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May 24, 2007

Via Electronic and US Mail

Public Utility Commission
Attn: Filing Center
550 Capitol St. NE #215
P.O. Box 2148
Salem OR 97308-2148

Re: In the Matter of PACIFIC POWER & LIGHT 2008 Transition Adjustment
Mechanism
Docket No. UE 191

Dear Filing Center:

Enclosed please find the Proposed Budget for Issue Fund Grant of the Industrial Customers of Northwest Utilities in the above-referenced docket.

Thank you for your assistance.

Sincerely,

/s/ Christian Griffen
Christian W. Griffen

Enclosures

cc: Service List

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that I have this day served the foregoing Proposed Budget for Issue Fund Grant of the Industrial Customers of Northwest Utilities upon the parties, on the service list, by causing the same to be deposited in the U.S. Mail, postage-prepaid, or via electronic mail to those parties who waived paper service in this proceeding.

Dated at Portland, Oregon, this 24th day of May, 2007.

/s/ Christian Griffen
Christian W. Griffen

CITIZENS' UTILITY BOARD OF OREGON LOWREY R BROWN JASON EISDORFER ROBERT JENKS 610 SW BROADWAY, SUITE 308 PORTLAND OR 97205 lowrey@oregoncub.org jason@oregoncub.org bob@oregoncub.org	PACIFICORP NATALIE HOCKEN OREGON DOCKETS DATA REQUEST RESPONSE CENTER 825 NE MULTNOMAH ST STE 800 PORTLAND OR 97232 natalie.hocken@pacificorp.com oregondockets@pacificorp.com datarequest@pacificorp.com
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OREGON PUBLIC UTILITY COMMISSION MAURY GALBRAITH PO BOX 2148 SALEM OR 97308-2148 maury.galbraith@state.or.us	

**BEFORE THE PUBLIC UTILITY COMMISSION
OF OREGON**

UE 191

In the Matter of)	
)	
PACIFIC POWER & LIGHT)	PROPOSED BUDGET FOR
(dba PACIFICORP))	ISSUE FUND GRANT OF THE
)	INDUSTRIAL CUSTOMERS OF
2008 Transition Adjustment Mechanism.)	NORTHWEST UTILITIES
)	
_____)	

Pursuant to Section 6.3 of the Intervenor Funding Agreement (“IFA”) approved by the Oregon Public Utility Commission (“Commission”) in Order No. 03-388 (July 2, 2003), the Industrial Customers of Northwest Utilities (“ICNU”) files this Proposed Budget in Docket No. UE 191 for an Issue Fund Grant in the amount of \$56,800. ICNU proposes that this grant be funded from the PacifiCorp Issue Fund Account. ICNU respectfully requests that the Commission act on this Proposed Budget within fourteen days of receipt, as provided by Section 6.4 of the IFA. The following information is provided in accordance with Section 6.3 of the IFA:

(1) Statement of the work to be performed by ICNU for which ICNU is seeking the Issue Fund Grant:

ICNU has retained Davison Van Cleve, P.C. to represent ICNU in UE 191. In UE 191, PacifiCorp filed an application for its 2008 Transition Adjustment Mechanism. The IFA defines an Eligible Proceeding as “any Commission proceeding that directly affects one or more of the Participating Public Utilities” IFA, Section 1(c). UE 191 directly affects PacifiCorp, which falls under the definition of “Participating Public Utility” in Section 1(k) of

the IFA. Therefore, UE 191 is an Eligible Proceeding and an Issue Fund Grant may be made for this proceeding under Section 6.1 of the IFA.

ICNU intends to attend all clarifying sessions, workshops, settlement conferences, and hearings in UE 191. In addition, ICNU intends to sponsor expert witness testimony and prepare briefs as called for by the procedural schedule in this Docket.

(2) Description of the areas to be investigated by ICNU:

ICNU intends to investigate PacifiCorp's proposed 2008 Transition Adjustment Mechanism, including its model and assumptions, its power cost figures, consistency with the power cost settlement in UE 179, and other issues related to the filing.

(3) Description of the particular customer class or classes that will benefit from ICNU's participation:

ICNU's participation will directly benefit industrial customers who take service from PacifiCorp. ICNU's investigation regarding the Transition Adjustment Mechanism should benefit all of PacifiCorp's customers. ICNU has participated in previous PacifiCorp rate cases and proceedings, including UE 111, UE 147, UE 170, UE 173, UE 179, UM 1050, UM 1081, UM 1129, and UM 1209. Thus, ICNU and its members possess significant interest and expertise with respect to issues regarding PacifiCorp's rates and services.

