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March 15, 2024

**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. UM 2312**  
**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 \$35,000 in the above referenced docket. This Issue Fund Budget, after a 20% match by AWEC (\$7,000), would result in a maximum net requested Issue Fund Grant of \$28,000.00. 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 filed a depreciation study to update its depreciation rates in the above referenced docket, which is one of the primary drivers of NW Natural’s requested \$154.9 million increase to its annual Oregon jurisdictional revenues in its general rate case, UG 490.

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.

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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 depreciation study, 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 if scheduled. 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 depreciation study and requested updates to its depreciation rates. The includes a review of NW Natural’s estimates for the remaining life of its utility plant components, NW Natural’s estimates for negative net salvage value, NW Natural’s expected future depreciation accrual needs, and future depreciation accrual needs over the expected life of the plant.

**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, and the \$96,000 requested by AWEC in UG 490, and the \$20,000 requested by FOUR in UG 490, leaving a net balance of \$96,601.39, assuming all these requests are approved. 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 \$35,000.00. AWEC further requests approval of an Issue Fund Grant in an amount of \$28,000 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

**UM 2312**  
**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 depreciation study and workpapers, preparation of and review of discovery, work with consultant to develop analysis of case and attend workshop	Partner	10	\$325	\$3,250
Prepare for and attend multiple settlement conferences; review and revise any settlement and supporting testimony	Partner	10	\$325	\$3,250
Assist with the preparation of opening and cross answering testimony and review testimony from other parties	Partner	15	\$325	\$4,875
Drafting briefs and reviewing briefs of other parties	Partner	15	\$325	\$4,875
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 if scheduled.	Partner	10	\$325	\$3,250

<b>Total AWEC Budget for Legal Services</b> (Cable Huston)	<b>\$19,500</b>
<b>Total AWEC Budget for UM 2312 Expert Witness Fees</b> (Bradley Mullins, Consultant, \$280/hour)	<b>\$15,500</b>
<b>Total Budget</b>	<b>\$35,000</b>
Less 20% Match Using In-House Resources	\$7,000
<b>Total Issue Fund Grant Request</b>	<b>\$28,000</b>

**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)	\$15,500
20 Percent In-House Resources	\$3,100
<b>Total AWEC Request for Expert Witness Fees (Grant)</b>	<b>\$12,400</b>
Total AWEC Budget for Legal Services (Cable Huston)	\$19,500
20 Percent In-House Resources	\$3,900
<b>Total AWEC Request for Legal Services(Grant)</b>	<b>\$15,600</b>
Total Budget (Legal + Expert)	\$35,000
Less 20% Match Using In-house Resources	\$7,000
<b>Total Issue Fund Grant Request (Budget – 20% in-house)</b>	<b>\$28,000</b>