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March 20, 2009

Via Electronic and U.S. 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 THE PUBLIC UTILITY COMMISSION OF OREGON
Staff Investigation into Cost Methods for Use in Developing Electric Rate
Spreads.
Docket No. UM 1415

Dear Filing Center:

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

Thank you for your assistance.

Sincerely yours,

/s/ Brendan E. Levenick
Brendan E. Levenick

Enclosures

cc: Service List

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that I have this day served the foregoing Proposed Budget for Issue Fund Grant on behalf of the Industrial Customers of Northwest Utilities upon the parties on the service list, shown below, by causing the same to be sent by electronic mail to all parties, as well as, deposited in the U.S. Mail, postage-prepaid, to parties which have not waived paper service.

Dated at Portland, Oregon, this 20th day of March, 2009.

/s/ Brendan E. Levenick
Brendan E. Levenick

DEPARTMENT OF JUSTICE JASON W JONES ASSISTANT ATTORNEY GENERAL REGULATED UTILITY & BUSINESS SECTION 1162 COURT ST NE SALEM OR 97301-4096 jason.w.jones@state.or.us	MICHAEL L KURTZ KURT J BOEHM ATTORNEY 36 E SEVENTH ST - STE 1510 CINCINNATI OH 45202
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**BEFORE THE PUBLIC UTILITY COMMISSION
OF OREGON**

UM 1415

In the Matter of)	
)	
THE PUBLIC UTILITY COMMISSION OF)	PROPOSED BUDGET FOR AN ISSUE
OREGON)	FUND GRANT OF INDUSTRIAL
)	CUSTOMERS OF NORTHWEST
Staff Investigation into Cost Methods for Use)	UTILITIES
in Developing Electric Rate Spreads.)	
_____)	

Pursuant to Section 6.3 of the First Amended and Restated Intervenor Funding Agreement (“IFA”) approved by the Oregon Public Utility Commission (“Commission”) by Order No. 07-564 (December 19, 2007), the Industrial Customers of Northwest Utilities (“ICNU”) files this Proposed Budget in UM 1415 (the “Proceeding”) for an Issue Fund Grant in the amount of \$68,020. ICNU will bear all of its costs in this proceeding that exceed \$68,020. ICNU proposes that this grant be split evenly between the Portland General Electric Company (“PGE”) Issue Fund Account and the PacifiCorp Issue Fund Account. ICNU respectfully requests that the Commission act on this Proposed Budget within fourteen days of receipt, as provided in 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 UM 1415. In UM 1415, the Commission filed a request to investigate cost methods for use in developing electric rate spreads. 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). UM 1415 directly affects both PGE and PacifiCorp, which fall under the definition of

“Participating Public Utility” in Section 1(k) of the IFA. Therefore, UM 1415 is an Eligible Proceeding and an Issue Fund Grant may be made for this proceeding under Section 6.1 of the IFA.

ICNU will attend all clarifying sessions, workshops, public meetings, oral presentations and hearings in UM 1415. ICNU plans to conduct discovery in this proceeding. In addition, ICNU will submit expert witness testimony and briefs as may be specified in the procedural schedule in this Docket.

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

ICNU intends to investigate cost allocation methods for electric rate spreads for PGE and PacifiCorp on behalf of its members. ICNU represents the interests of many large industrial ratepayers that may be affected by the Commission’s investigation into the appropriate cost methods for electric rate spread.

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

ICNU’s participation will directly benefit industrial customers, as well as all other large non-residential customers who purchase service from PGE or PacifiCorp.

(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 \$34,010 from the PGE Issue Fund, and \$34,010 from the PacifiCorp Issue Fund. ICNU will bear the cost of its participation to the extent that its costs exceed the amount requested. ICNU estimates that \$80,041.37 is available in the PGE Issue Fund Account, and \$242,450.00 is available in the PacifiCorp Issue Fund Account.

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

Attached as Exhibit A is ICNU’s proposed budget in UM 1415.

(6) Matching Funds

ICNU represents that it will use matching funds resources to pay at least 20% of the Eligible Expenses for which ICNU is seeking an Issue Fund Grant. As such, ICNU seeks an issue fund grant for 80% of its proposed budget in this proceeding.

Basis for Request

ICNU respectfully requests that the Commission grant its request for this Issue Fund Grant in the amount of \$68,020 based on the following considerations:

1. ICNU represents the interests of industrial customers and has significant experience participating in Commission proceedings involving the Commission, PacifiCorp, and PGE. ICNU's participation will benefit all PGE and PacifiCorp industrial and large non-residential customers. In addition, ICNU has filed testimony regarding rate spread in numerous PGE and PacifiCorp rate cases. Thus, ICNU possesses significant interest and expertise with respect to this proceeding.

2. ICNU has been pre-certified under Section 5.2(b)(2) of the IFA and OAR § 860-012-0100(3) as eligible to receive an Issue Fund Grant by Order No. 03-502, which was entered on August 21, 2003.

3. ICNU has participated in many PacifiCorp and PGE rate cases, including PGE's most recent rate case (UE-197) and PacifiCorp's most recent rate case (UE-179). In UE-197, Alan Rosenberg was ICNU's expert witness on rate spread / rate design. In UE-179, Don Schoenbeck was ICNU's expert for rate spread / rate design. For continuity and efficiency in this proceeding, ICNU proposes to use both Mr. Schoenbeck and Mr. Rosenberg as expert witnesses in this proceeding.

Therefore, ICNU respectfully requests that the Commission issue an order granting an Issue Fund Grant in the amount specified above.

Dated this 20th day of March, 2009.

Respectfully submitted,

DAVISON VAN CLEVE, P.C.

/s/ S. Bradley Van Cleve

S. Bradley Van Cleve

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Of Attorneys for Industrial Customers
of Northwest Utilities

UM 1415

Exhibit A

ICNU Proposed Budget for Issue Fund Grant

Personnel	Hours	Rate	Cost
<i>Attorney Fees</i>			
Senior Attorney	90	\$225.00	\$20,250
Associate Attorney	40	\$185.00	\$7,400
Paralegal	35	\$125.00	\$4,375
<i>Expert Witness Fees</i>			
Witness 1 (PacifiCorp)			\$25,000
Witness 2 (PGE)			\$25,000
<i>Other Expenses</i>			
Travel			\$2000
Printing and Postage			\$1000
Total			\$85,025
20% of ICNU Funded Expenditures			\$17,005
Total			\$68,020

(ICNU is requesting less money than it expects to expend in this docket)