

BEFORE THE PUBLIC UTILITY COMMISSION

OF OREGON

UM 1909

In the Matter of

PUBLIC UTILITY COMMISSION OF
OREGON,

Investigation of the Scope of the
Commission's Authority to Defer Capital
Costs.

NORTHWEST INDUSTRIAL GAS
USERS', OREGON CITIZENS'
UTILITY BOARD'S, AND
INDUSTRIAL CUSTOMERS OF
NORTHWEST UTILITIES' JOINT
MOTION TO DESIGNATE DOCKET
AS ELIGIBLE PROCEEDING FOR
ISSUE FUNDS; REQUEST FOR
CLARIFICATION ON PROCESS

Pursuant to OAR 860-001-0420 and Administrative Law Judge Allan Arlow's request during the prehearing conference held in this matter, Northwest Industrial Gas Users ("NWIGU"), Oregon Citizens' Utility Board ("CUB"), and the Industrial Customers of Northwest Utilities ("ICNU") jointly move the Public Utility Commission of Oregon ("Commission") to designate this docket as an Eligible Proceeding for Issue Funds. In addition, NWIGU, CUB, and ICNU jointly request a clarification on the process for requesting that a docket be designated as an Eligible Proceeding for Issue Funds going forward. Specifically, NWIGU, CUB, and ICNU request guidance from the Commission regarding whether such a request may be filed as part of a Notice of Intent to Request Intervenor Funding, or whether a separately filed motion is necessary.

NWIGU, CUB, and ICNU have historically been precertified intervenors eligible for intervenor funding. Currently there is no Intervenor Funding Agreement in place, but NWIGU, CUB, ICNU, and the various gas and electric utilities have worked with Chief Administrative Law Judge Grant to develop a new Intervenor Funding Agreement. As part of docket UM 1929, the Commission will consider the Fourth Amended and Restated Intervenor Funding Agreement ("Restated IFA") at its next meeting on January 17, 2018.

In anticipation of the Commission's consideration of the Restated IFA, NWIGU submitted a Notice of Intent to Request Intervenor Funding in this docket on January 4, 2018. The Restated IFA, if approved, provides more clarity than prior agreements on which proceedings qualify as "Eligible Proceedings for Issue Funds." Article 1 of the Restated IFA provides the following:

"Eligible Proceeding For Issue Funds" means a proceeding before the Commission to review:

- i. general rate case request,
- ii. the proposed acquisition or merger of one of the Participating Public Utilities,
- iii. an Integrated Resource Plan,
- iv. an annual power cost request (such as PGE's Annual Update Tariff or PacifiCorp's TAM) or a purchase gas adjustment request; or
- v. any other proceeding so designated by the Commission that directly affects one or more of the Participating Utilities and is anticipated to have a substantial impact on utility rates or service, a significant impact on utility customers or the operations of the utility, is likely to result in a significant change in regulatory policy, or raises novel questions of fact or law.

This docket does not involve proceedings under paragraphs i. – iv. of the above definition. The docket does, however, involve issues in a proceeding that the Commission can designate as an eligible proceeding under paragraph v. for the following reasons.

This docket will directly affect Avista Corporation, Cascade Natural Gas Corporation, Northwest Natural Gas Company, Portland General Electric, and PacifiCorp, each of which are

Participating Public Utilities under Section 1(k) of the Restated IFA and which are parties to this docket.

This docket is anticipated to have a substantial impact on utility rates. The purpose of this docket is for the Commission to determine whether it has authority under ORS 757.259(2)(e) to defer capital costs for later inclusion in rates. The facts that precipitated that question were Portland General Electric's request in UM 1791 to defer incremental capital costs for the Carty Generating Station above what were approved in rates, consisting of depreciation expense, a return on the associated capital costs, utility income taxes, and increases in revenue sensitive costs. PGE proposed to defer approximately \$121 million in such costs. Thus, whether and when the Commission would allow such costs to go into rates will have a substantial impact on PGE's customers. Resolution of the legal issue in this docket also is likely to impact customers of the other Participating Public Utilities going forward.

This docket also raises a novel question of law. While the issue did arise in UM 1791, it had apparently not arisen in prior cases. Rather than resolve the issue as part of UM 1791, the Commission initiated this docket for the very reason that this novel issue would likely impact other utilities.

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Based on the foregoing, if the Commission approves the Restated IFA, NWIGU, CUB and ICNU request that the Commission designate this docket as an “Eligible Proceeding for Issue Funds.” Further, NWIGU, CUB, and ICNU request guidance on the appropriate process going forward.

Dated this 12th day of January 2018.

Respectfully submitted,



Chad M. Stokes, OSB No. 004007
Tommy A. Brooks, OSB No. 076071
Cable Huston LLP
1001 SW Fifth Ave., Suite 2000
Portland, OR 97204-1136
Telephone: (503) 224-3092
Facsimile: (503) 224-3176
E-Mail: cstokes@cablehuston.com
tbrooks@cablehuston.com
Of Attorneys for Northwest Industrial Gas Users



Michael P. Goetz
Staff Attorney
Oregon Citizens' Utility Board
610 SW Broadway, Ste. 400
Portland, OR 97205
(503) 227-1984, ext. 16 phone
(503) 224-2596 fax
mike@oregoncub.org

DAVISON VAN CLEVE, P.C.
/s/ Tyler C. Pepple
Tyler C. Pepple
333 S.W. Taylor, Suite 400
Portland, Oregon 97204
Telephone: (503) 241-7242
Facsimile: (503) 241-8160
E-mail: tcp@dvclaw.com
Of Attorneys for the Industrial Customers of
Northwest Utilities