

BEFORE THE PUBLIC UTILITY COMMISSION

OF OREGON

LC 51

In the Matter of)
)
)
NORTHWEST NATURAL GAS)
COMPANY, dba NW NATURAL)
)
2011 Integrated Resource Plan)
_____)

**RESPONSE COMMENTS OF THE
CITIZENS' UTILITY BOARD OF OREGON ON NW NATURAL'S
REVISED 2011 INTEGRATED RESOURCE PLAN**

November 28, 2011



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OF OREGON**

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)	RESPONSE COMMENTS OF THE
)	CITIZENS' UTILITY BOARD OF
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COMPANY, dba NW NATURAL)	REVISED 2011 INTEGRATED
)	RESOURCE PLAN
2011 Integrated Resource Plan)	
_____)	

CUB appreciates the opportunity to submit Response Comments in NW Natural's 2011 IRP.

I. Scope of the IRP

CUB respectfully disagrees with NW Natural's interpretation of what an IRP should contain. It is CUB's position that the Company needs to ensure that the plan under review is complete and the data contained therein is up to date if it wants the Commission to review and acknowledge that plan. It would be pointless, and not "least cost/least risk", for the Commission to acknowledge something based on outdated data. NW Natural needs to update the data for the pieces of the plan that it wishes the Commission to acknowledge. CUB reminds NW Natural that it carries the burden to prove that its plan is reasonable and should be acknowledged.^{1,2}

¹ "The Commission acknowledges resource plans that satisfy procedural and substantive requirements, and that are deemed reasonable at the time of acknowledgment." Order 10-066 at page 1. *See also* 10-457 at page 1 and 2.

II. CUB's Recommendations

CUB wishes to reiterate support for two recommendations submitted in the first round of comments on November 14. First, CUB respectfully requests that the Commission require NW Natural to conduct a thorough analysis of the effects of LNG export on the Company's long-term gas price curve before the Commission considers acknowledgment of this IRP. While the proposed LNG terminals on the Oregon coast are only in the preliminary stages of the permitting process, the mere possibility that such a facility may be built deserves some degree of analysis regarding its potential impact on future gas prices in the region.³

Second, CUB again requests that the Commission require NW Natural to study the effect of the Company's proposed fixed/variable pricing methodology on its demand elasticity estimates before the Commission considers acknowledgment of this IRP. CUB understands that the IRP is not the preferred venue to establish rate design; however, given the substantial changes in rate design proposed by NW Natural, CUB believes that a study of the potential changes in customer behavior brought about by the proposed change is warranted. CUB is not asking to discuss the fine details of rate making in this docket, only for the Company to acknowledge that if it is considering making such

² In NWN's Reply Comments at page 2, NWN states, "[i]f the plan were to be updated for each evolving assumption, the Company would never be able publish a final plan. The benefit of drawing a line in the sand and presenting a plan which is based on assumptions that could be up to two years old, is that the Company and parties have a snapshot of results based on a methodology that can be reasonably applied in more fluid decision making forums."

³ CUB seeks compliance with Guideline 4.b from Order 07-002: Plan Components, where the Commission stated, "[t]his guideline incorporates what we minimally expect from an IRP. We urge the utilities to provide more, rather than less, information."

significant changes to rate design in its 2011 General Rate Case Filing, then it must model the effect of such changes in this IRP.

In addition to the above, CUB wishes to also voice its support for the Staff recommendation related to NW Natural's design weather pattern year as used for demand and load forecasting. CUB concurs with Staff's recommendation that NW Natural should use multiple weather pattern years to develop a more robust forecast in future IRPs. CUB also supports the questions posed by Staff related to the Palomar Pipeline project. CUB is strongly of the opinion that more detail is needed regarding the costs and the benefits of the pipeline project in order for any party to be able to fully analyze the project in the IRP context.

Respectfully Submitted,
November 28, 2011

A handwritten signature in black ink, appearing to read 'Gordon Feighner', with a long horizontal line extending to the right.

Gordon Feighner
Utility Analyst
Citizens' Utility Board of Oregon
610 SW Broadway, Suite 400
Portland, OR 97205
gordon@oregoncub.org

LC 51 – CERTIFICATE OF SERVICE

I hereby certify that, on this 28th day of November, 2011, I served the foregoing **RESPONSE COMMENTS OF THE CITIZENS' UTILITY BOARD OF OREGON ON NW NATURAL'S REVISED 2011 INTEGRATED RESOURCE PLAN** in docket LC 51 upon each party listed in the LC 51 OPUC Service List by email and, where paper service is not waived, by U.S. mail, postage prepaid, and upon the Commission by email and by sending one original and five copies by U.S. mail, postage prepaid, to the Commission's Salem offices.

(W denotes waiver of paper service)

(C denotes service of Confidential material authorized)

**W CABLE HUSTON BENEDICT
HAAGENSEN & LLOYD
TOMMY A BROOKS
1001 SW FIFTH AVE, STE 2000
PORTLAND OR 97204-1136
tbrooks@cablehuston.com**

**W CABLE HUSTON BENEDICT
HAAGENSEN & LLOYD
CHAD M STOKES
1001 SW 5TH - STE 2000
PORTLAND OR 97204-1136
cstokes@cablehuston.com**

**W NW INDUSTRIAL GAS USERS
PAULA E PYRON
4113 WOLF BERRY CT
LAKE OSWEGO OR 97035-1827
ppyron@nwigu.org**

**W NORTHWEST NATURAL
JENNIFER GROSS
220 NW 2ND AVENUE
PORTLAND OR 97209
jennifer.gross@nwnatural.com**

**W NORTHWEST NATURAL
MARK R THOMPSON
220 NW 2ND AVE
PORTLAND OR 97209
mark.thompson@nwnatural.com**

**W NORTHWEST PIPELINE GP
JANE HARRISON
295 CHIPETA WAY
SALT LAKE CITY UT 84108
jane.f.harrison@williams.com**

**W NORTHWEST PIPELINE GP
STEWART MERRICK
295 CHIPETA WAY
SALT LAKE CITY UT 84108
stewart.merrick@williams.com**

**W PUBLIC UTILITY COMMISSION
MOSHREK SOBHY
PO BOX 2148
SALEM OR 97308
moshrek.sobhy@state.or.us**

**W DEPARTMENT OF JUSTICE
PAUL GRAHAM
1162 COURT ST NE
SALEM OR 97301-4096
paul.graham@state.or.us**

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LC 51 - Certificate of Service RESPONSE COMMENTS OF THE CITIZENS'
UTILITY BOARD OF OREGON ON NW NATURAL'S REVISED 2011
INTEGRATED RESOURCE PLAN

Respectfully submitted,



John C. Sturm, OSB #105174
Staff Attorney
Citizens' Utility Board of Oregon
610 SW Broadway Ste 400
Portland, OR 97205
(503) 227-1984
john@oregoncub.org