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November 10, 2005

**VIA ELECTRONIC FILING
AND FIRST CLASS MAIL**

Oregon Public Utility Commission
Attention: Filing Center
P.O. Box 2148
Salem, OR 97308-2148

**Re: In the Matter of the Adoption of Permanent Rules Implementing
SB 408 to Utility Taxes
OPUC Docket No. AR 499**

Attention Filing Center:

Enclosed for filing in the above-captioned docket is the Proposed Budget of the Northwest Industrial Gas Users for Issue Fund Grant. This document is being filed by electronic mail with the Filing Center.

Thank you for your assistance.

Very truly yours,



Edward A. Finklea

EAF:rls
Enclosure

cc w/ enc: AR 499 Service List

**BEFORE THE PUBLIC UTILITY COMMISSION
OF OREGON**

AR 499

In the Matter of

The Adoption of Permanent Rules
Implementing SB 408 to Utility Taxes

PROPOSED BUDGET OF THE
NORTHWEST INDUSTRIAL GAS
USERS FOR ISSUE FUND GRANT

Pursuant to the procedural schedule adopted in the above-captioned proceeding, the Northwest Industrial Gas Users ("NWIGU") submit its proposed budget for an issue fund grant in the amount of \$19,630.

Senate Bill 408 was passed by the 2005 Oregon Legislature and signed by the Governor. The new law requires Northwest Natural Gas Company ("NW Natural"), Portland General Electric ("PGE"), Pacific Power and Light (d/b/a "PacifiCorp") and Avista Utilities ("Avista") to file tax reports annually with the Commission. Beginning January 1, 2006, these tax reports may trigger an adjustment to customers' bills from any overpayment of taxes. To implement SB 408, the Commission has adopted temporary rules in Docket AR 498, and in this Docket, AR 499, permanent rules will be adopted. There are significant legal and policy issues that must be resolved in this proceeding.

The Intervenor Funding Agreement ("IFA"), approved by the Commission in Order No. 03-388, 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. In addition, the IFA and Commission Order No. 05-1194 require the following information:

1. A Statement of the Work to be Performed.

NWIGU has retained James Selecky of Brubaker and Associates Inc., along with the Industrial Customers of Northwest Utilities ("ICNU"). NWIGU and ICNU have agreed to split

the costs of Mr. Selecky. NWIGU, through its attorneys and consultant, will review the draft rules, comment on legal issues, participate in workshops, hearings and any other proceeding in this case. Since NWIGU did not participate in SB 408 lobbying efforts, and ICNU was actively involved, NWIGU has relied upon ICNU's analysis of the legislative history in order to maximize efficiencies and hold down the costs of NWIGU advocacy.

2. A Description of the Areas to be Investigated.

NWIGU's participation in AR 499 will focus on the implementation of SB 408 and the tax issues relevant to the gas utilities.

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

NWIGU is a nonprofit association comprised of thirty-two end users of natural gas with major facilities in the states of Oregon, Washington, and Idaho. NWIGU members include diverse industrial interests, including food processing, pulp and paper, wood products, electric generation, aluminum, steel, chemicals, electronics, and aerospace. NWIGU members take service from gas utilities under commercial and industrial rate schedules. Accordingly, NWIGU advocacy will benefit the commercial and industrial classes.

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

NWIGU identifies the Northwest Natural Gas Company Account as the account from which NWIGU is seeking monies. NWIGU is not seeking funds from any other account.

5. How Should the Commission Apply Article 7.7(B)?

NWIGU's advocacy is ordinarily focused solely upon industrial customers' interests. In the present case, NWIGU's efforts are beneficial to both industrial and commercial class interests without distinction (as the industrial and commercial customers' interests are wholly aligned in this rulemaking). Accordingly, NWIGU requests that the recovery of the requested issue fund grant be applied to both industrial and commercial classes on NW Natural's system as both will benefit from the proposed issue fund application in the same manner. In the event that

the Commission denies this allocation request, NWIGU requests the same grant applied only to industrial customers.

6. 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.

CONCLUSION

NWIGU respectfully request that the Commission approve its proposed budget for an issue fund grant.

DATED: November 10, 2005

CABLE HUSTON BENEDICT HAAGENSEN
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AR 499
NWIGU Proposed Budget for Issue Fund Grant

<u>Work to be Performed</u>	<u>Personnel</u>	<u>Hours</u>	<u>Rate</u>	<u>Cost</u>
Attend Preliminary Workshop; review draft Commission Rules, review Comments from utilities, review Staff Report	Partners	6.0	\$ 180.00	\$ 1,080.00
	Associates	8.0	\$ 135.00	\$ 1,080.00
Prepare Opening Comments/Legal	Partners	3.0	\$ 180.00	\$ 540.00
	Associates	11.0	\$ 135.00	\$ 1,485.00
Prepare and attend Second Workshop	Partners	6.0	\$ 180.00	\$ 1,080.00
Prepare Reply Comments	Partners	15.0	\$ 180.00	\$ 2,700.00
	Associates	5.0	\$ 135.00	\$ 675.00
Attend future workshops and proceedings and draft additional Comments	Partners	20.0	\$ 180.00	\$ 3,600.00
	Associates	10.0	\$ 135.00	\$ 1,350.00
Prepare for and attend Public Comment Hearing and Adoption Hearing	Partners	3.0	\$ 180.00	\$ 540.00
Expert Witness Fees	Consultants	25.0	\$ 200.00	\$ 5,000.00
Total Hours		112.0		
Subtotal				\$ 19,130.00
Travel Expenses				\$ 500.00
Grand Total				\$ 19,630.00

CERTIFICATE OF SERVICE

I hereby certify that I served the foregoing **PROPOSED BUDGET OF THE NORTHWEST INDUSTRIAL GAS USERS FOR ISSUE FUND GRANT** on:

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- ☒ by **E-MAILING** a full, true and correct copy thereof to the party, at the e-mail address on record, on the date set forth below.

DATED: November 10, 2005


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