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April 28, 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, Investigation of
Interstate Storage and Optimization Sharing (Docket No. UM 1654)
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.

Pursuant to the IFA, budgets are to be provided within 30 days of the initial prehearing conference in a docket. Under the unique circumstances of this docket, that deadline has long since passed. This docket has entered into a new phase following the Commission’s decision in Order No. 15-066. On April 26, 2017, CUB and NWIGU submitted a joint motion seeking permission to submit late-filed budgets in this docket to encompass the work that is anticipated in this new phase. The joint motion describes the current posture of the proceeding and explains in more detail the circumstances that require the new phase of this docket. That motion remains pending for the Commission’s decision, and NWIGU is submitting this budget contingent upon that approval. NW Natural is aware of NWIGU’s and CUB’s approach and has indicated it does not object to timing of this budget request.

NWIGU’s proposed budget is based on full participation in the remainder of this case 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 seek Matching Funds to the extent its actual participation in this docket exceeds the resources available from Issue Funds.

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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.

The IFA also requires the following information:

1. A Statement of the Work to be Performed.

NWIGU will continue to participate in all stages of the review of NW Natural's and the stakeholders' investigation of costs and sharing relating to NW Natural's interstate storage and optimization activities. This includes participation in scoping meetings for development of the cost study, review of and comment on the cost study, review of and comment on any proposals that come out of the cost study, participation in settlement conferences, drafting testimony and briefs if necessary, and participation at a hearing, if one is held. NWIGU will sponsor a witness for this proceeding.

2. A Description of the Areas to be Investigated.

NWIGU has and will focus on all aspects of this proceeding, with a specific focus on how costs are shared between the Company and its customers.

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's efforts will also benefit other rate classes who have issues similar to NWIGU's issues, including residential customers.

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. As of the date of this submittal, there were \$179,709.79 of uncommitted funds available in that account. NWIGU's requested Issue Fund Budget will result in a maximum grant of \$30,696, much less than half of the available funds. To the extent NWIGU incurs costs that exceed this request, it may request to revise this budget or seek a Matching Fund grant.

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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's Issue Fund account.

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

Very truly yours,



Tommy A. Brooks

APPENDIX A

**UM 1654
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>
Participate in scoping meetings, Review studies and proposals, 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
Total NWIGU Budget for Legal Services				\$28,370
Less 20% Match Using In-house Resources				\$5,674
Total NWIGU Request for Legal Services				\$22,696

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

Participate in scoping meetings, review cost studies, 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
Total NWIGU Request for Expert Witness Fees	\$8,000

Total NWIGU Issue Fund Budget Request (Legal + Expert)	\$38,370
Total NWIGU 20% Match	\$7,674
Total NWIGU Issue Fund Grant Possible (Budget – 20% in-house)	\$30,696

<u>Total Amount of Issue Fund Grant Request based on available funds</u>	<u>\$30,696</u>
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