

**BEFORE THE PUBLIC UTILITY COMMISSION
OF OREGON**

UE 171

In the Matter of)	
)	
PACIFIC POWER & LIGHT)	REVISED PROPOSED BUDGETS FOR
(dba PACIFICORP))	ISSUE FUND GRANT OF THE
)	KLAMATH OFF-PROJECT WATER
Klamath Basin Irrigation Rates.)	USERS AND THE KLAMATH WATER
)	USERS ASSOCIATION
)	
_____)	

Pursuant to Section 6.3 of the Intervenor Funding Agreement (“IFA”) approved by the Oregon Public Utility Commission (“Commission” or “OPUC”) in Order No. 03-388 (July 2, 2003), the Klamath Off-Project Water Users (“KOPWU”) and the Klamath Water Users Association (“KWUA”) (jointly, “Petitioners”) submit these Revised Proposed Budgets in Docket No. UE 171 for an Issue Fund Grant in the amount of \$25,000. Petitioners previously and separately submitted Applications for Case-Certification and Proposed Budgets for Intervenor Fund Grants in Docket No. UE 170. On February 18, 2005, Administrative Law Judges (“ALJ”) Grant and Kirkpatrick opened Docket No. UE 171 to address issues related to the rates and terms of service for PacifiCorp’s irrigation customers in the Klamath River Basin. Petitioners are submitting this Revised Proposed Budget in accordance with the Prehearing Conference Memorandum issued on March 3, 2005 in Docket No. UE 171 (“Prehearing Conference Memorandum”). Both KOPWU and KWUA have previously been granted party status in this Docket.

Petitioners prepared these Revised Proposed Budgets on the basis of the procedural schedule established in the Prehearing Conference Memorandum. Petitioners propose that this grant be funded from the PacifiCorp Issue Fund Account. Petitioners respectfully request that the Commission act on these Revised Proposed Budgets within fourteen days of receipt, as provided by Section 6.4 of the IFA. KOPWU and KWUA are providing the following information in accordance with Section 6.3 of the IFA:

(1) Statement of the work to be performed for which KOPWU and KWUA are seeking the Issue Fund Grant:

Docket No. UE 171 was established to address PacifiCorp's Klamath Basin irrigation rates based on the On-Project and Off-Project Agreements. KOPWU has retained Davison Van Cleve, P.C. to participate in Docket No. UE 171 on KOPWU's behalf. KWUA has retained Cable Huston Benedict Haagensen & Lloyd LLP to participate in Docket No. UE 171 on KWUA's behalf.

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). Docket No. UE 171 directly affects PacifiCorp, which falls under the definition of "Participating Public Utility" in Section 1(k) of the IFA. Therefore, Docket No. UE 171 is an Eligible Proceeding and an Issue Fund Grant may be made for this proceeding under Section 6.1 of the IFA.

Petitioners intend to attend all settlement conferences, oral argument, and any hearings in Docket No. UE 171. Petitioners also intend to prepare briefs as called for by the procedural schedule. In addition, the Prehearing Conference Memorandum indicates that any "residual issues" from the Docket may be addressed in Docket No. UE 170. In the event that

residual issues from this proceeding are subsequently addressed in Docket No. UE 170, Petitioners would use the remaining amount of any issue fund grant authorized by the Commission in this proceeding to address residual issues transferred to Docket No. UE 170.

(2) Description of the areas to be investigated by KOPWU and KWUA:

In Docket No. UE 171, Petitioners intend to investigate PacifiCorp's proposal to move customers that currently take service in accordance with the On-Project and Off-Project Agreements between the Klamath Basin Water Users Protective Association and PacifiCorp's predecessor, the California Oregon Power Company, to standard irrigation tariffs in 2006.

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

KOPWU's and KWUA's participation will directly benefit all PacifiCorp irrigation customers who are provided service in accordance with the On-Project and Off-Project Agreements.

(4) Identification of the specific Fund account from which Petitioners are seeking the Issue Fund Grant:

KOPWU and KWUA are seeking an Issue Fund Grant in the amount of \$25,000 to be shared equally by each party. Petitioners propose that the grant amount be allocated from the PacifiCorp Issue Fund Account established under Section 4.2.3 of the IFA.

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

Attached as Exhibit A and B are KOPWU's and KWUA's revised proposed budgets in Docket No. UE 171. Petitioners' requests only represent a small percentage of what KOPWU and KWUA expect to expend in this proceeding.

Basis for Request

KOPWU and KWUA respectfully request that the Commission grant their request for this Issue Fund Grant in the amount of \$12,500 each, for a total of \$25,000, based on the following considerations:

1. In this Docket, the Commission will analyze PacifiCorp's Klamath Basin irrigation rates. By proposing to shift the On-Project and Off-Project irrigation customers to standard irrigation tariffs, PacifiCorp seeks to multiply the base rates of KOPWU's and KWUA's members more than tenfold. This proposed rate increase substantially exceeds the average rate increase proposed by PacifiCorp for other classes of customers in Docket No. UE 170. As a result, PacifiCorp's proposal will have a dramatic impact on all On-Project and Off-project irrigation customers. The cost of electric service for KOPWU's and KWUA's members has been stable since 1956. PacifiCorp's proposal in this Docket seeks to impose an immediate and dramatic rate increase with potentially devastating effects to the Klamath Basin irrigators. Under these circumstances, there are multiple issues that KOPWU and KWUA must address.

