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December 21, 2017

VIA ELECTRONIC FILING

PUC Filing Center
Public Utility Commission of Oregon
P.O. Box 1088
Salem, OR 97308-1088

Re: Docket No. UG 344: In the Matter of NORTHWEST NATURAL GAS COMPANY dba

NW NATURAL, Application for a General Rate Revision.

Attention Filing Center:

Attached for filing in docket UG 344 is an electronic copy of Northwest Natural Gas Company's Motion for a Modified Protective Order.

Please contact this office with any questions.

Very truly yours,

Alisha Till

Administrative Assistant

Attachments

BEFORE THE PUBLIC UTILITY COMMISSION OF OREGON

UG 344

In the Matter of

NW NATURAL GAS COMPANY,

Application for a General Rate Revision.

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MOTION FOR MODIFIED PROTECTIVE ORDER

Expedited Consideration Requested

Pursuant to ORCP 36(C)(7), OAR 860-001-0080(3), and OAR 860-001-0420, Northwest Natural Gas Company ("NW Natural" or "Company") moves the Public Utility Commission of Oregon ("Commission") for the entry of a Modified Protective Order in this proceeding. For the reasons outlined below, good cause exists to issue a Modified Protective Order, in place of the Commission's General Protective Order, to protect commercially sensitive and confidential business information and to provide additional protection to highly confidential, extremely commercially sensitive information related to the Company's forthcoming general rate case, which will be filed in the near future. The Company therefore requests that the Commission issue the proposed Modified Protective Order that is attached hereto as Appendix A.

I. BACKGROUND

NW Natural will soon file an application for a general rate increase. The Company's filing will include confidential testimony and, pursuant to OAR 860-022-0019(2)(a), confidential responses to the Commission's Standard Data Requests ("SDRs"). This information is confidential and commercially sensitive, and constitutes "Protected Information," because it includes proprietary cost data and models, commercially sensitive load projections, confidential market analyses and business projections, confidential employee data, confidential information regarding contracts for the purchase or sale of natural gas, and commercially sensitive vendor

contracts.	Additionally, NW	Natural expects	that other types	of commercially	sensitive i	nformation
may later	be requested in d	liscovery.				

However, the Commission's SDRs also require NW Natural to provide certain information that the Company regards as "Highly Confidential Information"—specifically, the SDRs require NW Natural to provide its five-year financial forecast and its corporate dividend policy information, both of which are extremely sensitive, and the public disclosure of this information likely would cause significant competitive harm to the Company and its customers. For these reasons, the Company seeks additional protections for such information, beyond those contained in the Commission's General Protective Order. The goal of the proposed protections is to ensure that the parties receiving the Highly Confidential Information treat it with the utmost care, and to limit the forms of duplication and transmission of such information, to ensure that it does not fall into the possession of market competitors or the general public. This approach will allow the Commission and the parties anticipated to participate in the case—Commission Staff ("Staff"), Oregon Citizens' Utility Board ("CUB"), and the Northwest Industrial Gas Users ("NWIGU")—the opportunity to fully review the Highly Confidential Information, but will also ensure that the Highly Confidential Information remains protected and does not become inadvertently disclosed to market competitors or the public.

For efficiency and clarity, NW Natural has drafted a single Modified Protective Order that is based on the Commission's General Protective Order and covers all documents associated with this filing and encompasses both levels of protection.

In accordance with OAR 860-001-0420, NW Natural has conferred with the anticipated parties to this docket, Staff, CUB, and NWIGU. Staff and NWIGU have reviewed the proposed Modified Protective Order and have indicated that they do not object to it. Due to schedule constraints, CUB has not yet provided input on the final proposed version of the Modified

- 1 Protective Order, however, CUB had an opportunity to review an earlier draft version of the
- 2 Modified Protective Order, and did not object to that version.

II. REQUEST FOR ADDITIONAL PROTECTION

3 As required by OAR 860-001-0080(3)(a), NW Natural provides the following information:

A. Parties and Exact Nature of the Information Involved.

4 NW Natural will soon file its application for a general rate revision. NW Natural expects

that, at a minimum, Staff, CUB, and NWIGU will participate in its general rate case filing. Other

interested parties may intervene in this proceeding—for example, in NW Natural's last rate case,

Docket No. UG 221, the NW Energy Coalition ("NWEC"), Northwest Pipeline GP, and Portland

General Electric Company ("PGE") also intervened.

