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ADMITTED IN OREGON AND WASHINGTON

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Via Electronic Filing

Public Utility Commission of Oregon
Attn: Filing Center
201 High St. SE, Suite 100
Salem, OR 97301

Re: In the Matter of Northwest Natural Gas Company, dba NW Natural
Request for a General Rate Revision
Docket No. UG 490
Proposed Issue Fund Budget of the Alliance of Western Energy Consumers

Dear Filing Center:

Pursuant to OAR 860-001-0120 and the Fifth Amended and Restated Intervenor Funding Agreement (“IFA”), approved by the Public Utility Commission of Oregon (“Commission”) in Order No. 22-506 (December 29, 2022), Alliance of Western Energy Consumers (AWEC) hereby respectfully submits an Issue Fund Budget of \$120,000.00 in the above referenced docket. This Issue Fund Budget, after a 20% match by AWEC (\$24,000.00), would result in a maximum net requested Issue Fund Grant of \$96,000.00. To the extent AWEC’s actual costs exceed the maximum Issue Fund Grant amount, AWEC will either seek to amend this budget or seek matching funds.

NW Natural has requested a \$154.9 million increase to its annual Oregon jurisdictional revenues, which is between a 14.6 percent and 30.5 percent margin increase, depending on the applicable rate schedule. In addition to traditional rate case issues, this case also presents new issues and challenges for the parties because the Climate Protection Plan (CPP) was determined by the Oregon Court of Appeals to be invalid, but some CPP costs remain embedded in rates.

Article 6.3 of the IFA provides that pre-certified intervenors seeking an issue fund grant must submit a proposed budget to the Commission. Accordingly, AWEC has attached a detailed budget as Appendix A. AWEC’s proposed budget is based on AWEC’s full participation in this proceeding, including time and expenses that have already been incurred to date.

The IFA also requires the following information:

1. A Statement of the Work to be Performed.

AWEC has participated and will continue to participate in all stages of this proceeding. This includes: (a) a review of the initial filing, testimony and workpapers of Northwest Natural Gas Company, dba NW Natural (“NW Natural”); (b) drafting discovery and reviewing discovery responses; (c) drafting testimony and reviewing the testimony of other parties; (d) drafting briefs and reviewing briefs of other parties; (e) participating in any scheduled workshop; (f) participating in multiple settlement conferences and reviewing and revising any stipulation and supporting testimony; and (g) preparing for and participating in the evidentiary hearing and oral argument. AWEC has retained a consultant to assist legal counsel in this proceeding.

2. A Description of the Areas to be Investigated.

AWEC has and will focus on all aspects of NW Natural’s requested increase to natural gas distribution rates. This includes a review and analysis of the requested revenue requirement, including return on equity, capital structure, cost of debt, capital additions, rate base, working capital, taxes, depreciation, wages and salaries, memberships and dues, directors’ fees, operations and maintenance costs; CPP costs and refund related issues, SB 98 and renewable natural gas issues; review of the long run incremental cost study and rate spread and rate design.

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

AWEC is a nonprofit association of end users of natural gas with major facilities in the states of Oregon, Washington, and Idaho. AWEC’s gas members include diverse industrial and commercial interests, including food processing, pulp and paper, wood products, electric generation, aluminum, steel, chemicals, electronics, and aerospace. AWEC members take service from local distribution companies under industrial rate schedules. Accordingly, AWEC’s advocacy will benefit the industrial rate class. AWEC’s focus on the overall revenue requirement and cost of capital will benefit all customers, including residential customers.

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

AWEC identifies the NW Natural Issue Fund Account as the account from which AWEC is seeking monies. As of the date of this submittal, the uncommitted balance of that fund is approximately \$302,601.39, but this does not include the \$90,000 Issue Fund Grant allocated to CUB in UG 490, leaving a net uncommitted balance of \$212,601.39. To the extent AWEC incurs costs that exceed this request, it will seek to either amend the budget or seek Matching Funds.

5. A Budget Showing Estimated Attorney, Consultant and Expert Witness Fees, Which May Include the Cost for Appropriate Support Staff and Operations Support.

AWEC has attached a detailed budget for AWEC'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.

AWEC 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

AWEC respectfully requests that the Commission approve its Issue Fund Budget in the amount of \$120,000.00. AWEC further requests approval of an Issue Fund Grant in an amount of \$96,000.00 from 2024 funds in the NW Natural Issue Fund account.

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

Very truly yours,



Chad M. Stokes

UG 490

AWEC PROPOSED BUDGET FOR ISSUE FUND GRANT

Legal Counsel

<u>Work to be Performed</u>	<u>Personnel</u>	<u>Hours</u>	<u>Rate</u>	<u>Cost</u>
Review of initial filing and workpapers, preparation of and review of discovery, work with consultant to develop analysis of case and attend prehearing	Partner	50	\$325	\$16,250
Prepare for and attend multiple settlement conferences; review and revise any settlement and supporting testimony	Partner	50	\$325	\$16,250
Assist with the preparation of opening and cross answering testimony and review testimony from other parties	Partner	40	\$325	\$13,000
Drafting briefs and reviewing briefs of other parties	Partner	40	\$325	\$13,000
	Associate	20	\$250	\$5,000
Develop cross examination statement and exhibits; prepare witness for cross examination; prepare to cross examine other witnesses; and prepare for and attend evidentiary hearing; prepare for and attend oral argument	Partner	30	\$325	\$9,750
Total AWEC Budget for Legal Services				\$73,250
(Cable Huston)				
Total AWEC Budget for UG 435 Expert Witness Fees				\$46,750
(Bradley Mullins, Consultant, \$280/hour)				

Total Budget	\$120,000
Less 20% Match Using In-house Resources	\$24,000
Total Issue Fund Grant Request	\$96,000

Estimated Expert Witness Budget for Issue Fund Grant

AWEC has already retained Brad Mullins to assist with AWEC's analysis in this matter.

<u>Personnel</u>	<u>Title</u>	<u>Rate</u>
Bradley Mullins	Consultant	\$280/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 (Budget)	\$46,750
20 Percent In-House Resources	\$9,350
Total AWEC Request for Expert Witness Fees (Grant)	\$37,400

Total AWEC Budget for Legal Services (Cable Huston)	\$73,250
20 Percent In-House Resources	\$14,650
Total AWEC Request for Legal Services(Grant)	\$58,600

Total Budget (Legal + Expert)	\$120,000
Less 20% Match Using In-house Resources	\$24,000
Total Issue Fund Grant Request (Budget – 20% in-house)	\$96,000