



CABLE HUSTON^{LLP}

TOMMY A. BROOKS
ADMITTED IN OREGON AND WASHINGTON

tbrooks@cablehuston.com

December 1, 2015

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 Avista Corporation dba Avista Utilities Request for a General Rate
Revision (Docket No. UG-288)
Proposed Issue Fund Budget of the Northwest Industrial Gas Users

Dear Filing Center:

Pursuant to OAR § 860-012-0100(4), the Third Amended and Restated Intervenor Funding Agreement (“IFA”), approved by the Oregon Public Utility Commission (“Commission”) in Order No. 15-335 (October 20, 2015), the Northwest Industrial Gas Users (“NWIGU”) hereby respectfully submit an issue fund budget of \$77,080, which after 20% match by NWIGU, would result in a net requested issue fund grant of \$61,664. However, based on the limited funds remaining in Avista’s Issue Fund Account, NWIGU requests an Issue Fund grant in the amount of \$47,000, with \$22,000 from 2015 funds and \$25,000 from 2016 funds.

Pursuant to the IFA, budgets are to be provided within 30 days of the initial prehearing conference. When the first prehearing conference was held in this matter, however, there were no funds available. Since that time, the Commission approved the amended IFA and more funds became available. NWIGU is therefore seeking permission to submit this budget later than is normally required. NWIGU conferred with the other parties, who do not object.

NWIGU’s proposed budget is based on a fully-litigated case and expenses that have been incurred to date. NWIGU’s request is for an amount less than the total budget because funds in the Issue Fund account are currently obligated to other matters. NWIGU’s request ensures access to Issue Funds by other parties and accounts for funds made available to NWIGU in other matters. NWIGU reserves its right to seek Matching Funds to the extent its actual participation in this docket exceeds the resources available from Issue Funds.

Article 6.3 of the 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.

December 1, 2015

Page 2

The IFA also requires the following information:

1. A Statement of the Work to be Performed.

NWIGU has participated and will continue to participate in all stages of the review of Avista Corporation's application for a general rate revision. This includes review of and comment on the scope of the proceeding, participation in settlement conferences, drafting testimony and briefs, and participation at hearing, if one is held. NWIGU has jointly sponsored a witness for this proceeding with CUB on revenue requirement and cost of capital issues, and has its own witness on rate spread issues.

2. A Description of the Areas to be Investigated.

NWIGU has and will focus on all aspects of Avista's proposal, with a specific focus on cost of capital, cost of service, rate spread, rate design, and revenue requirement.

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

NWIGU is a nonprofit association comprised of nearly forty end users of natural gas with major facilities in the states of Oregon, Washington, and Idaho. NWIGU members include diverse industrial and commercial interests, including food processing, pulp and paper, wood products, electric generation, aluminum, steel, chemicals, electronics, aerospace, and healthcare providers. NWIGU members take service from local distribution companies under industrial rate schedules. Accordingly, NWIGU advocacy will benefit the industrial rate class. NWIGU is also sponsoring a witness jointly with the Citizens' Utility Board. Those efforts will therefore benefit other rate classes who have issues similar to NWIGU's issues, especially residential customers.

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

NWIGU identifies the Avista Account as the account from which NWIGU is seeking monies. As of November 19, 2015, there were \$42,053.47 of uncommitted funds available in that account. The Commission has since approved a budget and Issue Fund Grant to CUB that reduces that amount by \$19,800.00. 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.

December 1, 2015

Page 3

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.

CONCLUSION

NWIGU respectfully requests that the Commission approve its proposed budget for an issue fund grant in the amount of \$77,080, less the 20% matching requirement (\$15,416), for a net total issue fund budget of \$61,664, and that the budget be approved as expeditiously as possible. NWIGU further requests approval of an Issue Fund grant in the amount of \$47,000, with \$22,000 from 2015 funds and \$25,000 from 2016 funds. 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,



Tommy A. Brooks

APPENDIX A

UG-288
NWIGU PROPOSED BUDGET FOR ISSUE FUND

Legal Counsel

<u>Work to be Performed</u>	<u>Personnel</u>	<u>Hours</u>	<u>Rate</u>	<u>Cost</u>
Review of Proceeding Scope and Discovery	Partner	15	\$220	\$3,300
	Partner II	15	\$210	\$3,150
Settlement Conferences	Partner	16	\$220	\$3,520
Testimony	Partner	20	\$220	\$4,400
	Partner II	20	\$210	\$4,200
Briefs	Partner	24	\$220	\$5,280
	Partner II	20	\$210	\$4,200
Hearings	Partner	24	\$220	\$5,280
Total NWIGU Budget for Legal Services				\$33,330
Less 20% Match Using In-house Resources				\$6,666
Total NWIGU Request for Legal Services				\$26,664

December 1, 2015

Page 2

Estimated Expert Witness Budget for Issue Fund Grant

NWIGU has retained Mike Gorman of Brubaker & Associates, Inc. to assist with cost of service, rate spread and rate design issues. NWIGU and CUB have jointly retained Mr. Gorman to assist with revenue requirement issues and will split those costs.

<u>Personnel</u>	<u>Title</u>	<u>Rate</u>
Mike Gorman	Managing Principal	\$235
Associate I	Associate	\$130
Associate II	Associate	\$100

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. Gorman and two regulatory analysts with billing at the above hourly rate levels, with approximately \$27,500 of costs being incurred for cost of service, rate spread and rate design, and \$16,250 for revenue requirement related issues, which is NWIGU's share of those costs being split with CUB.

Expert Witness Fees Related to COS/Rate Spread/Rate Design	\$27,500
Expert Witness Fees Related to Revenue Requirement (50% share)	\$16,250
Total NWIGU Budget for Expert Witness Fees	\$43,750
20 Percent In-House Resources	\$8,750
Total NWIGU Request for Expert Witness Fees	\$35,000
Total NWIGU Issue Fund Budget Request (Legal + Expert)	\$77,080
Total NWIGU Issue Fund Grant Possible (Budget – 20% in-house)	\$61,664
<u>Total Amount of Issue Fund Grant Request based on available funds</u>	<u>\$47,000</u>