

**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.

**NOTICE OF
PREHEARING CONFERENCE
AND
MEMORANDUM**

The Public Utility Commission of Oregon will hold a prehearing conference in these proceedings, as follows:

DATE: December 21, 2012

TIME: 10:15 a.m., or immediately following UM 1633 PHC

**ADMINISTRATIVE
LAW JUDGE:**

Lisa D. Hardie

LOCATION:

Public Utility Commission
Main Hearing Room
550 Capitol Street NE
Salem, Oregon 97301

VIA DIAL-IN NUMBER:

Please contact AHD at (503) 378-6678 or e-mail to puc.hearings@state.or.us for the dial-in number and participant access code by close of business December 19.

The purpose of the prehearing conference will be to identify parties, to address the scope of this docket, and to establish a procedural schedule. The Commission strongly encourages any person wanting to participate as a party in these proceedings to file a petition to intervene before the prehearing conference. *See* OAR 860-001-0300. Petitions to intervene received before the prehearing conference may be ruled upon during the conference. A form petition to intervene can be found online at: http://www.puc.state.or.us/PUC/admin_hearings/Petition_to_Intervene_Form.shtml.

This docket was opened in connection with docket UG 221, Northwest Natural Gas Company, dba NW Natural's most recent general rate case. Order No. 12-437, the final order in that docket, ordered additional proceedings to address unresolved issues

regarding the prudence of certain NW Natural's environmental cleanup costs, and to address the mechanism for recovery of those costs. Separately, the Commission finds that the rate spread issue raised by Northwest Industrial Gas Users in docket UG 221 remains an open issue that should be addressed in this docket.

Consequently, the Commission intends to address the following issues in this docket:

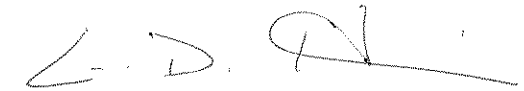
1. The prudence of NW Natural's environmental remediation costs;
2. The appropriate deadband to be applied to recovery of environmental remediation costs;
3. The appropriate application of the earnings test ordered in docket UG 221;
and
4. The appropriate rate spread to apply to recoverable costs.

During the prehearing conference, the parties may raise any other issues they believe should be included in this docket.

The possibility of phasing this docket or handling certain issues through briefing (rather than testimony) will be discussed. The parties should be prepared to advise the Commission of any time constraints that will affect the time-frame for resolution of these issues.

To request postponement, a party must submit a motion under Oregon Administrative Rule 860-001-0420. If you have questions, please contact the Administrative Hearings Division by telephone (503-378-6678) or by e-mail (puc.hearings@state.or.us).

Dated this 10th day of December, 2012, at Salem, Oregon.



Lisa D. Hardie
Administrative Law Judge

IF YOU HAVE A DISABILITY AND NEED ACCOMMODATION TO PARTICIPATE IN THIS CONFERENCE, PLEASE LET US KNOW (503) 378-6678, Oregon Relay Service: 7-1-1, or e-mail puc.hearings@state.or.us