



DEPARTMENT OF JUSTICE
GENERAL COUNSEL DIVISION

September 1, 2009

Gary Hyatt
Northwest Natural Gas Company
220 NW Second Avenue
Portland OR 97209

Mardilyn Saathoff, Registered Agent
Northwest Natural Gas Company
220 NW Second Avenue
Portland OR 97209

Re: Violation of Oregon Utility Notification Center Rules
DOJ File No.: 860-100-GP0087-09 / Docket No.: NC 276

**PLEASE READ ALL DOCUMENTS CAREFULLY –
DIRECT ALL CORRESPONDENCE TO THE PUBLIC UTILITY COMMISSION OF OREGON**

On August 18, 2009, a representative from your company met with the Oregon Utility Notification Center (OUNC) Enforcement Committee to discuss an alleged rule violation. At that meeting, an agreement was reached regarding penalties for the violation.

Enclosed are two sets of documents that formalize the allegation and the agreement. One set is made up of original documents. The other set is a set of copies for your files.

Please refer to the originals. The complaint simply serves as a formal notice to you of the violation you were charged with and requires that you submit an Answer to the **Public Utility Commission** responding to the allegation. You must serve your Answer on the Commission by mailing it to the Public Utility Commission of Oregon, Administrative Hearings Division, PO Box 2148, Salem, OR 97308-2148. Filing an answer would be your opportunity to admit or deny the allegation and, if denied, to ask for a formal hearing. Because you already reached an agreement with the OUNC Committee, you do not need to submit an answer. Instead, you need only sign and return the enclosed Stipulation in order to answer the Complaint.

The Stipulation sets forth the terms and conditions of the agreement you reached with the committee. **You must sign and return the Stipulation within 20 days of the date of this letter in order for it to be approved by the Public Utility Commission as a resolution to the pending Complaint. You need not make payment until the Commission has issued a final order in this matter.**

If for some reason you no longer agree to the terms of the Stipulation, you **MUST FILE AN ANSWER TO THE COMPLAINT**, admitting or denying the allegation.

If there is a discrepancy between the formal Stipulation and the agreement reached at the meeting that causes you concern, please contact Michael Thompson at (503) 378-6760.

Otherwise, please return the signed Stipulation to the Public Utility Commission of Oregon at the following address so this matter can be resolved:

Public Utility Commission of Oregon
Administrative Hearings Division
550 Capitol St NE – Suite 215
PO Box 2148
Salem OR 97308-2148

Sincerely,



Paul A. Graham
Attorney-in-Charge
Regulated Utility & Business Section

Enclosures
PAG/nal/#1577974

1 **BEFORE THE PUBLIC UTILITY COMMISSION**
2 **OF OREGON**

3 NC 276

4 PUBLIC UTILITY COMMISSION OF
5 OREGON,

6 Complainant,

7 v.

8 NORTHWEST NATURAL GAS COMPANY
9 (an Oregon corporation),

10 Defendant.

COMPLAINT

11 1.

12 This proceeding is initiated by the Public Utility Commission of Oregon (hereinafter
13 "Commission") to determine whether civil monetary penalties should be assessed as provided in
14 ORS 757.993. The Commission maintains its office at:

15 550 Capitol St NE – Suite 215, PO Box 2148, Salem, OR 97308-2148.

16 2.

17 At all times herein relevant, the defendant was doing business in this state.

18 3.

19 Under ORS 757.993, the Commission has discretion to seek penalties for violations of
20 rules adopted by the Oregon Utility Notification Center (OUNC).

21 4.

22 Under ORS 757.552, OUNC has adopted rules that prescribe requirements for
23 notification to OUNC of excavation activity and marking of underground facilities for the
24 purpose of preventing damage to such facilities.

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1 5.

2 OUNC adopted OAR 952-001-0080 which was in effect at all times herein relevant. The
3 rule provides in relevant part:

4 Within ten (10) business days after a designer notifies the Oregon Utility
5 Notification Center of a proposed project, the operator of the underground
6 facilities shall:

7 (1) Mark with reasonable accuracy all of its locatable underground facilities
8 within the area of proposed excavation. All marks shall indicate the name, initials
9 or logo of the operator of the underground facilities, and the width of the facility
10 if it is greater than two (2) inches;

11 (2) Provide the excavator the best description available to the operator of the
12 unlocatable underground facilities in the area of the proposed excavation
13 including as-constructed drawings, or other facility maps that are maintained by
14 the facility operator; or

15 (3) Contact the person requesting design information and agree on a time, prior to
16 the beginning of the proposed project, for exchange of the information required
17 under paragraph (1) or paragraph (2) of this rule.