(4) Identification of the specific Fund account from which ICNU is seeking the Issue Fund Grant:

ICNU is seeking an Issue Fund Grant in the amount of \$56,800. ICNU proposes that the grant amount be allocated from the PacifiCorp Issue Fund Account established under IFA Section 4.2.3.

(5) Budget showing estimated attorney and consultant fees and expert witness fees:

Attached as Exhibit A are ICNU's estimated attorney and consultant fees in UE 191. ICNU's witness will address PacifiCorp's Transition Adjustment Mechanism.

Basis for Request

ICNU respectfully requests that the Commission grant its request for this Issue Fund Grant in the amount of \$56,800 based on the following considerations:

1. In this docket, PacifiCorp proposes to increase overall rates by 3.9% and industrial rates by 5.5%. PacifiCorp proposes to increase Schedule 48 by 0.249 cents per kWh. As a result, UE 191 will have a significant and direct impact on PacifiCorp's industrial customers.
2. This is the first proceeding regarding PacifiCorp's new Transition Adjustment Mechanism, which was adopted in Docket No. UE 179. The parties need to thoroughly analyze the mechanism, its underlying assumptions, and its potential effects on customers. Any Commission determination in this proceeding will likely have a precedential impact on future Transition Adjustment Mechanism proceedings.
3. PacifiCorp is requesting recovery of higher coal prices, higher gas costs, and costs associated with the expiration of lower-cost purchase power contracts. These increases require intense scrutiny because the power costs in PacifiCorp's filing are \$168 million higher than the \$834 million assumed in the rates that were established by PacifiCorp's very recent general rate case.
4. The filing needs to be analyzed for consistency with the power cost settlement in PacifiCorp's last general rate case.

5. ICNU represents the interests of industrial customers and has significant experience participating in Commission proceedings involving rates and adjustment mechanisms. ICNU's participation will benefit all PacifiCorp industrial customers.

6. ICNU has been pre-certified under Section 5.1 of the IFA and OAR § 860-017-0050(3) as eligible to receive an Issue Fund Grant by Order No. 03-502, which was entered on August 21, 2003.

Therefore, ICNU respectfully requests that the Commission issue an order granting an Issue Fund Grant in the amount of \$56,800. ICNU prepared the attached budget on the basis of the schedule adopted in the prehearing conference report issued in this Docket on April 18, 2007.

Dated this 24th day of May, 2007.

Respectfully submitted,

DAVISON VAN CLEVE, P.C.

/s/ Melinda J. Davison

Melinda J. Davison

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Of Attorneys for Industrial Customers
of Northwest Utilities

Exhibit A

Proposed Budget of ICNU

Exhibit AICNU Proposed Budget for Issue Fund Grant

<u>Category</u>	<u>Personnel</u>	<u>Hours</u>	<u>Rate</u>	<u>Cost</u>
<i>Discovery</i>	Sr. Attorney	5	195.00	975.00
Draft data requests, respond to data requests, organize discovery, review discovery responses, discovery disputes, depositions	Assoc. Attorney	15	145.00	2,175.00
<i>Case Preparation</i>	Sr. Attorney	15	195.00	2,925.00
Review filings and testimony, legal research, develop case strategy, prepare testimony, communications with expert witnesses, prepare issue statements	Assoc. Attorney	25	145.00	3,625.00
<i>Procedural Matters</i>	Sr. Attorney	10	195.00	1,950.00
Draft and review pleadings, hearings regarding procedural issues	Assoc. Attorney	15	145.00	2,175.00
<i>Settlement</i>	Sr. Attorney	10	195.00	1,950.00
Prepare for and attend settlement meetings, draft settlement documents	Assoc. Attorney	5	145.00	725.00
<i>Communication</i>	Sr. Attorney	8	195.00	1,560.00
Meetings and communications with clients and third parties	Assoc. Attorney	15	145.00	2,175.00
<i>Hearings/Workshops</i>	Sr. Attorney	16	195.00	3,120.00
Preparation and attendance at hearings, workshops and other Commission sponsored meetings	Assoc. Attorney	16	145.00	2,320.00
<i>Briefing/Oral Argument</i>	Sr. Attorney	10	195.00	1,950.00
Prepare for and attend oral argument, draft briefs, legal research related to briefs	Assoc. Attorney	25	145.00	3,625.00
	Total Hours	190	Sub-Total	31,250.00
<u>Expert Witness Fees</u>				
Witness				24,550.00
<u>Expenses</u>				
Travel Expenses (Mileage)				250.00
Consultant Travel Expenses				500.00
Printing and Reproduction				150.00
Postage				100.00
			Sub-Total	1,000.00
			<u>Grand Total</u>	56,800.00