NW Natural's general rate case filing and supporting testimony will be accessible to all parties and to the general public. The Protected Information will be included in the confidential

testimony and certain responses to the Commission's Standard Data Requests, and will include

(but not be limited to) proprietary cost data and models, commercially sensitive load projections,

confidential market analyses and business projections, confidential employee data, confidential

information regarding contracts for the purchase or sale of natural gas, and commercially sensitive

vendor contracts.

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The Highly Confidential information to be produced in this proceeding will include responses to the Commission's Standard Data Requests, including extremely sensitive five-year financial forecast materials, the Company's dividend policies, and other highly sensitive information. Such information requires additional protection beyond that included in the General Protective Order because disclosure would cause serious harm to the Company's financial interests, could cause significant harm to its customers, and could necessitate a public filing in the event that such material is disclosed, even inadvertently. In addition, such information

constitutes material non-public information of the Company and its subsidiaries, as defined under federal and state securities laws. As a result, recipients of such information may be regarded as insiders and could be subject to state and federal securities laws prohibiting the person from trading in the Company's securities or from providing such information to others. The fact that disclosure of such information is prohibited under federal and state securities laws and receipt of the information gives rise to potential liability under these laws requires a heightened protection of earnings forecast information. The Company's dividend policy information is also extremely sensitive, and the disclosure of the dividend policy would likely result in significant competitive damage. Other highly sensitive information may also be provided in response to the SDRs.

Additionally, other Protected Information or Highly Confidential Information may be requested by parties in discovery during the course of this proceeding.

B. Legal Basis for the Claim that the Information is Protected under ORCP 36(C)(7).

ORCP 36(C)(7) provides for limitations on the disclosure of "trade secret[s] or other confidential research, development, or commercial information." The Protected Information and Highly Confidential Information to be produced include non-public, commercially sensitive information within the scope of ORCP 36(C)(7). Public disclosure of this information likely would cause significant harm to the Company's and its customers' financial interests.

C. Exact Nature of the Relief Requested.

The Company requests that the Commission enter the attached Modified Protective Order, which provides for two levels of protection. Under the proposed Modified Protective Order, Protected Information will receive the same treatment as that provided for in the Commission's General Protective Order. Highly Confidential Information is accorded additional protections by requiring that individuals who are not Commissioners, Commission Staff, CUB regulatory staff, NWIGU, or attorneys for a party, demonstrate a legitimate, non-competitive need for a specific

item of Highly Confidential Information before gaining access. Those with only a general interest in the information will not be permitted to access it. The Commission has entered modified protective orders with similar restrictions in the past.¹

The terms of the Modified Protective Order providing additional protections to Highly Confidential Information are narrowly tailored and intended to apply only to the Company's highly commercially sensitive business information. The Modified Protective Order also requires that Highly Confidential Information be maintained in a manner distinct from non-confidential information and from Protected Information, by requiring that Protected Information and Highly Confidential Information be printed on a different color of paper. Like Protected Information, Highly Confidential Information must be stored in a locked room or cabinet, and Highly Confidential Information may not be used or disclosed for any purpose other than participation in this proceeding. Finally, the Modified Protective Order prohibits electronic copying or distribution of Highly Confidential Information.

D. Specific Reasons Requested Relief is Necessary.

The Modified Protective Order is necessary to prevent market competitors and the general public from gaining access to Highly Confidential Information describing NW Natural's sensitive financial forecast materials, corporate dividend policy, and other highly sensitive information. First, the Highly Confidential Information could implicate sensitive business strategies, which could be compromised by the release of such information, causing significant financial harm to the Company and its customers. Thus, disclosure of the Highly Confidential Information could provide competitors with a significant advantage to NW Natural's financial detriment. And second, the Highly Confidential Information constitutes material non-public information as those terms are

¹ In the Matter of Nw. Natural Gas Co. Application for Approval of Corporate Reorganization to Create a Holding Company, Docket No. UM 1804, Order No. 17-135 (Apr. 7, 2017); see also In the Matter of Nw. Natural Gas Co. Request for a Gen. Rate Revision, Docket No. UG 221, Order No. 12-058 (Feb. 24, 2012).

defined under federal and state securities laws, such that its inadvertent disclosure could trigger a filing with the United States Securities and Exchange Commission—ultimately resulting in *full* disclosure to the general public and potentially causing significant financial harm to the Company and its customers.

