



CABLE HUSTON<sub>LLP</sub>

TOMMY A. BROOKS  
ADMITTED IN OREGON AND WASHINGTON

tbrooks@cablehuston.com

April 14, 2017

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 Northwest Natural Gas Company, dba NW Natural, Application for Approval of Corporate Reorganization to Create a Holding Company (Docket UM 1804)  
**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), Northwest Industrial Gas Users (“NWIGU”) hereby respectfully submits an issue fund budget of \$38,370, which after 20% match by NWIGU (\$7,674), would result in a net requested issue fund grant of \$30,696. NWIGU has coordinated this request with potential requests by CUB and NW Natural’s Issue Fund Account for 2017 has sufficient funds for this request.

NWIGU’s proposed budget is based on NWIGU’s full participation in this proceeding and expenses that have been incurred to date. 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 revise this request or to seek Matching Funds to the extent its actual participation in this docket exceeds the proposed budget or 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.

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The IFA also requires the following information:

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

NWIGU has already participated in initial proceedings in this docket and will continue to participate in all stages of the review of NW Natural's request to form a holding company. This includes review of and comment on the scope of the proceeding, participation in workshops and settlement conferences, drafting testimony and briefs, and participation at hearing, if one is held. NWIGU will sponsor a witness for this proceeding who will assist in NWIGU's analysis of NW Natural's request.

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

NWIGU has and will focus on all aspects of NW Natural's request to form a holding company, with a specific focus on whether such a company should be formed and, if so, what mechanisms the Commission should put into place to safeguard NW Natural's customers from the activities and potential risk of a holding company or affiliate companies.

**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. NW Natural's request, however, will provide it with the opportunity to make fundamental changes to its corporate structure, the impacts of which could affect all customers, including residential customers.

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

NWIGU identifies the NW Natural Issue Fund Account as the account from which NWIGU is seeking monies. As of the date of this submittal, the uncommitted balance of that fund is \$210,405.79. NWIGU's requested Issue Fund Budget will result in a maximum grant of \$30,696, much less than the amount of the available funds. To the extent NWIGU incurs costs that exceed this request, it will either seek to modify this request or seek Matching Funds.

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**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.

**CONCLUSION**

NWIGU respectfully requests that the Commission approve its Issue Fund Budget in the amount of \$38,370, 20% of which (\$7,674) will be matched by NWIGU, and that the budget be approved as expeditiously as possible. NWIGU further requests approval of an Issue Fund Grant in the amount of \$30,696 from 2017 funds in the NW Natural Issue Fund account.

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

Very truly yours,



Tommy A. Brooks

APPENDIX A

UM 1808  
 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	10	\$265	\$2,650
	Partner II	5	\$255	\$1,275
Settlement Conferences	Partner	10	\$265	\$2,650
Testimony	Partner	15	\$265	\$3,975
	Partner II	10	\$255	\$2,550
Briefs	Partner	24	\$265	\$6,360
	Partner II	10	\$255	\$2,550
Hearings	Partner	24	\$265	\$6,360
<b>Total NWIGU Budget for Legal Services</b>				<b>\$28,370</b>
Less 20% Match Using In-house Resources				\$5,674
<b>Total NWIGU Request for Legal Services</b>				<b>\$22,696</b>

### Estimated Expert Witness Budget for Issue Fund Grant

NWIGU has retained Ed Finklea to assist with NWIGU's analysis in this matter. Mr. Finklea serves as NWIGU's Executive Director, but the budget below relates only to the specific services Mr. Finklea will provide in this docket as an expert witness.

<u>Personnel</u>	<u>Title</u>	<u>Rate</u>
Edward A. Finklea	Executive Director	\$99.75/hour

Review filing, testimony, exhibits, workpapers, 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 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.

Estimated Expert Witness Fees	\$10,000
20 Percent In-House Resources	\$2,000
<b>Total NWIGU Request for Expert Witness Fees</b>	<b>\$8,000</b>

<b>Total NWIGU Issue Fund Budget Request (Legal + Expert)</b>	<b>\$38,370</b>
<b>Total NWIGU 20% Match</b>	<b>\$7,674</b>
<b>Total NWIGU Issue Fund Grant Possible (Budget – 20% in-house)</b>	<b>\$30,696</b>
<b><u>Total Amount of Issue Fund Grant Request based on available funds</u></b>	<b><u>\$30,696</u></b>