

BEFORE THE PUBLIC UTILITY COMMISSION
OF OREGON
UG 435 & UG 411

IN THE MATTER OF:)	
)	
NORTHWEST NATURAL GAS)	AMENDED PROPOSED BUDGET
COMPANY, dba NW NATURAL)	OF SMALL BUSINESS
)	UTILITY ADVOCATES
Request for General Rate Revision (UG)	
435), and)	
)	
Advice 20-19, Schedule 198 Renewable)	
Natural Gas Recovery Mechanism (ADV)	
1215) (UG 411))	
_____)	

1. INTRODUCTION

Comes now Small Business Utility Advocates (“SBUA”) to submit this Amended Proposed Budget and request the Public Utility Commission of Oregon (“Commission”) to review this Amended Proposed Budget and Exhibits on the basis of the Commission’s related Order Order 22-161¹, in addition to the requirements of the Fourth Restated and Amended Intervenor Funding Agreement, adopted by the Commission in Order 18-017 (“IFA”) 6.7, in order for SBUA to amend its request for intervenor funding for work performed in this above-referenced docket. Materials submitted herein and confidentially with this Amended Proposed Budget support the Commission’s revising the limit of \$9,000 on intervenor funding that the Commission had identified in its Order 22-161.

¹ UG 435 NW Natural Gas Request for General Rate Revision and Advice 20-19, Schedule 198 Renewable Natural Gas Recovery Mechanism (ADV 1215)(UG 411), Order 22-161 entered May13, 2022.

2. BACKGROUND

Northwest Natural Gas Company (“NW Natural” or “Company”) filed an Application for General Rate Revision on December 17, 2021 and this was docketed as UG 435². The Company’s request filing did not include a request for recovery for COVID-19 deferrals, nor did the Company’s initial testimony. SBUA filed a Petition to Intervene which the Administrative Law Judge granted on January 26, 2022. SBUA then filed a Petition for Case Certification on February 1, 2022, along with an exhibit of its Proposed Budget, in the event that its Petition for Case Certification was granted.

Intervenors Citizens Utility Board of Oregon representing residential ratepayers (“CUB”) and the Alliance of Western Energy Consumers representing industrial and large commercial energy consumers (“AWEC”) opposed SBUA’s Petition for Case Certification filing their Response to SBUA’s Petition for Case Certification on February 16, 2022. CUB represents residential customers by statute.³ Intervenor AWEC represents large commercial and industrial customers in Commission proceedings.⁴ AWEC filed its request for intervenor funding on February 4, 2022.

Bench Request to SBUA; SBUA Response and Supplement:

On February 16, 2022, the (Chief) Administrative Law Judge filed a Bench Request on February 16, 2022 asking SBUA to provide certain information regarding membership, financial status of the organization, donations and identities of donors, and various questions regarding

² The UG 435 Request for General Rate Revision was consolidated with the docket UG 411 regarding Renewable Natural Gas, however, for the purposes of this filing the docket is referred to as “UG 435”.

³ ORS 774.010 CUB represents “natural persons” that is only residential customers in the PUC proceedings.

⁴ See a list of AWEC members in a 2019 filing available at: [https://edocs.puc.state.or.us/efdocs/HAP/um2033hap155454.pdf](https://edocs.puc.state.or.us/efddocs/HAP/um2033hap155454.pdf)

SBUA's participation in this docket and others.⁵ SBUA responded timely filing on February 25, 2022 various information publicly and certain information confidentially.⁶ SBUA declined to file the identities of donors as such is protected by *Americans for Prosperity v. Bonta*, 594 U.S. _____, 141 S.Ct. 2373 (2021). SBUA also filed at that time and under seal a Statement of Financial Position for SBUA activity in Oregon prepared by a certified tax preparer. The Commission granted SBUA's Petition for Case Certification on May 13, 2022 in Order 22-161. The Commission denied in that same order, however, SBUA's proposed budget setting a limit of \$9,000.⁷ The Commission did not acknowledge in-kind contributions of SBUA as part of a matching contributions by SBUA members required and allowed under the IFA.⁸

On or about August 9, 2022 SBUA had submitted for an August 9, 2022 Public Meeting⁹ a supplemental filing to SBUA's February 25, 2022 Response to the Chief ALJ's Bench Request. Information included in that supplemental filing is included here in UG 435 as SBUA's Confidential Exhibits 1 and 2. The confidential information includes a certified tax preparer's current at the end of fiscal year 2021-2022 Statement of Financial Position for SBUA, an Oregon regis-

⁵ UG 435 Chief ALJ Bench Request to SBUA.

