

**BEFORE THE PUBLIC UTILITY COMMISSION
OF OREGON**

UM 1286

In the Matter of)	
THE PUBLIC UTILITY COMMISSION)	
OF OREGON)	
Investigation into the Purchased Gas)	ORDER
Adjustment (PGA) Mechanism Used by)	
Oregon's Three Local Distribution)	
Companies.)	

DISPOSITION: ISSUE FUND GRANT REQUEST APPROVED

On November 3, 2008, the Citizens' Utility Board of Oregon (CUB) filed with the Public Utility Commission of Oregon (Commission), a Request for Payment of an Issue Fund Grant from the Northwest Natural Gas Company, dba NW Natural (NW Natural) Issues Fund. Section 7.3 of the First Amended and Restated Intervenor Funding Agreement (Agreement), adopted by the Commission in Order No. 07-564, governs the procedures for payment of Issue Fund Grants. CUB was automatically precertified to receive Issue Fund Grants under Section 5.2(a) of the original Intervenor Funding Agreement adopted in Commission Order 03-388 and OAR 860-012-0100(3)(a).

On January 25, 2007, CUB submitted a proposed budget of \$41,630, assuming a fully litigated case. The Commission approved CUB's proposed budget in Order No. 07-068. On August 2, 2007, CUB requested a partial payment in the amount of \$6,157.75, and in Order No. 07-337 as supplemented by Order No. 07-352, the Commission approved that request.

CUB asks for a final payment of \$22,166.16 from the NW Natural Issue Fund and states that the remaining balance of the approved budget may be released back to the NW Natural Issue Fund. Under the Agreement, the Request for Payment must:

- 1) Itemize the expenses, payees and hourly rates of amount to be reimbursed;
- 2) Demonstrate that the expenses are reasonable and are directly attributable to issues and positions pursued on behalf of a particular customer class and consistent with the intervenor's proposed budget;
- 3) Provide information sufficient to show that the intervenor has complied with any conditions imposed on the Issue Fund Grant; and
- 4) Specify whether the request for payment is for a progress payment or a final payment and indicate whether any approved budget amount may be released back to the applicable Issue Fund.

Further, under the terms of the Agreement, CUB must establish that it has "used in-house resources or outside funding for at least 20 percent of the Eligible Expenses for an Eligible Proceeding." Agreement at 15. CUB provided the required documentation in its request.

The Agreement provides that the Commission determines in each proceeding how the participating utilities are to recover the funding grants from the various customer classes. Under Section 7.7(b), Issue Fund Grants should be allocated so that the costs of the advocacy fairly align with the intended potential beneficiaries of the advocacy. Agreement at 23. We considered the intended beneficiaries and find that the issue fund expenditures should be allocated to NW Natural's residential customers.

We find that CUB's request meets the requirements of the Agreement and should be approved. Section 7.8 of the Agreement provides that the utility shall pay the Issue Fund Grant to the requesting intervenor within 30 days after receipt of Commission directive. The balance of the approved budget should be made available to the NW Natural Issue Fund provided no party requests clarification or reconsideration of Order No. 08-504 within the appropriate timeframe.

ORDER

IT IS ORDERED that:

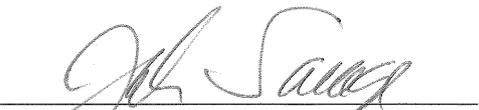
1. The Citizens' Utility Board of Oregon's request meets the requirements of the First Amended and Restated Intervenor Funding Agreement, and its request is approved.

2. Northwest Natural Gas Company, dba NW Natural shall pay \$22,166.16 from the NW Natural Issue Fund to the Citizens' Utility Board of Oregon within 30 days after receipt of this Order, and the grant shall be assessed to NW Natural's residential customers.

Made, entered, and effective NOV 12 2008.



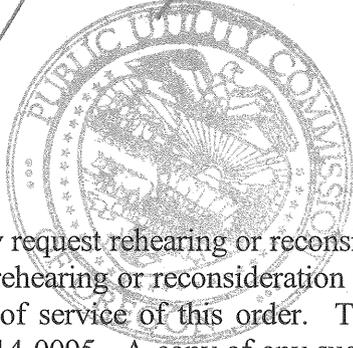
Lee Beyer
Chairman



John Savage
Commissioner



Ray Baum
Commissioner



A party may request rehearing or reconsideration of this order pursuant to ORS 756.561. A request for rehearing or reconsideration must be filed with the Commission within 60 days of the date of service of this order. The request must comply with the requirements in OAR 860-014-0095. A copy of any such request must also be served on each party to the proceeding as provided by OAR 860-013-0070(2). A party may appeal this order by filing a petition for review with the Court of Appeals in compliance with ORS 183.480-183.484.