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February 17, 2017

Via Electronic Filing

Public Utility Commission of Oregon
Attn: Filing Center
201 High St. SE, Suite 100
Salem OR 97301

Re: PACIFICORP, dba PACIFIC POWER,
Multi-State Process Second Amended and Restated Intervenor Funding
Agreement.
Docket No. UM 1586

Dear Filing Center:

Enclosed for filing in the above-reference docket, please find the Request for
MSP Issue Fund Grant and Proposed Budget of the Industrial Customers of Northwest Utilities.

Thank you for your assistance. If you have any questions, please do not hesitate
to call.

Sincerely,

/s/ Haley M. Thomas
Haley M. Thomas

**BEFORE THE PUBLIC UTILITY COMMISSION
OF OREGON**

UM 1586

In the Matter of)	
)	
PACIFICORP, dba PACIFIC POWER)	REQUEST FOR MSP ISSUE FUND
)	GRANT AND PROPOSED BUDGET
Multi-State Process Second Amended and)	OF THE INDUSTRIAL CUSTOMERS
Restated Intervenor Funding Agreement.)	OF NORTHWEST UTILITIES
_____)	

Pursuant to Section 5.1 of the Multi-State Process (“MSP”) Second Amended and Restated Intervenor Funding Agreement (“IFA”) approved by the Public Utility Commission of Oregon (“Commission”) via Order No. 17-028, the Industrial Customers of Northwest Utilities (“ICNU”) files this Proposed Budget seeking an MSP Issue Fund Grant in the amount of \$65,000 for 2017. ICNU proposes that this grant be funded from the PacifiCorp MSP Issue Fund Account. The following information is provided in accordance with Section 5.1 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 MSP Activities throughout the course of 2017. The IFA defines eligible MSP Activities as MSP-related activities apart from participation in any dockets or other formal proceedings before the Commission. MSP Activities include, but are not limited to, activities described in Section XIII of the 2017 PacifiCorp Inter-Jurisdictional Allocation Protocol (“2017 Protocol”).

MSP Activities do not include participation in Docket No. UM 1050 related to PacifiCorp’s inter-jurisdictional cost allocation. IFA, Article 1(g).

(2) **Statement of the Breadth and Complexity of MSP Activities:**

ICNU's MSP Activities include attendance at MSP Workgroup meetings, teleconferences, and the annual Commissioner Forum, in addition to associated communications with MSP participants, review of materials distributed by PacifiCorp or other MSP stakeholders, and any follow-up activity. MSP Activities to date have primarily focused upon structural separation and Company-developed alternatives to future system-wide cost allocation methods.

ICNU has and will expect to contribute to discussion during and surrounding scheduled MSP Activities in 2017. Moreover, based on preliminary indications from the Company and stakeholders, ICNU expects that MSP Activities will continue throughout the entirety of 2017, and in a relatively intensive manner, given the interim nature of the 2017 Protocol and the potential need to establish a new MSP Protocol by early 2018—a timeframe which would allow for state commission review processes and potential approvals prior to the expiration of the 2017 Protocol. However, at the time of filing, a full schedule of dates for 2017 MSP Activities has not been determined.

(3) **Significance of Any Policy Issues Directly Attributable to MSP Activities:**

PacifiCorp's inter-jurisdictional cost allocation methodology is used to allocate the costs of its generation, transmission, distribution and wholesale activities among its various service territories. All of PacifiCorp's states, except Washington, currently use the 2017 Protocol to allocate the Company's costs. The MSP Activities may result in the identification of emerging issues which affect current cost allocation methodology, or which will be instructive toward continuing discussion of appropriate inter-jurisdictional cost allocation when the 2017 Protocol expires on December 31, 2018.

(4) **MSP Activities Schedule:**

MSP Workgroup teleconferences have been held on January 12 and February 7, 2017. In addition, the annual Commissioner Forum took place in Salt Lake City, Utah, on January 25, 2017. Going forward, PacifiCorp has scheduled MSP Workgroup meetings on February 22 and March 22, 2017, in Portland and Salt Lake City, respectively.

While no other firm meeting or teleconference dates have yet been established, ICNU expects that process will be fairly intensive and continuous throughout the year. For instance, stakeholders have discussed the potential of all-day meetings in the coming months, to maximize efficient discussion.

(5) **Participation of Other Parties that Adequately Represent the Interests of Customers:**

ICNU represents the interests of industrial customers that purchase electricity directly from PacifiCorp. ICNU's participation will directly benefit industrial customers, as well as other large non-residential customers who purchase service from PacifiCorp. No other organization represents the interests of Oregon industrial customers in the MSP Activities.

(6) **Statement of Activities to Be Performed by ICNU for which ICNU is Seeking an MSP Fund Grant:**

ICNU will participate in all aspects of 2017 MSP Activities to address emerging inter-jurisdictional cost allocation issues, including attending any associated or follow-up clarifying sessions, workshops, settlement conferences, meetings, and oral presentations. ICNU may conduct discovery related to these MSP Activities. ICNU's attorney and/or consultant will review, analyze and comment on issues related to emerging cost allocation matters for PacifiCorp, including issues emerging from discovery initiated by other parties.

(7) Description of Areas to Be Investigated by ICNU Relating to MSP Activities:

ICNU will investigate whether Oregon will be paying its fair share of PacifiCorp's generation, transmission, distribution and wholesale costs and revenues relative to emerging issues discussed at MSP Workgroup meetings and teleconferences, as well as at the Commissioner Forum. ICNU will also investigate any potential impacts to Oregon ratepayers of Clean Air Act rules and the formation of a regional ISO, relative to how such issues develop on state and federal political levels in 2017, in addition to any other legal mandates that may arise. Depending on the development of ongoing MSP Activities, ICNU might investigate a wide array of issues, including those related to cost allocation of load growth, hydro resources, conservation, renewable portfolio standards, thermal generation, and inconsistent state policies.

(8) A Budget of MSP Activities

ICNU is seeking an MSP Issue Fund Grant in the amount of \$65,000, allocated from the PacifiCorp MSP Fund Account. ICNU estimates that the uncommitted amount available in the 2017 ICNU PacifiCorp MSP Fund Account is \$65,000. Attached as Exhibit A is ICNU's proposed budget detailing the expected hours and hourly rates of ICNU's attorney and expert.

(9) Matching Funds:

As required by Section 5.1 of the MSP IFA, ICNU 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% of the Eligible Expenses for which ICNU is seeking an MSP Issue Fund Grant.

Therefore, ICNU respectfully requests that the Commission issue an order granting an MSP Issue Fund Grant in the amount of \$65,000.

Dated this 17th day of February, 2017.

Respectfully submitted,

DAVISON VAN CLEVE, P.C.

/s/ Jesse E. Cowell

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Of Attorneys for Industrial Customers
of Northwest Utilities

Exhibit A

Proposed Budget of ICNU

UM 1586

Exhibit A

ICNU Proposed Budget for Issue Fund Grant

Personnel	Hours	Rate	Cost
<i>Attorney Fees</i>			
Attorney	185	\$265	\$49,025
Paralegal	30	\$170	\$5,100
<i>Expert Witness Fees</i>			
Expert	185	\$160	\$29,600
<i>Other Expenses</i>			
Travel			\$2000
Printing and Postage			\$100
Subtotal			\$85,825
24% of ICNU Funded Expenditures			\$20,825
Total ICNU Issue Fund Request			\$65,000