⁶ Some of the information provided in the Response to Bench Request was filed under seal.

⁷ Id. p6.

⁸ Id. Pp5-6. The IFA 6.3 requires for Issue Fund grants: "(g) a representation that the intervenor will use matching funds in the form of in-house resources or outside funding to account for or pay at least 20% of the Eligible Expenses for the work to be performed for which the intervenor is seeking an Issue Fund Grant." Respectfully, SBUA points out that Oregon does not require audited financials for non-profits and that SBUA had submitted, confidentially, financial statement prepared by a certified tax preparer.

⁹ Commission held a public meeting on August 9, 2022 in docket UM 2114 to consider SBUA's Petition for Designation of Eligible Proceeding that had been filed on January 28, 2022 in that docket. The Chief ALJ had submitted a memorandum for the August 9, 2022 public meeting recommending that the Commission designate UM 2114 a proceeding eligible for SBUA to receive intervenor funding but deny SBUA's budget based on the Commission's decision 22-161 and the Commission adopted that recommendation in Oder 22-304.

tered nonprofit entity. Also included in the Exhibit 2 is a Draft SBUA Oregon Advisory Committee Charter.

COVID-19 and UG 435

SBUA had participated fully in the Commission’s COVID-19 docket, UM 2114.¹⁰ After the Commission granted SBUA case certification in UG 435, parties including SBUA entered into additional settlement negotiations and achieved a Second Multi-Party Partial Stipulation on or about June 29, 2022 (“Second Partial Stipulation”)¹¹. While SBUA participated in the negotiation, SBUA ultimately did not join this Second Partial Stipulation which included an agreement among those stipulating parties regarding the rate spread of COVID-19 costs. Instead, SBUA filed on June 30, 2022 a Rebuttal and Cross-Answering Testimony of Danny P. Kermode, CPA-Retired, to object to the Stipulation based on the grounds that the COVID-19 part of the Stipulation resulted in rates that were not fair and reasonable, was not supported by standard ratemaking principles, and on the ground that there was lack of notice of the addition of COVID-19 costs to the rate case. SBUA filed on July 22, 2022 Objection Testimony of Danny P. Kermode, CPA-Retired. The remaining related docket events include the Stipulating Parties’ Reply to SBUA’s Objection Testimony, briefing, hearing, and oral argument set for August 25, 2022. SBUA’s focus in the remaining rate case work is on the fair resolution of the COVID-19 issue. Where the work of the COVID-19 docket with regard to UG 435 resides significantly within the UG 435 docket, SBUA submits this Amended Budget for SBUA’s participation in this docket.

¹⁰ Public comments by SBUA are found in the docket: UM 2114 Investigation into the Effects of the COVID-19 Pandemic on Utility Customers; and elsewhere prior to and after the Commission’s opening the docket: <https://www.oregon.gov/puc/utilities/Pages/COVID-19-Impacts.aspx>

¹¹ See UG 435 & UG 411 Multi- Party Second Partial Stipulation Regarding Decoupling, Residential Customer Deposits, the Oregon Low 2 Income Energy Efficiency Program (“OLIEE”), and COVID-19 Deferral Costs executed by NW Natural, Staff, CUB, AWEC, Coalition of Communities of Color, Climate Solutions, Verde, Columbia Riverkeeper, Oregon Environmental Council, Community Energy Project, and Sierra Club; filed June 29, 2022.

3. PROPOSED BUDGET

Pursuant to Order 22-161 and the IFA 6.7, SBUA submits the attached UG 435 and UG 411 Amended Proposed Budget Exhibit A.

4. AMENDMENT OF PROPOSED BUDGET FOR COVID-19 RELATED WORK

SBUA submits this Amended Proposed Budget and Exhibit A specifically for the COVID-19 related work SBUA has performed in this docket. “At any time during the proceeding, an intervenor who received Commission approval for an Issue Fund Grant may file to amend its budget and request additional funding due to unforeseen changes in the scope or complexity of issues, positions taken by other parties, changes in the schedule of the case, or other good cause.”¹² Addition of significant and detailed COVID-19 costs created changes in the complexity of issues, positions taken by other parties, and changes of the schedule of the case, and good cause. The issue of COVID-19 has been complex in many respects. It has involved all the regulated electric and gas utilities, has spanned at least three years and involved many stakeholders, meetings, and involved several dockets for each utility including reporting and referral dockets, in addition to the UM 2114. The COVID-19 matter has an additional complexity in this rate case where the Staff introduced the topic in its Opening Testimony. With regard to Schedule 03 customers in this docket and small commercial customers generally the pandemic’s impact has been significant and one of the Commission’s rationales for dealing with these costs is now publicly filed in different rate cases. In different rate cases the Commission’s Staff’s Opening Testimony has sought to spread costs onto the small commercial customer that are more than the costs this customer group caused to the program. The Proposed Budget Exhibit A reflects SBUA’s revised

¹² IFA 6.7.

budget provided pursuant to the Commission's Order 22-161 and incorporates SBUA's Amended Proposed Budget filed pursuant to IFA 6.7.

