

**BEFORE THE PUBLIC UTILITY COMMISSION
OF OREGON**

UE 219

In the Matter of)	
)	PROPOSED BUDGET AND REQUEST
PACIFICORP)	FOR PAYMENT FOR
)	ISSUE FUND GRANT OF THE
Application to Implement the Provisions of)	INDUSTRIAL CUSTOMERS OF
Senate Bill 76)	NORTHWEST UTILITIES
)	

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 and Request for Payment in UE 219 (the “Proceeding”) for an Issue Fund Grant in the amount of \$19,003.14. ICNU proposes that this grant be funded from the PacifiCorp Issue Fund Account. ICNU filed a Notice of Intent to Request an Issue Fund Grant in UE 219 on March 29, 2010. ICNU did not file a proposed budget because it was apparent that all available funds in the PacifiCorp Issue Fund would be used in UE 217, PacifiCorp’s general rate case.^{1/} In Order No. 10-257, the Commission acknowledged that the balance in the PacifiCorp Issue Fund was zero. Subsequently, ICNU released back unused funds from UE 177 (3) to the PacifiCorp Issue Fund account in the amount of \$19,003.14. ICNU is proposing this budget because additional funds are now available. Granting this request for payment will not increase the total budgeted PacifiCorp issue funds that were originally

¹ The Citizens Utility Board (“CUB”) did file a proposed budget in this proceeding in the amount of \$15,740, which was approved by the Commission in Order No. 10-251.

budgeted for ICNU since these funds were budgeted for ICNU in UE 177 (3). 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 retained Davison Van Cleve, P.C. to represent ICNU in UE 219. In UE 219, PacifiCorp filed a request for a rate surcharge related to SB 76. 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 219 directly affects PacifiCorp, which falls under the definition of “Participating Public Utility” in Section 1(k) of the IFA. Therefore, UE 219 is an Eligible Proceeding and an Issue Fund Grant may be made for this proceeding under Section 6.1 of the IFA.

ICNU conducted discovery, and attended all clarifying sessions, workshops, settlement conferences and hearings in UE 219. In addition, ICNU submitted expert witness testimony and prepared briefs as called for by the procedural schedule in this Docket.

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

ICNU investigated the appropriateness of PacifiCorp’s SB 76 surcharge, including whether the surcharge was appropriately allocated among customer classes.

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

ICNU’s participation directly benefited customers who take service from PacifiCorp. ICNU has participated in all previous rate cases of PacifiCorp since 1996. 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 \$19,003.14. ICNU proposes that the grant amount be allocated from the PacifiCorp Issue Fund Account established under IFA Section 4.2.3. ICNU has been informed that the amount available in the PacifiCorp Issue Fund Account is \$19,003.14, after ICNU released remaining funds from UE 177 (3).

(5) Request for Payment showing attorney and consultant fees and expert witness fees:

Attached as Exhibit A is ICNU's budget in UE 219. Attached as Exhibit B is ICNU's Request for Payment.

(6) Matching Funds

ICNU represents that it has used 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 Issue Fund Grant.

Basis for Request

ICNU respectfully requests that the Commission grant its request for this Issue Fund Grant in the amount of \$19,003.14 based on the following considerations:

1. On March 18, 2010, PacifiCorp submitted an application to implement provisions of Senate Bill 76, which allows PacifiCorp to collect two nonbypassable surcharges from its customers for the costs of removing the Klamath Hydroelectric Project dams.

2. PacifiCorp has proposed an average rate increase of 1.63% and a 2% industrial rate increase, whereas ICNU proposes an average surcharge of 1.45% for all customer bills, using an equal percentage rate spread and more accurate interest rates for the customer funds held. ICNU's proposals would result in a rate decrease for all customers.

3. ICNU also raised several other issues: that the Commission retain the "subject to refund" language in the tariffs, track the amounts paid by the large customers, and schedule periodic surcharge reductions to ensure that PacifiCorp does not overcollect due to load growth.

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

5. 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 \$19,003.14. ICNU prepared the attached budget on the basis of the results of UE 219. Pursuant to Section 7.3 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), ICNU hereby also requests that the Commission authorize final payment of the Issue Fund Grant in the amount of \$19,003.20.

This Request for Payment satisfies the requirements of the IFA as follows:

PAGE 4 – PROPOSED BUDGET AND REQUEST FOR PAYMENT FOR ISSUE FUND GRANT OF ICNU

Section 7.3(a) – The itemized expenses, payees, and hourly rates are attached as Confidential Exhibit A.

Section 7.3(b) – ICNU has been an active participant in this Docket. ICNU conducted discovery, filed response testimony from an expert witness and conducted cross examination at hearing. The expenses included in Confidential Exhibit A are reasonable and directly attributable to ICNU’s participation in UE 219.

Section 7.4 – All of the expenses included in Exhibit A are Eligible Expenses as defined in Section 7.4 of the IFA because they relate to services provided or expenses incurred by ICNU’s outside legal counsel and expert witnesses. Relevant non-privileged documents substantiating the Eligible Expenses in Confidential Exhibit A are available for Commission audit, if requested, pursuant to Section 7.10 of the IFA.

The IFA provides that the granting of “an Issue Fund Grant shall constitute a binding obligation on the Commission to order reimbursement of Eligible Expenses.” IFA § 6.5. Likewise, the intervenor funding rules adopted by the Commission provide that “the terms of an [intervenor funding] agreement will be binding on all organizations seeking a grant under that agreement and will be followed by the Commission in administering the agreement.” OAR § 860-012-0100(2). ICNU has satisfied the terms of the IFA and respectfully requests that the Commission approve final payment of ICNU’s Issue Fund Grant in the amount of \$19,003.14 within 30 days of receiving this Request for Final Payment as provided in Section 7.6 of the IFA. This Request for Payment constitutes a Final Request for Payment in this docket.

Payment should be sent to:

Michael Early
Industrial Customers of Northwest Utilities
1300 SW Fifth Ave., Suite 1750
Portland, Oregon 97201

Dated this 3rd day of September, 2010.

Respectfully submitted,

DAVISON VAN CLEVE, P.C.

/s/ S. Bradley Van Cleve

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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

Personnel	Hours	Rate	Cost
<i>Attorney Fees</i>			
Senior Attorney	58	\$225.00	\$13,000
Associate Attorney	86	\$185.00	\$16,000
Paralegal	36	\$125.00	\$4,500
<i>Expert Witness Fees</i>			
Witness 1 (Discovery, Travel, Testimony, and Hearing regarding rate spread and rate design)		\$18,000	\$18,000
<i>Other Expenses</i>			
Travel			\$4,000
Printing and Postage			\$500
		Subtotal	\$56,000
		Less In-House Resources	\$36,996.86
		Total	\$19,003.14