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December 23, 2015

**VIA ELECTRONIC FILING  
& FIRST CLASS MAIL**

Oregon Public Utility Commission  
Attn: Filing Center  
3930 Fairview Industrial Drive SE,  
PO Box 1088  
Salem, OR 97308

Re: In the Matter of NORTHWEST NATURAL GAS COMPANY dba NW NATURAL  
Mechanism for Recovery of Environmental Remediation Costs (Docket No. UM-1635)  
**Phase II - Proposed Issue Fund Budget of the Northwest Industrial Gas Users**

Dear Filing Center:

Pursuant to OAR § 860-012-0120(3)(a) and 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 \$17,200, which after a 20% match by NWIGU, is a net requested issue fund grant of \$13,760.

This docket is now in a third phase, with the Commission reviewing NW Natural’s compliance filing. NWIGU has previously submitted budgets and received Issue Fund Grants for the first two phases of this docket. On December 18, 2012, NWIGU filed its initial Notice of Intent to Request an Issue Fund Grant. On April 12, 2013, NWIGU submitted its proposed budget for that Issue Fund Grant in the amount of \$25,000.00 less in-house resources of 20 percent, for a total of \$20,000.00. The Commission approved the Issue Fund Grant for NWIGU in the amount of \$20,000.00 on April 22, 2013. *In the Matter of Northwest Natural Gas Company*, OPUC Docket UM 1635, Order No. 13-143. On September 30, 2013, following the parties’ stipulation attempting to settle the matters in this docket, NWIGU filed a Request for Payment of the Issue Fund Grant, which the Commission approved. UM 1635, Order No. 13-369.

Following the Commission’s rejection of that settlement, this docket entered into a second phase. On April 14, 2014, NWIGU submitted its second budget to cover the second

phase of this docket. The Commission approved a second Issue Fund Grant in the amount of \$30,000. Order No. 14-137. On January 23, 2015, after final briefs were submitted, NWIGU filed a Request for payment of the second Issue Fund Grant in the amount of \$29,545.73, which the Commission approved through Order 15-033.

Article 6.3 of the IFA states that: "In proceedings with multiple phases, proposed budgets should encompass work to be performed in the initial phase of the proceeding. In the event the proceeding continues beyond the initial phase, the Commission will establish a schedule for intervenors to submit proposed budgets for any later phase(s) of the proceeding." When this proceeding entered into a third phase to review the compliance filing, no schedule was established for intervenors to submit proposed budgets for that later phase. NWIGU now seeks approval of a new budget for the third phase of this proceeding.

**1. A Statement of the Work to be Performed.**

NWIGU has participated and will continue to participate in all stages of the investigation into the recovery of NW Natural's environmental remediation costs. This includes review of NW Natural's filing, participation in settlement conferences, drafting testimony and briefs, and participation at hearing, and review of the compliance filing. NWIGU retained a separate expert for earlier proceedings, but is relying only on legal services and in-house expertise for the third phase. Those efforts have been focused on ensuring the adequacy of the compliance filing with the Commission's earlier orders.

**2. A Description of the Areas to be Investigated.**

NWIGU will focus its efforts on evaluating NW Natural's filing, particularly with respect to how the filing implements the application of insurance proceeds, the earnings test, and all other requirements of the Commission's earlier orders 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 more than 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 NW Natural under industrial rate schedules. Accordingly, NWIGU advocacy will benefit the industrial rate class, but it will also benefit other rate classes who have issues similar to NWIGU's issues.

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**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 December 10, 2015, there were \$48,884.64 of uncommitted funds available in that account. NWIGU has made a separate request for \$10,000.00 from that account in Docket UM 1722. To the extent NWIGU incurs costs that exceed this request, it will either seek modification of this request 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.**

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 request that the Commission approve its proposed budget for an issue fund grant in the amount of \$17,200, less the 20% matching requirement (\$3,440) for a net total issue fund grant of \$13,760, and that the budget be approved as expeditiously as possible. NWIGU respectfully reserves the right to revise this request in the event the scope of this proceeding changes.

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

Very truly yours,

  
Tommy A. Brooks

TAB:sk

APPENDIX A

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 Compliance Filing	Partner	10	\$220	\$2,200
	Partner II	10	\$210	\$2,100
Settlement Conferences and Workshops	Partner	10	\$220	\$2,200
	Partner II	10	\$210	\$2,100
Briefs	Partner	20	\$220	\$4,400
	Partner II	20	\$210	\$4,200
<b>Total NWIGU Budget for Phase III Legal Services</b>				<b>\$17,200</b>
Less 20% Match Using In-house Resources				\$3,440
<b>Total Issue Fund Grant Request</b>				<b>\$13,760</b>