

ORDER NO. 12 473
ENTERED DEC 10 2012

**BEFORE THE PUBLIC UTILITY COMMISSION
OF OREGON**

UG 221

In the Matter of

NORTHWEST NATURAL GAS
COMPANY, dba NW NATURAL

Request for a General Rate Revision.

ORDER

**DISPOSITION: PROPOSED BUDGET FOR ISSUE FUND GRANT
AMENDED; ISSUE FUND GRANT REQUEST
APPROVED**

On November 30, 2012, the Citizens' Utility Board of Oregon (CUB) filed a Request for Payment of a Northwest Natural Gas Company, dba NW Natural Issue Fund Grant. On the same day, CUB also filed an amendment to its proposed issue fund budget for this docket. The procedures for payment of Issue Fund Grants are governed by Section 7.3 of the First Amended and Restated Intervenor Funding Agreement (Agreement), adopted by the Commission in Order No. 07-564. CUB is automatically precertified to receive Issue Fund Grants under OAR 860-001-0120(3)(a) and under Section 5.2(a) of the Agreement. Section 6.7 of the Agreement addresses amendments to proposed budgets for issue fund grants.

CUB's amended proposed budget requests an increase of \$7,390 for a total proposed budget of \$52,390. In order to accommodate the increase in an issue fund grant for this docket, CUB released issue funds set aside for docket UM 1565 in the amount of \$7,390. CUB also notes that when it initially filed its proposed budget in UG 221, its budget showed eligible expenses of more than \$60,000, but CUB requested less to accommodate needs of another intervenor. CUB further notes that when the Commission approved a progress payment from the issue fund in July 2012 (Order No. 12-298), CUB's eligible expenses exceeded \$75,000. Section 6.7 of the Agreement allows an intervenor to amend its budget and request additional filing due to unforeseen changes in scope or complexity of issues, other parties' positions, case schedule changes, or other good cause.

CUB asks for a final payment of \$7,390 from 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 determine 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 to align the costs of the advocacy 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 requests meet the requirements of the Agreement, and its requests should be approved. Section 7.8 of the Agreement provides that the utility must pay the Issue Fund Grant to the requesting intervenor within 30 days after receipt of Commission directive.

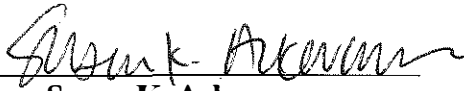
ORDER

IT IS ORDERED that:

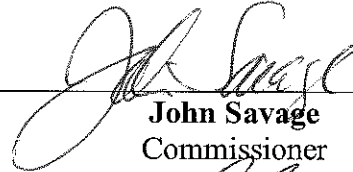
1. The Citizens' Utility Board of Oregon's requests meet the requirements of the First Amended and Restated Intervenor Funding Agreement, and its requests to amend its proposed budget to a total of \$52,390 and its request for an issue fund final payment of \$7,390 are approved.

- NW Natural shall pay \$7,390 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.

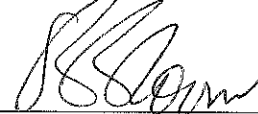
Made, entered, and effective DEC 10 2012



Susan K. Ackerman
Chair



John Savage
Commissioner



Stephen M. Bloom
Commissioner

