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ADMITTED IN OREGON AND WASHINGTON

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March 5, 2018

Oregon Public Utility Commission
Attn: Filing Center
550 Capitol Street, N.E., #215
P.O. Box 2148
Salem, Oregon 97308-2148

Re: In the Matter of Northwest Natural Gas Company, dba NW Natural, Request for a
General Rate Revision (Docket UG 344)
Proposed Issue Fund Budget of the Northwest Industrial Gas Users

Dear Filing Center:

Pursuant to OAR § 860-012-0100(4), the Fourth Amended and Restated Intervenor Funding Agreement (“IFA”), approved by the Oregon Public Utility Commission (“Commission”) in Order No. 18-017 (January 17, 2018), Northwest Industrial Gas Users (“NWIGU”) hereby respectfully submits an issue fund budget of \$97,625, which after 20% match by NWIGU (\$19,525), would result in a net requested issue fund grant of \$78,100. NWIGU has coordinated this request with the request made by CUB, and NW Natural’s Issue Fund Account for 2018 has sufficient funds for this request.

NWIGU’s proposed budget is based on NWIGU’s full participation in this proceeding and expenses that have been incurred to date. NWIGU’s request ensures access to Issue Funds by other parties and accounts for funds made available to NWIGU in other matters. NWIGU reserves its right to revise this request or to seek Matching Funds to the extent its actual participation in this docket exceeds the proposed budget or exceeds the resources available from Issue 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.

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March 5, 2018

Page 2

The IFA also requires the following information:

1. A Statement of the Work to be Performed.

NWIGU has already participated in initial proceedings in this docket and will continue to participate in all stages of the review of NW Natural's general rate case. This includes review of and comment on the scope of the proceeding, participation in workshops and settlement conferences, conducting discovery, drafting testimony and briefs, and participation at hearing. NWIGU will sponsor witnesses for this proceeding who will assist in NWIGU's analysis of NW Natural's request.

2. A Description of the Areas to be Investigated.

NWIGU has and will focus on all aspects of NW Natural's general rate request, with a specific focus on NW Natural's proposed revenue requirement, cost of equity, cost of service, rate spread, and rate design.

3. A Description of the Particular Customer Class(es) That Will Benefit from the Intervenor's Participation.

NWIGU is a nonprofit association comprised of nearly 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 local distribution companies under industrial rate schedules. Accordingly, NWIGU's advocacy will benefit the industrial rate class. NWIGU's focus on cost of capital and revenue requirement, however, benefits all customers, including residential customers.

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

NWIGU identifies the NW Natural Issue Fund Account as the account from which NWIGU is seeking monies. As of the date of this submittal, the uncommitted balance of that fund is \$213,572.79. NWIGU's requested Issue Fund Budget will result in a maximum grant of \$78,100, much less than the amount of the available funds. To the extent NWIGU incurs costs that exceed this request, it will either seek to modify this request or seek Matching Funds.

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March 5, 2018

Page 3

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 requests that the Commission approve its Issue Fund Budget in the amount of \$97,625, 20% of which (\$19,525) will be matched by NWIGU, and that the budget be approved as expeditiously as possible. NWIGU further requests approval of an Issue Fund Grant in the amount of \$78,100 from 2018 funds in the NW Natural Issue Fund account.

Should you have any questions regarding this filing, please call.

Very truly yours,



Tommy A. Brooks

APPENDIX A

UG 344
NWIGU PROPOSED BUDGET FOR ISSUE FUND

Legal Counsel

<u>Work to be Performed</u>	<u>Personnel</u>	<u>Hours</u>	<u>Rate</u>	<u>Cost</u>
Review of Proceeding Scope and Discovery	Partner	30	\$275	\$8,250
Settlement Conferences	Partner	25	\$275	\$6,875
Testimony	Partner	30	\$275	\$8,250
Briefs	Partner	35	\$275	\$9,625
Hearings	Partner	35	\$275	\$9,625
Total NWIGU Budget for Legal Services				\$42,625
Less 20% Match Using In-house Resources				\$8,525
Total NWIGU Request for Legal Services				\$34,100

Estimated Expert Witness Budget for Issue Fund Grant

NWIGU has retained Brad Mullins to assist with NWIGU's analysis in this matter. NWIGU also intends to retain other expert witnesses in this proceeding to address other issues, and this budget reflects time for those expenses.

<u>Personnel</u>	<u>Title</u>	<u>Rate</u>
Bradley Mullins	Consultant	\$208/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	\$55,000
20 Percent In-House Resources	\$11,000
Total NWIGU Request for Expert Witness Fees	\$44,000

Total NWIGU Issue Fund Budget Request (Legal + Expert)	\$97,625
Total NWIGU 20% Match	\$19,525
Total NWIGU Issue Fund Grant Possible (Budget – 20% in-house)	\$78,100
<u>Total Amount of Issue Fund Grant Request based on available funds</u>	<u>\$78,100</u>