The terms of the Modified Protective Order, described above, decrease the risk of disclosure by limiting the number of people that may access Highly Confidential Information and requiring a showing of legitimate, non-competitive need from those who are not Commissioners, Staff, CUB, NWIGU, or counsel for a party. The Modified Protective Order also restricts the manner and means by which Highly Confidential Information may be maintained, stored, and transmitted, thus reducing the risk of inadvertent disclosure.

E. Intermediate Measures Explored and Why these are Insufficient.

As explained above, it is necessary to limit access to highly confidential commercially sensitive information regarding NW Natural's forecast materials, dividend policy, and other highly sensitive information because of the serious risk of harm associated with disclosure of the Highly Confidential Information. Furthermore, disclosure of confidential information under a General Protective Order is rare, however it does occur from time to time. Typically, the disclosure is inadvertent, although intentional disclosures have occurred.² Given such disclosures, additional protections, such as those contained in the proposed Modified Protective Order, are appropriate when the consequences of disclosure would be particularly grave. Staff, CUB, and NWIGU agree that such circumstances exist in this case.

² In the Matter of Oregon Electric Utility Co., LLC, et al., Application for Authorization to Acquire Portland Gen. Elec. Co., Docket No. UM 1121, Order No. 05-114 at 9-10 (Mar. 10, 2005) (noting that "one of more parties decided to provide material identified as 'confidential' to *Willamette Week*, a weekly newspaper in Portland, Oregon, which was then broadcast by television and radio stations and disclosed in other print media").

III. CONCLUSION

- 1 For the foregoing reasons, NW Natural respectfully requests entry of the Modified
- 2 Protective Order attached as Appendix A in this docket.

DATED: December 21, 2017.

McDowell Rackner Gibson PC

Lisa Rackner Jocelyn Pease

NORTHWEST NATURAL GAS COMPANY

Zachary Kravitz Associate Counsel 220 NW Second Avenue Portland, OR 97209

Of Attorneys for NW Natural

Appendix A

to

Motion for Modified Protective Order in Docket UG 344

MODIFIED PROTECTIVE ORDER

DOCKET NO. UG 344

Scope of this Order

1. This order governs the acquisition and use of "Protected Information" and "Highly Confidential Information" produced or used by any party to these proceedings.

Designation of Protected Information and Highly Confidential Information

- 2. Any party may designate as Protected Information any information the party reasonably determines:
 - (a) Falls within the scope of ORCP 36(C)(7) (a trade secret or other confidential research, development, or commercial information); and
 - (b) Is not publicly available.
- 3. Any party may designate as Highly Confidential Information any information the party reasonably determines:
 - (a) Falls within the scope of ORCP 36(C)(7) (a trade secret or other confidential research, development, or commercial information);
 - (b) Is not publicly available; and
 - (c) Is extremely commercially sensitive information that cannot be disclosed even under the Commission's normal protections for Protected Information.
- 4. To designate information as Protected Information or Highly Confidential Information, a party must place the following legend on the material:

[HIGHLY CONFIDENTIAL/PROTECTED] INFORMATION SUBJECT TO MODIFIED PROTECTIVE ORDER

The party should make reasonable efforts to designate as Protected Information or Highly Confidential Information only the portions of the information covered by the above definitions.