18 6.

19 On or about May 15, 2009, defendant violated OAR 952-001-0080 in that the defendant
20 failed to respond to a request for location of underground facilities within ten (10) business days.

21 7.

22 ORS 757.993 provides, in relevant part, that:

23 “* * * every person who violates or who procures, aids or abets in the violation of
24 any rule of the Oregon Utility Notification Center shall incur a penalty of not
25 more than \$1,000 for the first violation and not more than \$5,000 for each
26 subsequent violation.”

8.

Defendant has violated OUNC rules in the past resulting in Order No. 05-1135 entered on
October 18, 2005.

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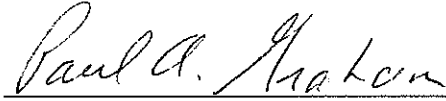
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WHEREFORE, the Commission directs the defendant to file a verified answer to this complaint within twenty (20) days from the date this complaint is mailed to the defendant. If no verified answer or other written appearance raising a question of fact or law is filed with the Commission at its office in Salem, Oregon, within the 20-day period, the allegations of the complaint shall be deemed admitted, and a penalty shall be imposed in the amount of \$1,000 for each violation alleged, for a total of \$1,000.

DATED this 28th day of August, 2009.

Respectfully submitted,

JOHN R. KROGER
Attorney General


Paul A. Graham, OSB #77190
Attorney-in-Charge
Of Attorneys for PUC Staff

1 **BEFORE THE PUBLIC UTILITY COMMISSION**
2 **OF OREGON**

3 NC 276

4 PUBLIC UTILITY COMMISSION OF
5 OREGON,

6 Complainant,

7 v.

8 NORTHWEST NATURAL GAS COMPANY
(an Oregon corporation),

9 Defendant.

STIPULATION FOR ENTRY OF FINAL ORDER

10 The Public Utility Commission of Oregon, appearing by and through Paul A. Graham,
11 Assistant Attorney General, and Northwest Natural Gas Company, the defendant herein, hereby
12 stipulate as follows:

13 1.

14 A Complaint in this case is pending before the Commission charging the defendant with
15 one violation of law, OAR 952-001-0080.

16 2.

17 Both parties to this proceeding are willing to forego further processing of that Complaint
18 and further are willing to resolve this matter on the basis of this stipulation.

19 3.

20 The defendant admits that the violation was committed as alleged in the Complaint and is
21 willing for the Commission to enter an order finding that the violation was committed as alleged
22 in the Complaint. Defendant contends that the violation was the result of actions by a third party
23 contractor, but accepts responsibility for payment of the fine as an operator subject to OAR 952-
24 001-0080.

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1 4.

2 The parties further agree that the Commission may enter an order assessing civil
3 monetary penalties against the defendant in the amount of \$1,000 under the following terms and
4 conditions:

5 A. \$200 shall become due and payable on or before the 30th day following the Commission's
6 entry of a final order in this case.

7 B. Payment shall be by money order or company check made out to the **Public Utility**
8 **Commission of Oregon**, and the memo line of the money order or company check shall
9 state the "NC" docket number in the caption of this stipulation. Payment of the balance
10 of the penalties (\$800) shall be permanently suspended and no further penalties shall be
11 imposed for the violation alleged in the Complaint unless defendant fails to comply with
12 all of the rules adopted by the Oregon Utility Notification Center (OUNC) under
13 ORS 757.552 for a one year period following date of the Commission's entry of a final
14 order.

15 C. In the event that complainant contends that the defendant has not complied with all
16 OUNC rules for that one year period, complainant may reopen this proceeding and
17 petition for imposition of all or a portion of the suspended penalties. In such case
18 defendant shall be entitled to a hearing and to be notified of the basis upon which
19 complainant contends that compliance has not occurred.

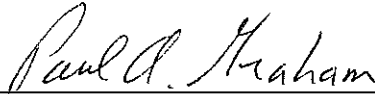
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5.

This stipulation is conditioned upon final approval of its terms by the Commission. If the stipulation is not accepted in its entirety, it shall be deemed withdrawn.

DATED this 28th day of August, 2009.



Paul A. Graham, OSB #77190
Attorney-in-Charge
Of Attorneys for PUC Staff

DATED this _____ day of _____, 2009.

Representative for Defendant