

**BEFORE THE PUBLIC UTILITY COMMISSION
OF OREGON**

LC 60

In the Matter of)
)
NORTHWEST NATURAL GAS)
COMPANY dba NW NATURAL)
)
2014 Integrated Resource Plan)
_____)

**FINAL COMMENTS OF THE
CITIZENS' UTILITY BOARD OF OREGON**

February 2, 2015



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OF OREGON**

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In the Matter of)	
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NORTHWEST NATURAL GAS COMPANY)	FINAL COMMENTS OF THE CITIZEN
dba NW NATURAL)	UTILITY BOARD OF OREGON
)	
2014 Integrated Resource Plan)	
_____)	

1 CUB appreciates this opportunity to comment on Staff’s Recommendations to NW Natural’s
2 2014 Integrated Resource Plan (IRP). A few key points Staff discusses in its comments include
3 new investment projects and refurbishments, hedging, modeling methodology and analysis, and
4 acknowledgement of certain projects. In general, CUB agrees with Staff’s Recommendations.

5 In its Opening Comments, CUB focused on NW Natural’s long-term hedging strategy. Staff
6 raises concerns similar to CUB’s in its Final Comments and Recommendations, and though CUB
7 is pleased with the Company’s proposal to bifurcate hedging from the IRP, CUB agrees with
8 Staff that the time frame the Company has suggested may not be enough time to provide ample
9 opportunity for review.

10 Staff also raises concerns about the Company’s request for acknowledgment of the Clark
11 County distribution, Newport refurbishment, and South Salem feeder projects. CUB agrees with
12 Staff that, in principle, projects that have already commenced should not be included in IRP
13 Action Items. In particular, when it appears that projects depend on the completion of multiple
14 phases in order to be considered useful, such as with the Newport refurbishment, it is

15 inappropriate to include those projects in an Action Plan. As illustrated by PacifiCorp’s 2013
16 IRP, LC 57, PacifiCorp requested acknowledgement for pollution control upgrades that it had
17 already begun and did not receive acknowledgment:

18 We decline to acknowledge Action Item 8b because PacifiCorp failed to bring
19 us Hunter 1 investments in its 2011 IRP and now the investment decisions are
20 substantially complete. As we discuss in this order, we will require workshops to
21 establish parameters and requirements for future coal analysis and will expect
22 PacifiCorp to provide adequate analysis when it seeks cost recovery of these
23 projects.

24 We agree with Staff that energy utilities that desire acknowledgment of an
25 investment decision should request acknowledgment before the investment
26 decision is made and before the required project is substantially completed.
27 PacifiCorp has put us in a difficult position by requesting we acknowledge
28 something for the first time that is already substantially complete. We will review
29 these situations on a case-by-case basis to determine whether or not the project
30 has progressed past a resource planning decision and into a project that is
31 substantially complete.¹

32 This should be taken in the context of an earlier statement within the same order:

33 To address timing concerns raised by the participants for this and other projects
34 for which PacifiCorp seeks acknowledgment, we clarify our expectation that
35 PacifiCorp will inform us of future investment decisions and request
36 acknowledgment before the investment decision is made and substantially
37 completed.²

38 While CUB recognizes that NW Natural’s investments do not appear to be “substantially
39 complete” like in the case of PacifiCorp, the Commission makes it clear that utilities are
40 expected to bring investment decisions to the attention of the Commission before those
41 investment decisions are made. This prevents large projects from beginning before stakeholders
42 have had the opportunity to review them and prevents the utility from risking non-
43 acknowledgment after millions of dollars in investments have already been completed.

¹ Order No. 14-252.

² *Ibid.*

44 Staff raises separate concerns regarding the South Salem feeder—namely, that the
45 Company has not fully demonstrated a need for its construction and that more time should be
46 given to research accelerated savings potential via the Energy Trust of Oregon. CUB believes
47 this recommendation to be reasonable.

48 In general, CUB believes Staff’s other recommendations to be reasonable as most of
49 them involve useful adjustments to NW Natural’s IRP analysis.

Sincerely,

A handwritten signature in black ink, appearing to read 'Nadine Hanhan', written over a horizontal line.

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LC 60 – CERTIFICATE OF SERVICE

I hereby certify that, on this 2nd day of February, 2015, I served the foregoing **FINAL COMMENTS OF THE CITIZENS’ UTILITY BOARD OF OREGON** in docket LC 60 upon each party listed in the LC 60 PUC 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 three 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)

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**PUBLIC UTILITY COMMISSION
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Respectfully Submitted,



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