5. Each page of a document containing Protected Information filed with the Commission or provided to Qualified Persons under this order (as defined in Paragraph 14) must be printed on yellow paper and placed in a sealed envelope or other appropriate container. Each page of a document containing Highly Confidential Information filed with the Commission or provided to HC Qualified Persons under this order (as defined in Paragraph 18) must be printed on green and placed in a sealed envelope or other appropriate container. Only the portions of a document that fall within the above definitions may be placed in the envelope/ container. The envelope/container must bear the legend:

THIS ENVELOPE IS SEALED UNDER ORDER NO. _____AND CONTAINS [PROTECTED/HIGHLY CONFIDENTIAL] INFORMATION. THE INFORMATION MAY BE SHOWN ONLY TO [HC] QUALIFIED PERSONS AS DEFINED IN THE ORDER ELIGIBLE TO RECEIVE [PROTECTED/HIGHLY CONFIDENTIAL] INFORMATION.

- 6. The Commission's Administrative Hearings Division, Commission Staff, and other parties must store Highly Confidential Information in a locked room or cabinet dedicated to the storage of Highly Confidential Information.
- 7. Protected Information disclosed by a designating party to a Qualified Person through informal discovery or by means of the Commission's Huddle website will be marked "Protected Information" and uploaded to a file folder designated "confidential" in Huddle, if applicable. Highly Confidential Information will be provided in hard copy only and may not be duplicated, uploaded to the Commission's Huddle website, or otherwise distributed electronically.
- 8. A party may designate as Protected Information or Highly Confidential Information any information previously provided by giving written notice to the Commission and other parties. Parties in possession of newly designated Protected Information or Highly Confidential Information must make reasonable efforts to ensure that all copies of the material containing the information bear the above legend if requested by the designating party.
- 9. A designating party must make reasonable efforts to ensure that information designated as Protected Information or Highly Confidential Information continues to warrant protection under this order. If designated information becomes publically available or no longer falls within the scope of ORCP 36(C)(7), the designating party should make reasonable efforts to remove the designation and provide written notice to the Commission and other parties.

Challenge to Designation of Protected Information or Highly Confidential Information

- 10. A party may informally challenge any designation of Protected Information or Highly Confidential Information by notifying the designating party. Once notified, the designating party bears the burden of showing that the challenged information is covered by the applicable definition in this Order. Any party may request that the ALJ hold a conference to help resolve disputes about proper designation.
- 11. If the dispute cannot be resolved informally, the challenging party may file a written objection with the Administrative Law Judge ("ALJ"). The objection need only identify the information in dispute and certify that reasonable efforts to achieve informal resolution have failed.
- 12. Within five business days of service of the objection, the designating party must either remove the protected designation or file a written response. A written response must identify the factual and legal basis of how the challenged information is protected under the Oregon Public Records Act, ORS 192.410 *et seq*, or the Uniform Trade Secrets Act, ORS 646.461(4). Broad allegations unsubstantiated by specific facts are not sufficient. If the designating party does not timely respond to the objection, the Commission will remove the designation from the challenged information.
- 13. The challenging party may file a written reply to any response within five business days of service of an objection. The designating party may file a sur-reply within three business days of service of a response. The ALJ will make all reasonable efforts to resolve the matter within 10 business days of service of the last filing.

Access to Protected Information

- 14. Only persons qualified to receive Protected Information in accordance with Paragraphs 15-17 below ("Qualified Persons") may access Protected Information designated by another party under this Modified Protective Order.
- 15. Persons automatically bound by this Modified Protective Order and qualified to access Protected Information are:
 - (a) Commission employees; and
 - (b) Assistant Attorneys General assigned to represent the Commission.
- 16. Persons qualified to access Protected Information upon signing the Consent to be Bound section of Appendix B are:
 - (a) Counsel for a party;
 - (b) Any person employed directly by counsel of record; and
 - (c) An employee of the Regulatory Division at the Oregon Citizens' Utility Board.

A party must identify all these persons in section 2 of Appendix B when consenting to be bound by the order, and must update this list throughout the proceeding to ensure it accurately identifies Qualified Persons.

17. A party bound by the Modified Protective Order may seek to qualify other persons to access Protected Information by having those persons complete and sign Appendix C, and submitting that information to the Commission and all parties. Within five business days of receiving a copy of Appendix C, the designating party must either provide the requested access to Protected Information or file an objection under Paragraph 24 and 25.