2. PacifiCorp's efforts to shift all irrigation customers in the Klamath River Basin to standard tariffs raise significant policy issues regarding the provision of electric service for use in agricultural operations in Southern Oregon and the intent and purpose of development of the Klamath Reclamation Project. In addition, PacifiCorp's efforts to shift irrigation customers in the Klamath River Basin to standard irrigation tariffs raise significant policy issues regarding the magnitude of the rate increase that a regulated utility can impose on a particular class of customers in a single rate filing. PacifiCorp's proposals in this proceeding must be

thoroughly scrutinized to ensure consistency with sound public policy and the applicable legal principles.

3. KOPWU and KWUA represent the interests of PacifiCorp's Klamath Basin irrigation customers, and both KOPWU and KWUA have retained legal counsel and expert witnesses with significant experience participating in proceedings before the OPUC and other regulatory bodies. Petitioners' participation will benefit all PacifiCorp irrigation customers.

4. Petitioners' Applications for Case Certification are pending before the Commission. Petitioners are submitting these Revised Proposed Budgets in accordance with the procedural schedule in this Docket.

Petitioners respectfully request that the Commission issue an order granting an Issue Fund Grant in the amount of \$25,000 to be shared equally by KOPWU and KWUA. Petitioners prepared the attached budgets on the basis of the procedural schedule established by the March 3, 2005 Prehearing Conference Memorandum.

Dated this 14th day of March, 2005.

Respectfully submitted,

/s/ Matthew Perkins

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/s/ Edward Finklea

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Exhibit A

Revised Proposed Budget of KOPWU

UE 171

Exhibit A

KOPWU Proposed Budget for Issue Fund Grant

<u>Task</u>	<u>Assigned Personnel</u>	<u>Hours</u>	<u>Rate</u>	<u>Cost</u>
Conduct Discovery	Sr. Attorney	5	185.00	925.00
	Assoc. Attorney	8	135.00	1,080.00
Participate in Settlement Conference	Assoc. Attorney	6	135.00	810.00
Draft Response and Reply to Motion for Summary Judgment	Sr. Attorney	5	185.00	925.00
	Assoc. Attorney	10	135.00	1,350.00
Prepare for and Attend Oral Argument	Sr. Attorney	8	185.00	1,480.00
Expert Witness Fees				5,000.00
	Total Hours	42	Sub-Total	11,570.00
Travel Expenses (Mileage)				200.00
Consultant Travel Expenses				600.00
Printing and Reproduction				50.00
Telephone and Postage				80.00
			Grand Total	\$12,500.00

Exhibit B

Revised Proposed Budget of KWUA

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 Exhibit B
KWUA Proposed Budget for Issue Fund Grant

<u>Task</u>	<u>Assigned Personnel</u>	<u>Hours</u>	<u>Average Rate</u>	<u>Cost</u>
Conduct Discovery	Partners	6	192.50	\$1,155.00
	Associates	5	150.00	\$750.00
Participate in Settlement Conferences	Partners	6	192.50	\$1,155.00
Draft Response and Reply to Motion for Summary Judgment	Partners	12	192.50	\$2,310.00
Prepare for and Attend Oral Argument	Partners	8	192.50	\$1,540.00
Expert Witness Fees (discovery review/analyze filing, review cost of service study, draft and edit testimony, attend settlement and hearing)	Consultants	25	200	<u>\$5,000.00</u>
			Subtotal	\$11,910.00
Travel Expenses (Mileage)				\$200.00
Consultant Travel Expenses				\$200.00
Printing and Reproduction				\$100.00
Telephone and Postage				<u>\$90.00</u>
			Grand Total	\$12,500.00

Davison Van Cleve PC

Attorneys at Law

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Portland, OR 97204

March 14, 2005

Via Electronic and US Mail

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

Re: In the Matter of PACIFIC POWER & LIGHT Klamath Basin Irrigation Rates
Docket No. UE 171

Dear Filing Center:

Enclosed please find an original and two copies of the Revised Proposed Budgets of the Klamath Off-Project Water Users, Inc, and the Klamath Water Users Association.

Please return one file-stamped copy of the document in the self-addressed, stamped envelope provided. 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 Petition to Intervene of the Klamath Off-Project Water Users, Inc. upon the parties on the service list, shown below, by causing the same to be mailed, postage-prepaid, through the U.S. Mail.

Dated at Portland, Oregon, this 14th day of March, 2005.

/s/ Christian Griffen
Christian W. Griffen

JOHN DEVOE WATERWATCH OF OREGON 213 SW ASH STREET, SUITE 208 PORTLAND OR 97204 john@waterwatch.org	LISA BROWN WATERWATCH OF OREGON 213 SW ASH ST STE 208 PORTLAND OR 97204 lisa@waterwatch.org
JIM MCCARTHY OREGON NATURAL RESOURCES COUNCIL PO BOX 151 ASHLAND OR 97520 jm@onrc.org	JASON EISDORFER CITIZENS' UTILITY BOARD OF OREGON 610 SW BROADWAY STE 308 PORTLAND OR 97205 jason@oregoncub.org
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