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ADMITTED IN OREGON AND WASHINGTON

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April 12, 2013

**VIA ELECTRONIC FILING
& FIRST CLASS MAIL**

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 the Northwest Natural Gas Company, dba NW Natural, Mechanism for Recovery of Environmental Remediation Costs (Docket No. UM-1635)
Proposed Issue Fund Budget of the Northwest Industrial Gas Users

Dear Filing Center:

Pursuant to OAR § 860-012-0100(4), the Second Amended and Restated Intervenor Funding Agreement (“IFA”), approved by the Oregon Public Utility Commission (“Commission”) in Order No. 12-452 (November 20, 2012), and Administrative Law Judge Hardie’s Prehearing Conference Memorandum dated February 7, 2013, the Northwest Industrial Gas Users (“NWIGU”) hereby respectfully submit an issue fund budget of \$25,000, which after 20% match by NWIGU, is a net requested issue fund grant of \$20,000.

NWIGU’s proposed budget is based on a fully-litigated case. In the event of settlement of some or all of the issues, NWIGU’s actual expenditures will be less than those presented in the budget. As demonstrated in Exhibit A, NWIGU’s anticipated budget for a fully-litigated case exceeds the \$25,000 budget it proposes for an Issue Fund Grant. NWIGU is requesting the lower amount to ensure access to Issue Funds by other parties and to ensure the availability of funds to NWIGU in other matters involving NW Natural. NWIGU reserves its right to seek Matching Funds to the extent its actual participation in this docket exceeds the resources available in NW Natural’s Issue Fund.

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. In addition, the IFA requires the following information:

1. A Statement of the Work to be Performed.

NWIGU has participated and will participate in all stages of the investigation into NW Natural's recovery of environmental remediation costs. This includes review of NW Natural's filing, participation in settlement conferences, drafting testimony and briefs, and participation at hearing. NWIGU has retained a separate expert, Regulatory and Cogeneration Services, to focus on industrial concerns with cost of service, rate spread and design, and earnings test issues.

2. A Description of the Areas to be Investigated.

NWIGU will focus its efforts on evaluating NW Natural's filing, rate spread and rate design, the prudence of NW Natural's remediation costs, the appropriate deadband to be applied to recovery of environmental remediation costs, the appropriate application of the earnings test ordered in docket UG-221, and any other issues raised by other parties to ensure that resulting rates are set in a fair and equitable manner consistent with Commission precedent.

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-eight 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 NW Natural under industrial rate schedules. Accordingly, NWIGU advocacy will benefit the industrial rate class, but so will other rate classes who have issues similar to NWIGU's issues.

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. There are currently \$33,723.41 of uncommitted funds available in that account. Settlement of some or all of the issues will likely reduce NWIGU's request. To the extent NWIGU incurs costs that exceed this request, it will 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.

NWIGU has attached a detailed budget for NWIGU's participation in this proceeding as Appendix A.

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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 request that the Commission approve its proposed budget for an issue fund grant in the amount of \$25,000, less the 20% matching requirement (\$5,000), for a net total issue fund grant of \$20,000, and that the budget be approved as expeditiously as possible. NWIGU respectfully reserves the right to revise this request in the event that committed monies in NW Natural's Issue Fund become available at a later time. NWIGU will recover any additional expert witness or professional fees and costs through matching funds.

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

Very truly yours,



Tommy A. Brooks

TAB:sk

cc: UM-1635 Service List

UM-1635

NWIGU PROPOSED BUDGET FOR ISSUE FUND

Legal Counsel

Cable Huston

<u>Work to be Performed</u>	<u>Personnel</u>	<u>Hours</u>	<u>Rate</u>	<u>Cost</u>
Review of Filing and Discovery	Partner	15	\$220	\$3,300
	Partner II	15	\$210	\$3,150
Settlement Conferences	Partner	16	\$220	\$3,520
Testimony	Partner	20	\$220	\$4,400
	Partner II	10	\$210	\$2,100
Briefs	Partner	24	\$220	\$5,280
	Partner II	20	\$210	\$4,200
Hearings	Partner	18	\$220	\$3,960
Total NWIGU Budget for Legal Services				\$29,910

Estimated Expert Witness Budget For Issue Fund Grant

NWIGU has retained Regulatory and Cogeneration Services

Task	Hours	Rate	Cost
Initial Settlement Workshop and Participation	M. Deen – 40	\$150	\$6,000
Analysis of Initial Filing, Workpapers and Discovery	M. Deen – 24	\$150	\$3,600
	D. Schoenbeck - 4	\$205	\$820
Opening Testimony Drafting and Analysis	M. Deen – 24	\$150	\$3,600
	D. Schoenbeck - 2	\$205	\$410
Analysis of NWN Reply Testimony, Workpapers and Discovery	M. Deen – 16	\$150	\$2,400
	D. Schoenbeck - 4	\$205	\$820
Follow Up Settlement Conference Analysis and Participation	M. Deen – 16	\$150	\$2,400
	D. Schoenbeck - 2	\$205	\$410
Cross Examination Preparation and Hearing	M. Deen – 16	\$150	\$2,400

Total NWIGU Budget for Professional Services **\$22,860**

Total NWIGU Budget for UM 1635 (Legal + Professional) **\$52,770**

Total NWIGU Issue Fund Budget Request **\$25,000**

Less 20% Match Using In-house Resources \$5,000

Total Issue Fund Grant Request **\$20,000**

CERTIFICATE OF SERVICE

I CERTIFY that I have on this day served the foregoing document upon all parties of record in this proceeding via electronic mail and/or by mailing a copy properly addressed with first class postage prepaid.

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Dated in Portland, Oregon, this 12th day of April, 2013



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