Indiana, I also operated in the capacity as a
5 loaned executive providing critical strategic planning and decision making services to
6 non-profit agencies throughout central and southern Indiana. I have served as the Chair
7 of the Portland (Oregon) Utilities Review Board advising the Portland City Council on
8 issues related to water, wastewater, stormwater and solid waste/recycling rates including
9 the impact of the City's low-income utility assistance programs. In addition, I was a
10 member of the City of Portland's Regional Electric Utility Advisory Council which was
11 assisting in the recently concluded efforts to transform Portland General Electric into a
12 regionally-owned public utility.

13
14 **Q. Have you provided testimony to this commission in the past?**

15 **A.** Yes, I provided testimony on behalf of CADO and OECA in UM 1121.

1 QUALIFICATION STATEMENT OF

2 STEVEN WEISS

3 Witness for the

4 NW Energy Coalition

5
6 *Q. Please state your name, employer and business address.*

7 A. My name is Steven Weiss. I am employed by the NW Energy Coalition (NWECC), 219
8 First Ave. South, Suite 100, Seattle, WA 98104. My phone number is 503-851-4054.

9 *Q. What is your position and responsibilities?*

10 A. I am a Senior Policy Associate and represent NWECC in regulatory proceedings at BPA
11 and in the State of Oregon. I am also an advocate for clean and affordable energy in
12 many other forums including the NW Power Planning Council, Grid West's Regional
13 Representatives Group (RRG) and the Oregon Legislature.

14 *Q. Summarize your educational background and professional experience.*

15 A. I received a Masters in Science Education from Bucknell University in 1976 and a
16 Bachelor of Arts in Physics and Math from the University of California at Berkeley in
17 1968. Previous professional experience includes employment as Assistant Professor at
18 Clarion State College in Pennsylvania from 1975-79 and Director of Salem Electric
19 (Co-op) from 1982-94. I also taught math and statistics at Chemeketa Community
20 College part-time during that period. I owned and operated a retail bicycle shop from
21 1980-96. I have been employed by NWECC since 1994 and have participated in
22 numerous Oregon and regional policy forums and ratecases. I also co-authored
23 Oregon's electricity restructuring law (SB1149).



CERTIFICATE OF SERVICE

I hereby certify that on the 5th day of August, 2005, I served the foregoing NORTHWEST NATURAL'S Stipulation and Testimony in Support of Stipulation in OPUC Docket No. UG 163 upon all parties on the service list in this docket via electronic mail.

/s/ Kelley C. Miller
Kelley C. Miller, Staff Assistant
Rates & Regulatory Affairs
NW NATURAL
220 NW Second Avenue
Portland, Oregon 97209-3991
1.503.226.4211, extension 3589

OPUC DOCKET NO. UG 163
Official Service List

NW ENERGY COALITION 219 FIRST ST STE 100 SEATTLE WA 98104	JIM ABRAHAMSON COMMUNITY ACTION DIRECTORS OF OREGON 4035 12TH ST CUTOFF SE STE 110 SALEM OR 97302 jim@cado-oregon.org
KATHERINE BARNARD CASCADE NATURAL GAS PO BOX 24464 SEATTLE WA 98124 kbarnard@cngc.com	PHIL CARVER OREGON DEPARTMENT OF ENERGY 625 MARION ST NE STE 1 SALEM OR 97301-3742 philip.h.carver@state.or.us
RALPH CAVANAGH NATURAL RESOURCES DEFENSE COUNCIL 111 SUTTER ST FL 20 SAN FRANCISCO CA 94104 rcavanagh@nrdc.org	JOAN COTE OREGON ENERGY COORDINATORS ASSOCIATION 2585 STATE ST NE SALEM OR 97301 cotej@mwwcaa.org
JASON EISDORFER CITIZENS' UTILITY BOARD OF OREGON 610 SW BROADWAY STE 308 PORTLAND OR 97205 jason@oregoncub.org	MICHAEL FIELDMAN COMMUNITY ACTION DIRECTORS OF OREGON 2448 W. HARVARD BLVD ROSEBURG OR 97470
EDWARD A FINKLEA CABLE HUSTON BENEDICT HAAGENSEN & LLOYD LLP 1001 SW 5TH, SUITE 2000 PORTLAND OR 97204 efinklea@chbh.com	BRIAN HIRSCHKORN AVISTA UTILITIES PO BOX 3727 SPOKANE WA 99220-3727 brian.hirschhorn@avistacorp.com

<p>ROBERT JENKS CITIZENS' UTILITY BOARD OF OREGON 610 SW BROADWAY STE 308 PORTLAND OR 97205 bob@oregoncub.org</p>	<p>DAVID J MEYER AVISTA CORPORATION PO BOX 3727 SPOKANE WA 99220-3727 david.meyer@avistacorp.com</p>
<p>JANET L PREWITT DEPARTMENT OF JUSTICE 1162 COURT ST NE SALEM OR 97301 -4096 janet.prewitt@doj.state.or.us</p>	<p>PAULA E PYRON NORTHWEST INDUSTRIAL GAS USERS 4113 WOLF BERRY COURT LAKE OSWEGO OR 97035-1827 ppyron@nwigu.org</p>
<p>JON T STOLTZ CASCADE NATURAL GAS PO BOX 24464 SEATTLE WA 98124 jstoltz@cngc.com</p>	<p>JAMES M VAN NOSTRAND STOEL RIVES LLP 900 SW FIFTH AVE, STE 2600 PORTLAND OR 97204-1268 jmvannostrand@stoel.com</p>
<p>MICHAEL T WEIRICH DEPARTMENT OF JUSTICE REGULATED UTILITY & BUSINESS SECTION 1162 COURT ST NE SALEM OR 97301 -4096 michael.weirich@state.or.us</p>	<p>STEVEN WEISS NORTHWEST ENERGY COALITION 4422 OREGON TRAIL CT NE SALEM OR 97305 steve@nwenergy.org</p>