

**MARK THOMPSON**  
Manager, Rates and Regulation  
Tel: 503.721-2476  
Fax: 503.721.2516  
email: mark.thompson@nwnatural.com



January 30, 2015

***VIA ELECTRONIC FILING***

Public Utility Commission of Oregon  
3930 Fairview Industrial Drive SE  
Post Office Box 1088  
Salem, Oregon 97308-1088

Attn: Filing Center

Re: **OPUC Docket LC 60** – NW Natural's 2014 Integrated Resource Plan

Northwest Natural Gas Company, dba NW Natural ("NW Natural" or "Company"), files herewith its Motion to Bifurcate Docket in the above-referenced docket. Enclosed are an original and one copy.

Please call me if you have any questions or require any further information.

Sincerely,

Mark R. Thompson  
Manager, Rates and Regulation

enclosure

cc: LC 60 Service List

1 BEFORE THE PUBLIC UTILITY COMMISSION

2 OF

3  
4 OREGON

5  
6  
7 **LC 60**

8  
9 In the Matter of ) Motion to Bifurcate Docket  
10 NORTHWEST NATURAL GAS COMPANY’S )  
11 2014 Integrated Resource Plan )  
12

13 MOTION TO BIFURCATE DOCKET

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15 Pursuant to OAR 860-001-0080, Northwest Natural Gas Company (“NW Natural”  
16 or “Company”), hereby moves the Public Utility Commission of Oregon (“Commission”)  
17 to bifurcate Docket LC 60 – the Company’s 2014 Integrated Resource Plan (“IRP”) – to  
18 allow sufficient time for the Commission, the Staff of the Public Utility Commission of  
19 Oregon (“Staff”), the Citizens Utility Board (“CUB”), and other interested parties to  
20 review and develop the Company’s long-term hedging policy.  
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23 In support of this motion, the Company states:

24 1. The Commission, Staff, and CUB have indicated that the Company’s long-  
25 term hedging policy is an important issue that requires more time to review than would  
26 be customarily available in an IRP docket. Specifically, in the Staff’s Initial Comments  
27 on NW Natural’s IRP, the Staff stated that it was “explor[ing] the possibility of  
28 investigating NWN’s proposed hedging strategy in a separate docket with the Company  
29 and IRP participants.”<sup>1</sup> In response, NW Natural proposed to hold two workshops in

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1 Staff’s Initial Comments at p. 2.

1 March and May of 2015 for further investigation of the Company's long-term hedging  
2 policy, which would result in a Commission decision by June 30, 2015.<sup>2</sup> In the Staff's  
3 Final Comments on NW Natural's IRP, the Staff requested more time than NW Natural  
4 proposed to investigate hedging and recommended that "hedging be bifurcated from  
5 this IRP and be reviewed separately."<sup>3</sup>

6 2. Recognizing the Commission's and the parties' interest in the Company's  
7 long-term hedging policy, and in an effort to continue the collaborative approach to the  
8 2014 IRP process, NW Natural moves the Commission to bifurcate Docket LC 60.  
9 Specifically, NW Natural proposes setting a new procedural schedule within Docket LC  
10 60 for the specific purpose of reviewing the Company's hedging policy for hedges  
11 longer than three years, or, in the alternative, to open a new LC Docket that could serve  
12 as an IRP update in which the Company will seek acknowledgment of its long-term  
13 hedging policy.

14 3. NW Natural proposes the following procedural process that offers the parties a  
15 longer timeframe and a greater opportunity for the parties to engage in discovery and  
16 provide written comments relating to NW Natural's long-term hedging policy.

- 17 • Company holds workshop for parties to present the Company's analysis of long-  
18 term hedging and discuss potential long-term hedging parameters.
- 19 • Company holds second workshop to propose long-term hedging parameters.
- 20 • Parties file Initial Comments.
- 21 • Company files Reply to Initial Comments.

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<sup>2</sup> NW Natural's Reply Comments.

<sup>3</sup> Staff's Final Comments at p. 17.

- 1 • Third workshop, if needed.
- 2 • Parties file Final Comments.
- 3 • Company files Reply to Final Comments.
- 4 • Public Meeting.

5 NW Natural believes that the proposed process addresses the Commission's,  
6 Staff's, and CUB's concerns, however, the Company is amenable to revising the  
7 process to accommodate the needs of the parties. Given that the Company proposed  
8 long-term hedging in its 2014 IRP, the Company hopes this issue can be resolved as  
9 expeditiously as possible.

10 For the foregoing reasons, NW Natural respectfully requests that the  
11 Commission open a bifurcated procedural schedule in Docket LC 60 or a separate LC  
12 Docket to serve as an IRP update to examine the Company's long-term hedging policy.

13 DATED this 30<sup>th</sup> day of January 2015.

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15 Respectfully submitted,

16 NW NATURAL

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/s/ Mark R. Thompson  
Mark R. Thompson  
Manager, Rates & Regulatory Affairs



## CERTIFICATE OF SERVICE

I hereby certify that I have this day served the foregoing NW NATURAL'S MOTION TO BIFURCATE DOCKET, upon all parties of record in the LC 60 proceeding, by electronic mail.

**EDWARD FINKLEA W**  
EXECUTIVE DIRECTOR, NWIGU  
efinklea@nwigu.org

**TOMMY A. BROOKS W**  
CABLE HUSTON BENEDICT  
HAAGENSEN & LLOYD  
tbrooks@cablehuston.com

**CHAD M. STOKES W**  
CABLE HUSTON BENEDICT  
HAAGENSEN & LLOYD  
cstokes@cablehuston.com

**G. CATRIONA MCCrackEN W**  
CITIZENS' UTILITY BOARD OF OREGON  
catriona@oregoncub.org

**ROBERT JENKS W**  
CITIZENS' UTILITY BOARD OF OREGON  
bob@oregoncub.org

**OPUC DOCKETS W**  
CITIZENS' UTILITY BOARD OF OREGON  
dockets@oregoncub.org

**PATRICK G. HAGER W**  
PORTLAND GENERAL ELECTRIC  
pge.opuc.filings@pgn.com  
patrick.hager@pgn.com

**V. DENISE SAUNDERS W**  
PORTLAND GENERAL ELECTRIC  
denise.saunders@pgn.com

**LISA GORSUCH W**  
PUBLIC UTILITY COMMISSION  
OF OREGON  
lisa.gorsuch@state.or.us

**JASON W. JONES W**  
PUC STAFF-DEPARTMENT OF  
JUSTICE  
jason.w.jones@state.or.us

DATED at Portland, Oregon, this 30<sup>th</sup> day of January 2015.

/s/ Kelley C. Miller  
Kelley C. Miller  
Rates & Regulatory Affairs  
NW NATURAL  
220 NW Second Avenue  
Portland, OR 97209  
(503) 226-4211, ext. 3589