



TOMMY A. BROOKS  
ADMITTED IN OREGON AND WASHINGTON

[tbrooks@cablehuston.com](mailto:tbrooks@cablehuston.com)

February 23, 2012

**VIA ELECTRONIC FILING  
& FIRST CLASS MAIL**

Oregon Public Utility Commission  
Attn: Filing Center  
550 Capitol Street, N.E., #215  
P.O. Box 2148  
Salem, Oregon 97308-2148

Re: In the Matter of the Northwest Natural Gas Company, dba NW Natural, Request for  
General Rate Revision

Docket No. UG-221

**Proposed Issue Fund Budget of the Northwest Industrial Gas Users**

Dear Filing Center:

Pursuant to OAR § 860-012-0100(4), the First Amended and Restated Intervenor Funding Agreement (“IFA”), approved by the Oregon Public Utility Commission (“Commission”) in Order No. 07-564 (December 19, 2007), and Administrative Law Judge (ALJ) Hardie’s Prehearing Conference Memorandum dated January 23, 2012, the Northwest Industrial Gas Users (“NWIGU”) hereby respectfully submit an issue fund budget of \$56,285, which after 20% match by NWIGU, is a net requested issue fund budget of \$45,028.

Article 6.3 of the First Amended and Restated Intervenor Funding Agreement (“IFA”), provides that precertified intervenors seeking an issue fund grant must submit a proposed budget to the Commission. Accordingly, NWIGU has attached a detailed budget as Appendix A. In addition, the IFA requires the following information:

**1. A Statement of the Work to be Performed.**

NWIGU will participate in all stages of the NW Natural’s general rate case. This includes review of NW Natural’s filing, participation in settlement conferences, drafting testimony and briefs, and participation at hearing. NWIGU will share the cost of an expert focusing on revenue requirement issues with the Citizens’ Utility Board of Oregon (“CUB”). NWIGU has also retained a separate expert, Donald W. Schoenbeck of Regulatory and

Cogeneration Services, to focus on industrial concerns with cost of service, rate spread and design. NWIGU will seek funding for Mr. Schoenbeck through matching funds' application, and his work in this case is not included in this issue fund budget.

**2. A Description of the Areas to be Investigated.**

NWIGU will focus its efforts on evaluating NW Natural's filing, revenue requirements, cost of service study and rate spread and design to ensure that rates are set in a fair and equitable manner consistent with Commission precedent.

**3. A Description of the Particular Customer Class(es) That Will Benefit From the Intervenor's Participation.**

NWIGU is a nonprofit association comprised of thirty-eight end users of natural gas with major facilities in the states of Oregon, Washington, and Idaho. NWIGU members include diverse industrial interests, including food processing, pulp and paper, wood products, electric generation, aluminum, steel, chemicals, electronics, and aerospace. NWIGU members take service from gas utilities under industrial rate schedules. Accordingly, NWIGU advocacy will benefit the industrial rate class, and will benefit all customers in the sharing of an expert witness with CUB.

**4. Identification of the Specific Fund Accounts From Which the Intervenor is Seeking Monies.**

NWIGU identifies the NW Natural Account as the account from which NWIGU is seeking monies. There is currently \$90,959.41 available. Given CUB and NWIGU's filings, there are sufficient funds in the NW Natural Account even in the event of a fully litigated case. Settlement of some or all of the issues will likely reduce NWIGU's request. To the extent NWIGU incurs costs that exceed this request, it will seek Matching Funds.

**5. A Budget Showing Estimated Attorney, Consultant and Expert Witness Fees, Which May Include the Cost for Appropriate Support Staff and Operations Support.**

NWIGU has attached a detailed budget for NWIGU's participation in this proceeding as Appendix A.

**6. Representation that Intervenor will use matching funds in the form of either in-house resources or outside funding to account for or pay at least 20 percent of the Eligible Expenses.**

NWIGU represents that it will use matching funds in the form of either in-house resources or outside funding to account for or pay at least 20 percent of the Eligible Expenses.

February 23, 2012

Page 3

---

**CONCLUSION**

NWIGU respectfully request that the Commission approve its proposed budget for an issue fund grant in the amount of \$56,285, less the 20% matching requirement (\$11,257), for a net total issue fund grant of \$45,028, and that the budget be approved as expeditiously as possible in order to allow the retention of the expert witness that CUB and NWIGU desire to share on revenue requirement concerns. NWIGU will recover any additional expert witness or professional fees and costs through matching funds.

Should you have any questions regarding this filing, please call.

Very truly yours,

/s/Tommy A. Brooks

Tommy A. Brooks

TAB:sk

cc: UG-221 Service List

## UG-221

## NWIGU PROPOSED BUDGET FOR ISSUE FUND

## Legal Counsel

## Cable Huston

<u>Work to be Performed</u>	<u>Personnel</u>	<u>Hours</u>	<u>Rate</u>	<u>Cost</u>
Review of Filing and Discovery	Partner	15	\$220	\$3,300
	Associate	15	\$185	\$2,775
Settlement Conferences	Partner	16	\$220	\$3,520
Testimony	Partner	20	\$220	\$4,400
	Associate	10	\$185	\$1,850
Briefs	Partner	24	\$220	\$5,280
	Associate	20	\$185	\$3,700
Hearings	Partner	18	\$220	\$3,960
<b>Total NWIGU Request</b>				<b>\$28,785</b>
20 Percent In House Resources				\$5,757
<b>Total NWIGU Request for Cable Huston</b>				<b>\$23,028</b>

NWIGU has also retained Don Schoenbeck as an expert witness in this matter. NWIGU will be seeking matching funds for Mr. Schoenbeck's fees and costs and any additional fees or costs for Cable Huston.