Access to Highly Confidential Information

- 18. Only persons qualified to receive Highly Confidential Information in accordance with Paragraphs 19-21 below ("HC Qualified Persons") may access Highly Confidential Information designated by another party under this Modified Protective Order.
- 19. Persons automatically bound by this Modified Protective Order and qualified to access Highly Confidential Information are:
 - (a) Commission employees: and
 - (b) Assistant Attorneys General assigned to represent the Commission.
- 20. Persons qualified to access Highly Confidential Information upon signing the Consent to be Bound section of Appendix D are:
 - (a) Counsel for a party;
 - (b) Any person employed directly by counsel of record; and
 - (c) An employee of the Regulatory Division at the Oregon Citizens' Utility Board.

A party must identify all these persons in section 2 of Appendix D when consenting to be bound by the order, and must update this list throughout the proceeding to ensure it accurately identifies HC Qualified Persons.

- 21. An HC Qualified Person bound by the Modified Protective Order may seek to qualify other persons to access Highly Confidential Information by having those persons complete and sign Appendix E, and submitting that information to the Commission and all parties. Within five business days of receiving a copy of Appendix E, the designating party must either provide the requested access to Protected Information or file an objection under Paragraphs 23 and 24.
- 22. For each person bound under Paragraphs 20 and 21, counsel for the party sponsoring the person must file a signed copy of Appendix D or Appendix E with the Commission and deliver a copy to the designating party and all parties of record. Upon receipt of the signed Appendix, if there is no objection to the person to be qualified thereunder made under Paragraph 23, then Highly Confidential Information must be delivered to the person within five business days.

Objection to Access to Protected or Highly Confidential Information

- 23. All Qualified Persons have access to Protected Information and all HC Qualified Persons have access to Highly Confidential Information unless the designating party objects as provided in this paragraph. As soon as the designating party becomes aware of reasons to restrict access to a Qualified Person or HC Qualified Person, the designating party must provide the Qualified Person or HC Qualified Person and his or her counsel written notice stating the basis for the objection. The parties must promptly confer and attempt to resolve the dispute on an informal basis before requesting review by an ALJ. After receipt of the written notice of objection required by this paragraph, the specific Protected Information of Highly Confidential Information may not be disclosed to the Qualified Person or HC Qualified Person until the issue is resolved.
- 24. If the parties are unable to resolve the matter informally, the designating party must file a written objection with the ALJ. The requesting party may file a response to the motion within 5 business days of service of an objection. The ALJ will make all reasonable efforts to resolve the matter within 10 business days of the last filing. Pending the ALJ's decision, the specific Protected Information or Highly Confidential Information may not be disclosed to the person subject to the objection.

Preservation of Confidentiality

- 25. All Qualified Persons or HC Qualified Persons must take reasonable precautions to keep Protected Information and Highly Confidential Information secure. A Qualified Person or HC Qualified Person may reproduce Protected Information and Highly Confidential Information to the extent necessary to participate in these proceedings. Electronic duplication and transmittal of Highly Confidential Information is strictly prohibited. A Qualified Person or HC Qualified Person may discuss Protected Information or Highly Confidential Information obtained under this order only with other Qualified Persons or HC Qualified Persons who have obtained the same information. Disclosure of Protected Information or Highly Confidential Information for purposes of business competition is strictly prohibited.
- 26. Without the written permission of the designating party, any person given access to Protected Information and Highly Confidential Information under this order may not use or disclose such information for any purpose other than participation in this proceeding.

27. Nothing in this protective order precludes any party from independently seeking through discovery in any other administrative or judicial proceeding information or materials produced in this proceeding under this protective order.

Destruction after Proceeding

28. Counsel of record may retain memoranda, pleadings, testimony, discovery, or other documents containing Protected Information or Highly Confidential Information to the extent reasonably necessary to maintain a file of these proceedings or to comply with requirements imposed by another governmental agency or court order. The information retained may not be disclosed to any person. Any other person retaining Protected Information must destroy or return it to the designating party within 90 days after final resolution of these proceedings unless the designating party consents in writing to retention of the Protected Information. Any other person retaining Highly Confidential Information at the conclusion of this proceeding must return it to the designating party within 90 days after final resolution of these proceedings or must destroy the Highly Confidential Information and provide an affidavit to the designating party swearing that the Highly Confidential Information has been destroyed. This paragraph does not apply to the Commission or its Staff.

