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December 14, 2012

## VIA FIRST CLASS AND ELECTRONIC MAIL

The Hon. Michael Grant Oregon Public Utility Commission P.O. Box 2148 Salem, OR 97308-2148

Mr. Mark Thompson Rates & Regulatory Affairs NW Natural 220 NW Second Avenue Portland, OR 97209-3991 Ms. Margaret Kilpatrick General Counsel NW Natural 220 NW Second Avenue Portland, OR 97209-3991

Re:

Northwest Industrial Gas Users' Request for Payment of a Preauthorized Matching Fund Grant – Northwest Natural Gas Company Account <u>Docket No. UM 1357</u>

Dear Judge Grant:

The Northwest Industrial Gas Users ("NWIGU") files this request for payment of Preauthorized Matching Fund Grant for particular costs incurred from January 1, 2012 through November 30, 2012 from the Northwest Natural Gas Company ("NW Natural") Preauthorized Matching Fund Account in the amount of \$51,194.33. This request for payment is filed pursuant to Section 7.2 of the First Amended and Restated Intervenor Funding Agreement, which was approved by the Oregon Public Utility Commission ("Commission") on December 19, 2007 in Order No. 07-564 ("Amended IFA").

NWIGU meets all of the criteria for payment of a Preauthorized Matching Fund Grant from the NW Natural Preauthorized Matching Fund Account for 2012, as demonstrated by the following:

1. Under the Amended IFA, NW Natural makes available an Annual Grant Amount of \$57,500, which is added to NW Natural's Preauthorized Matching Fund Account each

calendar year during the term of the Amended IFA through 2012. Amended IFA at Section 4.2.

- 2. A Preauthorized Matching Fund Grant from NW Natural must be used solely to pay Eligible Expenses for Eligible Proceedings involving NW Natural. Amended IFA at Section 4.2.2. NWIGU requests the payment of a Preauthorized Matching Fund Grant for Eligible Expenses incurred in UM 1357, AR 564, UM 903, LC 51, UG 1286 and UG 221 as Eligible Proceedings from January 1, 2012 through November 30, 2012. NWIGU requests the payment of the \$51,194.33 Preauthorized Matching Fund Grant for the expenses listed in confidential Exhibit A, attached, which are Eligible Expenses under Section 7.4 of the Amended IFA. These expenses are in excess of any amounts recovered through Issue Fund Grants and/or other Matching Fund Grant Requests. For UG 221 NWIGU retained two expert witnesses; Donald W. Schoenbeck who addressed rate spread and rate design issues on behalf of only industrial customers, and Hugh Larkin, who addressed revenue requirement issues for NWIGU and CUB. The costs NWIGU incurred for Mr. Larkin (after splitting with CUB) has already been recovered through the Issue Fund Grant. That prior recovery is reflected in Confidential Attachment A.
- 3. A Preauthorized Matching Fund Grant may be provided only if NWIGU demonstrates that it has used in-house resources or outside funding for at least 50% of the Eligible Expenses for Eligible Proceedings. Amended IFA at Section 7.2. As shown in confidential Exhibit A, NWIGU has used in-house resources and outside funding for at least 50% of the Eligible Expenses in these proceedings.
- 4. NWIGU became precertified as eligible to receive intervenor funding grants under Section 5.2 of the original Intervenor Funding Agreement pursuant to Order No. 04-055, entered by the Commission on February 3, 2004. Under the Amended IFA, funds from NW Natural's Preauthorized Matching Fund Account are available for use exclusively by NWIGU. Amended IFA at Section 4.2.2.

Having demonstrated that it meets all of the criteria and conditions for such request, NWIGU requests payment of a Preauthorized Matching Fund Grant from NW Natural's Preauthorized Matching Fund in the amount of \$51,194.33. NWIGU requests that the Commission grant this request within 30 days of receipt and order NW Natural to pay NWIGU the amount of \$51,194.33 within 30 days after receipt of the Commission directive, in accordance with Section 7.2 of the Amended IFA.

Payment should be sent to:

Ed Finklea Executive Director Northwest Industrial Gas Users PO Box 2058 Tualatin, Oregon 97062

Thank you for your attention to this matter. Please do not hesitate to contact me if you have any questions.

Very truly yours,

Chad M. Stokes

Counsel for the Northwest Industrial Gas Users

CMS:sk Enclosure

cc: Ed Finklea (via e-mail)