

**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
AND RULING

DISPOSITION: DOCKET OPENED; SCHEDULE ADOPTED

On October 7, 2013, the Public Utility Commission of Oregon held a prehearing conference in this docket. Representatives appeared on behalf of NW Natural, Commission Staff, the Citizens' Utility Board of Oregon, Portland General Electric Company, and Northwest Industrial Gas Users.

Procedural Schedule

On September 6, 2013, NW Natural filed testimony addressing the prudence of the capital costs associated with constructing a water treatment plant at NW Natural's Gasco site, with the intent that costs of the project be recovered in rates through the upcoming Purchased Gas Adjustment process that will be implemented on November 1, 2013. Because the Commission has not yet addressed the stipulation filed earlier by the parties to this docket, all parties supported the following approach for addressing costs associated with the Gasco site.

First, the parties propose that NW Natural file an Advice filing, to be taken to a public meeting before November 1, 2013. Using its best estimate of capital costs, NW Natural will propose that capital costs associated with the Gasco project be placed into rates by November 1, 2013, subject to refund and interest, pursuant to ORS 757.215.

Second, the parties propose that the Commission open a new docket whose scope is limited to reviewing the prudence of Gasco site project costs, to determine what, if any, amounts placed into rates should be subject to refund with interest. The parties propose the following schedule for this new, limited docket:

EVENT	DATE
NW Natural Opening Testimony	October 25, 2013
Staff and Intervenor Response Testimony	December 13, 2013
NW Natural Reply Testimony	January 13, 2014

Simultaneous Pre-Hearing Briefs	January 31, 2014
Cross Examination Statements and Exhibits	February 5, 2014
Hearing	February 2014 ¹
Simultaneous Post-Hearing Briefs	March 7, 2014

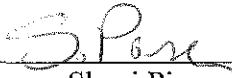
After NW Natural's reply testimony is filed on January 13, 2014, the company agrees to a seven calendar day turn-around on data request responses.

RULING

I adopt the parties' proposal, and instruct NW Natural to file an Advice filing in this docket, to be taken to a public meeting before November 1, 2013.

The Commission will open a new docket, Docket No. UG 263, to address the prudence of the capital costs associated with constructing a water treatment plant at NW Natural's Gasco site. The parties in this docket will be made parties to the new docket without the need for intervention. I adopt the parties' proposed schedule for docket UG 263, with the exception of the proposed hearing date and subsequent briefing date. The parties may submit a joint list of available dates for a hearing.

Dated this 8th day of October, at Salem, Oregon.



 Shani Pines
 Administrative Law Judge

¹ The Commissioners are unavailable the week of February 10, 2014, the date proposed by the parties.