Duration of Protection

29. The Commission will preserve the designation of information as Protected Information or Highly Confidential Information for a period of five years from the date of the final order in these proceedings, unless extended by the Commission at the request of the designating party. The Commission will notify the designating party at least two weeks prior to the release of Protected Information or Highly Confidential Information.

APPENDIX B CONSENT TO BE BOUND

DOCKET NO. UG 344

I. Consent to be Bound:

This Modified Protective Order and Appendix B governs the us in these proceedings.	se of Protected Information
Modified Protective Order and certifies that it has an interest in not adequately represented by other parties to the proceeding	n these proceedings that is
Signature:	
Printed Name:	
Date:	
II. Persons Qualified under Paragraph 16:	
(Party) identifies the foll under paragraph 16.	owing person(s) qualified
PRINTED NAME	DATE

APPENDIX C QUALIFICATION OF OTHER PERSONS TO RECEIVE PROTECTED INFORMATION DOCKET NO. UG 344

I. Persons Seeking Qualification to receive Protected Information under Paragraph 17:

I have read the Modified Protective Order, agree to be bound by the terms of the order, and provide the following information.

Signature:	Date:
Printed Name:	
Physical Address:	
Email Address:	
Employer:	
Associated Party:	
Job Title:	
If not employee of party, description of practice and clients:	

APPENDIX D CONSENT TO BE BOUND

DOCKET NO. UG 344

I	Co	nsent	to.	ha	Rou	nd:
I -	CU	113611			DUU	

This Modified Protection these proceedings.	ve Order and Appendix D governs the use of Protected Information
	("Party") agrees to be bound by the terms of the rder and certifies that it has an interest in this proceedings that is ented by other parties to the proceedings.
Signature:	
Printed Name:	
Date:	

II. Persons Qualified under Paragraph 20:

I have read the Modified Protective Order and agree to be bound by its terms.

I certify that:

- a. I will make hard copies of Highly Confidential Information only as needed for purposes of review and submission to the Commission. I will not make or distribute electronic copies of Highly Confidential Information and will not transmit electronically documents that reveal the substance of Highly Confidential Information.
- b. I agree to keep the information in a secure manner as required by Paragraphs 5, 6, 7, and 8 and destroy it at the conclusion of this proceeding as required by Paragraph 28.
- c. I understand that ORS 756.990(2) allows the Commission to impose monetary sanctions if a party subject to the jurisdiction of the Commission violates an order of the Commission.
- d. The party with which I am associated has a legitimate and non-competitive need for the Highly Confidential Information and not simply a general interest in the information.

Ву:	Signature: Printed Name: Address: Employer: Job Title:	
Ву:	Signature: Printed Name: Address: Employer: Job Title:	
Ву:		
Ву:	Printed Name: Address:	
Ву:		
Ву:	Signature: Printed Name: Address: Employer: Job Title:	

APPENDIX E

Signatory Page for Other Persons Seeking Qualification to Access Information Under Paragraph 21

DOCKET NO. UG 344

I. Persons Seeking Qualification Pursuant to Paragraph 21.

I have read the Modified Protective Order and agree to be bound by the terms of the order.

I certify that:

- a. I will make hard copies of Highly Confidential Information only as needed for purposes of review and submission to the Commission. I will not make or distribute electronic copies of Highly Confidential Information and will not transmit electronically documents that reveal the substance of Highly Confidential Information.
- I agree to keep the information in a secure manner as required by Paragraphs 5, 6, 7, and 8 and destroy it at the conclusion of this proceeding as required by Paragraph 28.
- c. I understand that ORS 756.990(2) allows the Commission to impose monetary sanctions if a party subject to the jurisdiction of the Commission violates an order of the Commission.
- d. The party with which I am associated has a legitimate and non-competitive need for the Highly Confidential Information and not simply a general interest in the information.

Signature:	Date:
Printed Name:	
Address:	
Employer:	
Associated Party:	
Job Title:	
If not an ampleyee of a party, describe pr	actics and clients:
	Printed Name:Address:

APPENDIX E