

November 14, 2018

VIA ELECTRONIC FILING

ALJ Allan Arlow
Public Utility Commission of Oregon
201 High Street SE, Suite 100
Salem, OR 97301

Re: Docket UG 344 – NW Natural Gas Company, dba NW Natural, Request for a General Rate Revision

Dear Judge Arlow:

After reviewing the prehearing conference memorandum issued on November 13, 2018 (“PHC Memorandum”), Northwest Natural Gas Company (“NW Natural”) noted three issues that we believe may require clarification. Through this letter, NW Natural respectfully requests clarification of the following issues:

- First, the scope of Phase II of the UG 344 proceeding described in the PHC Memorandum is “to address the application of TCJA 10-month interim benefits to rates and the underfunded pension liability.” NW Natural understood the Commission’s Order No. 18-419 to be directing additional proceedings regarding *all* of the issues in the Second Partial Stipulation that were not explicitly adopted in Order No. 18-419. The additional TCJA issues (in addition to the 10-month Interim Period TCJA deferral) would include the remeasurement and ratemaking treatment of excess deferred income taxes resulting from the TCJA.
- Second, the PHC Memorandum describes the issue associated with the pension balancing account (“PBA”) using the term “underfunded pension liability.” However, the issue addressed by the Second Partial Stipulation was not an underfunded pension liability, but rather the resolution of the unrecovered PBA balance.
- Third, the PHC Memorandum directs that a five business day turnaround for discovery will begin on January 4, 2019. NW Natural believes that the parties instead agreed to a five business day (best efforts) turn around on discovery effective immediately.

PUC Filing Center
November 14, 2018
Page 2

NW Natural has conferred with the other parties in this proceeding, Staff, the Oregon Citizens' Utility Board ("CUB"), and the Alliance of Western Energy Consumers ("AWEC"), and these parties agree with NW Natural's interpretation regarding the three issues described above and support NW Natural's request for clarification.

Sincerely yours,

A handwritten signature in blue ink that reads "Jocelyn Pease". The signature is written in a cursive style with a long, sweeping tail on the "e".

Jocelyn Pease