



**CABLE HUSTON**<sub>LLP</sub>

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October 23, 2014

**VIA ELECTRONIC FILING  
& FIRST CLASS MAIL**

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

**Re:** *In the Matter of Avista Corporation, dba Avista Utilities, Request for General Rate Revision (Docket No. UG-284)*  
**Request for Issue Fund Grant and Proposed Issue Fund Budget of the Northwest Industrial Gas Users**

Dear Filing Center:

Pursuant to OAR § 860-012-0120(3)(a) and 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 (“Budget”) of \$69,910, which after 20% match by NWIGU, would result in an Issue Fund Grant of \$55,928.

As explained in more detail below, there are likely insufficient funds currently in Avista’s Issue Fund to pay the full amount of the proposed Issue Fund Grant. However, pursuant to the Prehearing Conference Memorandum dated September 24, 2014, the procedural schedule in this matter is anticipated to go into calendar year 2015. NWIGU therefore requests approval of this Budget and a commitment of \$18,500 from 2014 funds, along with a commitment of \$17,250 as an Advance from 2015 funds. NWIGU will request actual payment of the Issue Fund Grant based on funds available at the time of the payment request, and any amount unavailable through an Issue Fund Grant would be requested as a Matching Fund Grant.

NWIGU has coordinated with CUB to ensure that the Budget NWIGU proposes, and NWIGU’s intention to seek an Advance, is consistent with CUB’s ability to access the same funds.

Article 6.3 of the IFA provides that precertified intervenors seeking an issue fund grant must submit a proposed budget to the Commission. Accordingly, NWIGU has attached a detailed budget as Appendix A. In addition, the IFA requires the following information:

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

NWIGU will participate in all stages of Avista's general rate case. This includes review of Avista's filing, participation in settlement conferences, drafting testimony and briefs, and participation at hearing. NWIGU will participate in large part through legal counsel at Cable Huston and through an outside expert, Mike Gorman of Brubaker & Associates, Inc.

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

NWIGU will focus its efforts on evaluating Avista's filing, proposed adjustments to the revenue requirement, Avista's cost of service study, and rate spread and design to ensure that 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 interests, including food processing, pulp and paper, wood products, electric generation, aluminum, steel, chemicals, electronics, and aerospace, as well as large commercial interests such as health care providers. NWIGU members take service from gas utilities under industrial rate schedules. Accordingly, NWIGU advocacy will benefit the industrial rate class, but it will also benefit all customers because of NWIGU's intended focus on Avista's proposed revenue requirement.

**4. Identification of the Specific Fund Accounts From Which the Intervenor is Seeking Monies.**

NWIGU identifies the Avista Issue Fund Account as the account from which NWIGU is seeking monies. NWIGU in part seeks an Advance from the amounts that are to be added to Avista's Issue Fund account in 2015.

As of July 9, 2014 there is currently \$37,056.41 of uncommitted funds in Avista's Issue Fund account. NWIGU has coordinated with CUB to determine how those funds may be best accessed for the remainder of this year by both CUB and NWIGU as precertified intervenors. NWIGU is aware that CUB has a pending budget request in Docket LC-61 from this same account, and that CUB has filed a budget and request for a grant in this docket.

Taking into account the current balance, the pending requests, and the anticipated requests, there will be insufficient funds in Avista's Issue Fund account for an Issue Fund Grant

to cover this Budget and grant request. NWIGU therefore requests that \$18,500 in the Avista Issue Fund account be committed for this Budget request. NWIGU further requests an Advance from the 2015 funds that will be made available for Avista's Issue Fund account. Section 4.4 of the IFA provides that the Commission can approve an Issue Fund Grant from funds that will be made available in the next calendar year when the proceeding for which the Issue Fund Grant is sought is expected to continue into that year and funds in the current year Issue Fund are inadequate to provide the level of Issue Fund Grants that the Commission determines is appropriate. Because only \$34,500 will be added to the account in 2015, and to recognize the fact that CUB will be in the same position, NWIGU requests an Advance of \$17,250 from the 2015 funds. The remainder of NWIGU's Budget, if approved, would be requested as a Matching Fund Grant rather than through an Issue Fund Grant.

**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 that will be included in a later Issue Fund Grant request. If NWIGU requests a Matching Fund Grant for any portion of this Budget, NWIGU will use either in-house resources or outside funding to account for or pay at least 50 percent of Eligible Expenses.

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**CONCLUSION**

NWIGU respectfully request that the Commission approve its proposed Issue Fund Budget in the amount of \$69,910 that, after the 20% matching requirement (\$13,982), would result in a net total issue fund grant of up to \$55,928, and that the Budget be approved as expeditiously as possible in order to allow the retention of NWIGU's expert witness. NWIGU requests that \$18,500 of this Budget request be committed from the current balance of Avista's Issue Fund account, and that \$17,250 be committed from an Advance of funds that will be added to Avista's Issue Fund account in 2015.

Very truly yours,



Tommy A. Brooks

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Enclosure

cc: UG-284 Service List

UG 284

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 I	15	\$220	\$3,300
	Partner II	15	\$210	\$3,150
Settlement Conferences	Partner I	16	\$220	\$3,520
Testimony	Partner I	20	\$220	\$4,400
	Partner II	10	\$210	\$2,100
Briefs	Partner I	24	\$220	\$5,280
	Partner II	20	\$210	\$4,200
Hearings	Partner I	18	\$220	\$3,960
<b>NWIGU Proposed Budget for Legal Services</b>				<b>\$29,910</b>
20 Percent In-House Resources				\$5,982
<b>Total NWIGU Request for Legal Services</b>				<b>\$23,928</b>

### Estimated Expert Witness Budget for Issue Fund Grant

NWIGU will retain Mike Gorman of Brubaker & Associates, Inc.

<u>Personnel</u>	<u>Title</u>	<u>Rate</u>
Mike Gorman	Managing Principal	\$235
Associate I	Associate	\$130
Associate II	Associate	\$100

Review of testimony, exhibits, workpapers, studies, 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 draft 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. Work will be performed by Mr. Gorman and two regulatory analysts with billing at the above hourly rate levels, and is anticipated to be \$25,000 for all work related to cost of service, and \$15,000 for all work related to revenue requirement.

<b>Expert Witness Fees Related to Cost of Service/Revenue Requirement</b>	<b>\$40,000</b>
20 Percent In-House Resources	\$8,000
<b>Total NWIGU Request for Expert Witness Fees</b>	<b>\$32,000</b>
<b>Total NWIGU Issue Fund Budget Request</b>	<b>\$69,910</b>
<b>Total NWIGU Issue Fund Grant Request (Budget – 20% in-house)</b>	<b>\$55,928</b>

**CERTIFICATE OF SERVICE**

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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Dated in Portland, Oregon, this 23<sup>rd</sup> day of October 2014.

CABLE HUSTON LLP



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Tommy A. Brooks, OSB No. 076071  
Of Attorneys for  
Northwest Industrial Gas Users