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April 11, 2014

**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), 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), Northwest Industrial Gas Users (“NWIGU”) hereby respectfully submits an issue fund budget of \$37,500, which after a 20% match by NWIGU, is a net requested issue fund grant of \$30,000. The requested budget is smaller than NWIGU estimated actual budget. NWIGU is requesting the smaller amount to accommodate the fact that the estimated actual budget exceeds the amount of issue funds that are available at this time.

On December 18, 2012, NWIGU filed a Notice of Intent to Request an Issue Fund Grant in this docket. 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. However, the Commission subsequently

rejected the parties' stipulation and this docket proceeded to a second phase. UM 1635, Order No. 13-424.

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." NWIGU now seeks approval of a new budget for Phase II 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. NWIGU has retained a separate expert, Mike Gorman of Brubaker & Associate, Inc., 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, particularly with respect to an earnings test, rate spread and rate design, 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 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.

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 March 21, 2014, there were \$34,931.41 of uncommitted funds available in that account. NWIGU's anticipated budget for Phase II of this docket is based on a fully litigated case and exceeds the balance of NW Naturals' account. NWIGU has therefore

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requested a reduced amount and, 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.

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 \$37,500, less the 20% matching requirement (\$7,500) for a net total issue fund grant of \$30,000, 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 or other funds are released back to NW Natural's issue fund account. NWIGU will recover any additional expert witness or professional fees and costs through matching funds and additional internal resources.

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	10	\$220	\$2,200
	Partner II	10	\$210	\$2,100
Settlement Conferences	Partner	10	\$220	\$2,200
	Partner II	10	\$210	\$2,100
Testimony	Partner	10	\$220	\$2,200
	Partner II	10	\$210	\$2,100
Briefs	Partner	20	\$220	\$4,400
	Partner II	20	\$210	\$4,200
Hearings	Partner	15	\$220	\$3,300
Total NWIGU Budget for Legal Services				\$24,800

Estimated Expert Witness Budget For Issue Fund Grant

NWIGU has retained Brubaker & Associates, Inc.

Task	Hours	Rate	Cost
Analysis of Initial Filing, Workpapers and Discovery	Expert I – 14	\$235	\$3,290
	Expert III – 12	\$120	\$1,440
Opening Testimony Drafting and Analysis	Expert I – 14	\$235	\$3,290
	Expert II – 8	\$140	\$1,120
	Expert III – 12	\$120	\$1,440
Analysis of NW Natural Reply Testimony, Workpapers and Discovery	Expert I – 14	\$235	\$3,290
	Expert III – 12	\$120	\$1,440
Follow Up Settlement Conference Analysis and Participation	Expert I – 14	\$235	\$3,290
	Expert III – 12	\$120	\$1,440
Cross Examination Preparation and Hearing	Expert I – 14	\$235	\$3,290
	Expert III – 14	\$120	\$1,680
Costs	N/A	N/A	\$1,500

Total NWIGU Budget for Professional Services **\$26,510**

Total NWIGU Budget for UM 1635 (Legal + Professional) **\$51,310**

Total NWIGU Issue Fund Budget Request **\$37,500**

Less 20% Match Using In-house Resources \$7,500

Total Issue Fund Grant Request **\$30,000**

CERTIFICATE OF SERVICE
Docket No. UM 1635

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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Public Utility Commission

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Dated in Portland, Oregon, this 11th day of April 2014.



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