**Estimated Expert Witness Budget For Issue Fund Grant  
(NWIGU will share the costs of its expert witness with the Citizens' Utility Board)**

**NWIGU has retained Larkin and Associates, PLLC jointly with the Citizens' Utility Board.**

**Larkin & Associates, PLLC**

**Certified Public Accountants**

**And Regulatory Consultants**

Personnel	Title	Rate
Hugh Larkin, Jr., CPA	Senior Partner	\$150
Christine Miller	Regulatory Analyst	\$ 85
Jill Zhao	Regulatory Analyst	\$ 85
John Defever	Regulatory Analyst	\$ 85

Review of testimony, exhibits, workpapers, studies, assistance with the preparation of data requests; review of the utility's books, records and other relevant materials; analysis of responses to discovery requests and assistance with preparation of additional discovery, preparation of draft testimony; review and analysis of direct and rebuttal testimony; preparation of final testimony and assistance with preparation for cross-examination; attendance at hearings to testify and assist with cross-examination; assist with preparing the briefs. Work will be performed by Mr. Larkin and two regulatory analysts with billing at the above hourly rate levels, but with a maximum not to exceed cap of \$52,500 for all services with actual expenses to be billed but with a not to exceed cap of \$2,500.

Total for Professional Services Split between CUB and NWIGU	\$52,500
Total Expenses Split between CUB and NWIGU	\$2,500
<b>NWIGU Share of Professional Services</b>	<b>\$26,250</b>
<b>NWIGU Share of expenses</b>	<b>\$1,250</b>
20 Percent In House Resources	\$5,500
<b>Total NWIGU Request for Larkin and Associates</b>	<b>\$22,000</b>
<hr/>	
<b>Total NWIGU Issue Fund Request</b>	<b>\$45,028</b>

**CERTIFICATE OF SERVICE**

I hereby certify that I caused to be served the foregoing via electronic mail and, where paper service is not waived, via postage-paid first class mail upon the following parties of record:

**NW Natural**

Mark R. Thompson  
220 NW Second Avenue  
Portland, OR 97209  
[mark.thompson@nwnatural.com](mailto:mark.thompson@nwnatural.com)

**NW Natural – E-Filing**

220 NW Second Avenue  
Portland, OR 97209  
[efiling@nwnatural.com](mailto:efiling@nwnatural.com)

**Citizens Utility Board**

OPUC Dockets  
610 SW Broadway, Suite 400  
Portland, OR 97205  
[dockets@oregoncub.org](mailto:dockets@oregoncub.org)

**Citizens Utility Board**

Robert Jenks  
610 SW Broadway, Suite 400  
Portland, OR 97205  
[bob@oregoncub.org](mailto:bob@oregoncub.org)

**Citizens Utility Board**

G. Catriona McCracken  
610 SW Broadway, Suite 400  
Portland, OR 97205  
[catriona@oregoncub.org](mailto:catriona@oregoncub.org)

**McDowell, Rackner & Gibson**

Lisa Rackner  
419 SW 11th Avenue, Suite 400  
Portland OR 97205  
[lisa@mcd-law.com](mailto:lisa@mcd-law.com)

**Department of Justice**

Jason Jones  
Business Activities Section  
1162 Court ST NE  
Salem, OR 97301-4096  
[jason.w.jones@state.or.us](mailto:jason.w.jones@state.or.us)

**Public Utility Commission**

Judy Johnson  
P.O. Box 2148  
Salem, OR 97308-2148  
[judy.johnson@state.or.us](mailto:judy.johnson@state.or.us)

**NW Energy Coalition**

Wendy Gerlitz  
1205 SE Flavel  
Portland, OR 97202  
[wendy@nwenergy.org](mailto:wendy@nwenergy.org)

**City of Portland, Planning & Sustainability**

David Tooze  
1900 SW 4<sup>th</sup> Street, Suite 7100  
Portland, OR 97201  
[David.tooze@portlandoregon.gov](mailto:David.tooze@portlandoregon.gov)

**Community Action Partnership of Oregon**

Jess Kincaid  
PO Box 7964  
Salem, OR 97301  
[jess@caporegon.org](mailto:jess@caporegon.org)

**Northwest Pipeline GP**

Jane Harrison  
295 Chipeta Way  
Salt Lake City, UT 84108  
[jane.f.harrison@williams.com](mailto:jane.f.harrison@williams.com)

**Northwest Pipeline GP**  
Stewart Merrick  
295 Chipeta Way  
Salt Lake City, UT 84108  
[stewart.merrick@williams.com](mailto:stewart.merrick@williams.com)

**Portland General Electric**  
Randy Dahlgren  
121 SW Salmon Street – 1WTC0702  
Portland, Oregon 97204  
[pge.opuc.filings@pgn.com](mailto:pge.opuc.filings@pgn.com)

**Portland General Electric**  
Douglas C. Tingey  
121 SW Salmon Street – 1WTC13  
Portland, Oregon 97204  
[Doug.tingey@pgn.com](mailto:Doug.tingey@pgn.com)

Dated in Portland, Oregon, this 23<sup>rd</sup> day of February 2012.

/s/ Tommy A. Brooks  
Chad M. Stokes, OSB No. 004007  
Tommy A. Brooks, OSB No. 076071  
Cable Huston Benedict Haagensen & Lloyd  
1001 SW Fifth Ave., Suite 2000  
Portland, OR 97204-1136  
Telephone: (503) 224-3092  
Facsimile: (503) 224-3176  
E-Mail: [cstokes@cablehuston.com](mailto:cstokes@cablehuston.com)  
[tbrooks@cablehuston.com](mailto:tbrooks@cablehuston.com)

Of Attorneys for the  
Northwest Industrial Gas Users