There is good cause to grant this Amended Proposed Budget. SBUA duly filed for designation of COVID-19 docket UM 2114 as a docket eligible for intervenor funding, and the Commission did grant that designation in Order 22-304. Now, in this docket, with the Second Partial Stipulation having been finalized by the other parties, SBUA is litigating, at least partially the NW Natural COVID-19 costs in this rate case.

Further, along with this Amended Proposed Budget in Exhibit A, SBUA has submitted under seal as a confidential Exhibit A a Supplemental Financial Position of SBUA Oregon as demonstration that SBUA Oregon meets the 20% match required to access intervenor funding grant under the IFA. The Supplemental demonstrates that SBUA Oregon meets the criteria that required members of an organization have significant capacity to contribute to operations consistent with the Commission's position on this issue in another general rate case. *See* Order 19-262 (Noting that requiring that organizations seeking intervention funding have significant capacity to contribute to the organization's work is consistent with ORS 757.072(2), OAR 860-001-0120(4)(d)).

SBUA has fully participated in the UG 435 docket regarding COVID-19 including settlement conferences, data requests and responses, providing testimony, legal briefings, and hearing. SBUA has engaged an expert, Danny Kermode, well-experienced in such proceedings and who has provided consistent testimony regarding COVID-19 for the duration of this rate case following introduction of Staff's testimony.

The Schedule 03 customers benefit from this participation by SBUA which advocates implementing standard rate making principles such as "cost causation", among others, when it

comes to allocating costs of COVID-19, where those who receive the direct benefits pay the costs, thus supporting fair and reasonable rates, and SBUA puts forth public policy concerns for small commercial customers in these proceedings regarding allocating COVID-19 costs.

The particular customer classes that would benefit from SBUA's participating in the proceeding is the Schedule 3 Basic Firm Sales Service Non-Residential.

(d) Identification of the specific account or accounts from which the intervenor is seeking an Issue Fund Grant and an estimate of the amount of available funds in each account.

The accounts from which SBUA seeks Issue Fund grants NW Natural as of July 23, 2022: \$111,500.

(e), (f), and (g) require a budget showing estimated attorney fees, which may include the cost for appropriate support staff and operational support, a budget showing estimated consultant fees and expert witness fees, which may include the cost for appropriate support staff and operational support, and a representation that the intervenor will use matching funds in the form of either in-house resources or outside funding to account for or pay at least 20% of the Eligible Expenses for the work to be performed for which the intervenor is seeking an Issue Fund Grant.

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5. CONCLUSION

SBUA submits the information above, attached, and the confidential filing as its Amended Proposed Budget to assist its representation of NW Natural's small business and small non-residential ratepayers. For the reasons provided above, SBUA requests the Commission accept SBUA's Amended Proposed Budget.

RESPECTFULLY SUBMITTED August 24, 2022.



s/ Diane Henkels

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UG 435 & UG 411

EXHIBIT A

SBUA Amended Proposed Budget for Issue Fund Grant

	Hours	Rate	Cost
Personnel			
Attorney re COVID-19—Pro bono	100	\$225	\$0
Data request re COVID-19 (prepare, review)			
Rebuttal & Cross Answering Brief			
COVID-19 part of legal briefing (Legal research, Pre-hearing, Opening, Closing brief)			
Hearing 8/2/22, and follow up from Hearing			
Docket coordination/planning			
Administrator/Paralegal	10	\$50	\$500
Legal Extern	45	\$50	\$2,250
Expert Witness re COVID-19	150	\$150	\$22,500
Data request preparation; data response review			
Prepare workpapers re COVID-19 cost allocation			
Prepare Rebuttal and Cross- Answering Brief of Danny P. Kermode			
Prepare Objection to Second Partial Stipulation (settlement of COVID-19 cost allocation)			
Internet			
Print/copy/scan			
Subtotal			\$24,800
20% of SBUA Funded Expenditures			\$4,960
Total SBUA Amended Issue Fund Grant Proposed Request			\$19,840