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May 28, 2014

Via E-mail and Federal Express

Public Utility Commission of Oregon
Attn: Filing Center
3930 Fairview Industrial Drive SE
Salem OR 97302

Re: PACIFICORP dba PACIFIC POWER
Application for Approval of Deferred Accounting and Prudence Determination
Associated with the Energy Imbalance Market
Docket No. UM 1689

Dear Filing Center:

Enclosed for filing in the above-referenced docket, please find the original and one (1) copy of the Proposed Budget for Issue Fund Grant of the Industrial Customers of Northwest Utilities.

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

Sincerely,



Jesse O. Gorsuch

Enclosures

cc: Service List

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that I have this day served the attached **Proposed Budget for Issue Fund Grant** upon all parties in this proceeding by sending a copy via electronic mail to the following parties at the following addresses.

Dated at Portland, Oregon, this 28th day of May, 2014.



Jesse O. Gorsuch

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**BEFORE THE PUBLIC UTILITY COMMISSION
OF OREGON**

UM 1689

In the Matter of)	
)	
PACIFICORP d/b/a PACIFIC POWER)	PROPOSED BUDGET FOR
)	ISSUE FUND GRANT OF THE
Application for Approval of Deferred)	INDUSTRIAL CUSTOMERS OF
Accounting and Prudence Determination)	NORTHWEST UTILITIES
Associated with the Energy Imbalance Market)	
_____)	

Pursuant to Section 6.3 of the Second Amended and Restated Intervenor Funding Agreement (“IFA”) approved by the Oregon Public Utility Commission (“Commission”) by Order No. 12-452 (November 7, 2012), the Industrial Customers of Northwest Utilities (“ICNU”) files this Proposed Budget in Docket No. UM 1689 (the “Proceeding”) for an Issue Fund Grant in the amount of \$29,000. ICNU will bear all of its costs in this proceeding that exceed ICNU’s proposed budget. 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 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 1689. 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 1689 directly affects

PacifiCorp, which falls under the definition of “Participating Public Utility” in Section 1(k) of the IFA. Therefore, UM 1689 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 1689. ICNU plans to conduct discovery in this proceeding. In addition, ICNU will submit expert witness testimony and 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 numerous aspects of PacifiCorp’s Application for Deferred Accounting and Prudence Determination in connection with the Energy Imbalance Market (“EIM”), including the prudence of PacifiCorp’s decision to join the EIM, the appropriate rate treatment of the costs and benefits of joining the EIM, and other issues raised by PacifiCorp’s filing or by other parties.

(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 of PacifiCorp.

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

ICNU proposes a total budget of \$36,250; and, ICNU is seeking an Issue Fund Grant in the amount of \$29,000. ICNU will bear the costs of its participation to the extent that its costs exceed the proposed budget. However, in the event that the Commission elects to

modify the scope of this proceeding, ICNU reserves the right to file a request to amend its budget.

ICNU estimates that the amount currently available in the PacifiCorp Issue Fund Account for 2014 is \$92,083.99. ICNU has coordinated with CUB regarding the amount that each party is requesting in this case.

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

Attached as Exhibit A is ICNU's proposed budget in UM 1689.

(6) Matching Funds

As required by Section 6.3(f) of the IFA, ICNU represents that it will use matching fund resources 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 Issue Fund Grant. As such, ICNU seeks an issue fund grant for 80% of its proposed budget in this proceeding. ICNU's proposed budget assumes a fully litigated case. If the case is settled prior to hearing, actual expenses could be lower.

Basis for Request

ICNU respectfully requests that the Commission grant its request for this Issue Fund Grant in the amount of \$29,000 based on the following considerations:

1. In this proceeding, PacifiCorp is proposing to defer its start-up costs and annual O&M costs related to the EIM for future recovery in rates. PacifiCorp estimates that its start-up costs will be approximately \$20 million on a total-company basis, or \$5 million on an Oregon-allocated basis. The Company's O&M costs are expected to be approximately \$1.7 million on a total-company basis, or \$425,000 on an Oregon-allocated basis. The Company has

not provided a mechanism to defer the benefits associated with the EIM. Finally, the prudence determination that PacifiCorp seeks in this case will affect PacifiCorp's rates in the future.

2. ICNU represents the interests of industrial customers and has significant experience participating in Commission proceedings involving PacifiCorp. ICNU's participation will benefit all of PacifiCorp's industrial and large non-residential customers.

3. ICNU has been precertified under Sections 5.1 and 5.2 of the IFA and OAR § 860-001-0120(3)(b), as eligible to receive an Issue Fund Grant, by Commission 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 specified above.

Dated this 28th day of May, 2014.

Respectfully submitted,

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Of Attorneys for Industrial Customers
of Northwest Utilities

UM 1689

Exhibit A

ICNU Proposed Budget for Issue Fund Grant

Personnel	Hours	Rate	Cost
<i>Attorney Fees</i>			
Senior Attorney	30	\$275	\$8,250
Associate Attorney	50	\$205	\$10,250
Paralegal	20	\$150	\$3,000
<i>Expert Witness Fees</i>			
Expert	95	\$150	\$14,250
<i>Other Expenses</i>			
Travel			\$200
Printing and Postage			\$300
Subtotal			\$36,250
20% of ICNU Funded Expenditures			\$7,250
Total ICNU PacifiCorp Issue Fund Grant Proposed Budget			\$36,250
Total ICNU Issue Fund Request			\$29,000