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April 21, 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 OREGON PUBLIC UTILITY STAFF Requesting the Commission direct PACIFICORP, dba PACIFIC POWER & LIGHT COMPANY, to file tariffs establishing automatic adjustment clauses under the terms of SB 408  
**Docket No. UE 177**

Dear Filing Center:

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

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

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 Reconsideration on behalf of the Industrial Customers of Northwest Utilities upon the parties, shown below, on the official service list by causing the foregoing document to be deposited, postage-prepaid, in the U.S. Mail, or by service via electronic mail to those parties who waived paper service.

Dated at Portland, Oregon, this 21st day of April, 2009.

/s/ Brendan E. Levenick  
Brendan E. Levenick

<b>CITIZENS' UTILITY BOARD OF OREGON (W)</b> ROBERT JENKS G. CATRIONA MCCRACKEN GORDON FEIGHNER OPUC DOCKETS 610 SW BROADWAY STE 308 PORTLAND OR 97205 catriona@oregoncub.org Gordon@oregoncub.org bob@oregoncub.org dockets@oregoncub.org	DANIEL W MEEK 10949 SW 4TH AVE PORTLAND OR 97219 dan@meek.net
<b>DEPARTMENT OF JUSTICE</b> JASON W JONES REGULATED UTILITY & BUSINESS SECTION 1162 COURT ST NE SALEM OR 97301-4096 jason.w.jones@state.or.us	<b>KAFOURY &amp; MCDOUGAL</b> LINDA K WILLIAMS 10266 SW LANCASTER RD PORTLAND OR 97219-6305 linda@lindawilliams.net
<b>MCDOWELL &amp; ASSOCIATES PC (W)</b> AMIE JAMIESON KATHERINE A MCDOWELL 520 SW SIXTH AVE STE 830 PORTLAND OR 97204 amie@mcd-law.com katherine@mcd-law.com	<b>PACIFICORP OREGON DOCKETS (W)</b> OREGON DOCKETS 825 NE MULTNOMAH ST STE 2000 PORTLAND OR 97232 oregondockets@pacificorp.com

**BEFORE THE PUBLIC UTILITY COMMISSION  
OF OREGON**

**UE 177**

In the Matter of	)	
	)	
OREGON PUBLIC UTILITY STAFF	)	
	)	
Requesting the Commission Direct	)	
	)	
PACIFICORP, dba PACIFIC POWER & LIGHT COMPANY,	)	PROPOSED BUDGET FOR ISSUE FUND GRANT OF THE INDUSTRIAL CUSTOMERS OF NORTHWEST UTILITIES
	)	
to File Tariffs Establishing Automatic Adjustment Clauses Under the Terms of SB 408.	)	

Pursuant to Section 6.3 of the First Amended and Restated Intervenor Funding Agreement (“IFA”) approved by the Public Utility Commission of Oregon (“Commission”) by Order No. 07-564 (December 19, 2007), the Industrial Customers of Northwest Utilities (“ICNU”) files this Proposed Budget in UE 177 for an Issue Fund Grant in the amount of \$10,500. 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 UE 177. The current reconsideration in UE 177 deals with specific questions of law and fact related to the review of PacifiCorp’s 2006 tax report, for the establishment of an automatic adjustment clause

pursuant to Senate Bill (“SB”) 408. 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 177 directly affects PacifiCorp, which falls under the definition of “Participating Public Utility” in Section 1(k) of the IFA. Therefore, UE 177 is an Eligible Proceeding and an Issue Fund Grant may be made for this proceeding under Section 6.1 of the IFA.

ICNU intends to participate fully in the proceedings on reconsideration. Pursuant to the briefing schedule established on April 2, 2009, ICNU submitted an Opening Brief on April 13, 2009. ICNU also intends to file a Reply Brief by April 30, 2009. In addition, ICNU will participate in any other manner that the Commission may deem appropriate.

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

ICNU intends to continue investigating and briefing upon the issue of whether PacifiCorp’s 2006 tax report is appropriate pursuant to SB 408, in a manner that is consistent with the legislature’s intent in enacting SB 408. In particular, ICNU will focus upon the validity of OAR § 860-022-0041, the rule applied to PacifiCorp’s tax report, in relation to SB 408.

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

ICNU’s participation will directly benefit industrial and all other large non-residential customers who purchase service from PacifiCorp in Oregon.

**(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 \$10,500. ICNU proposes that the grant amount be allocated from the PacifiCorp Issue Fund Account established under IFA Section 4.2.3.

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

Attached as Exhibit A is ICNU's proposed budget in UE 177.

**(6) Matching Funds**

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 Issue Fund Grant.

**Basis for Request**

ICNU respectfully requests that the Commission grant its full request for this Issue Fund Grant based on the following considerations:

1. The current reconsideration involves analysis of legal and factual issues related to PacifiCorp's 2006 tax report filing pursuant to SB 408. As a result, this reconsideration has a direct impact on all customers of PacifiCorp in Oregon.
2. This reconsideration is a continuation of proceedings that presented the first review of utility tax filings under the rules adopted by the Commission pursuant to SB 408. Therefore, this reconsideration involves very significant precedent and policy issues. The Commission should continue to solicit as much input as possible from customers. The decision that the Commission issues in this reconsideration could have a significant impact on customer rates.

3. 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.

4. ICNU represents the interests of industrial customers and has significant experience participating in Commission proceedings involving rates and adjustment mechanisms. ICNU's participation will benefit all PacifiCorp industrial customers. Moreover, ICNU has been intimately involved with the issues now before the Commission on reconsideration, not only in prior proceedings before the Commission, but also before the Oregon Court of Appeals.

Therefore, ICNU respectfully requests that the Commission issue an order granting an issue fund grant in the amount specified above.

Dated this 21st day of April, 2009.

Respectfully submitted,

DAVISON VAN CLEVE, P.C.

/s/ Jesse E. Cowell

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Of Attorneys for the Industrial Customers  
of Northwest Utilities

Exhibit A

ICNU Proposed Budget for Issue Fund Grant

<u>Category</u>	<u>Personnel</u>	<u>Hours</u>	<u>Rate</u>	<u>Cost</u>
<b><i>Discovery</i></b>	Sr. Attorney	0	215.00	0.00
Draft data requests, respond to data requests, organize discovery, review discovery responses, discovery disputes, depositions	Assoc. Attorney	0	155.00	0.00
	Paralegal	0	125.00	0.00
<b><i>Case Preparation</i></b>	Sr. Attorney	2	215.00	430.00
Review filings and testimony, legal research, develop case strategy, prepare testimony, communications with expert witnesses, prepare issue statements	Assoc. Attorney	5	155.00	775.00
	Paralegal	0	125.00	0.00
<b><i>Procedural Matters</i></b>	Sr. Attorney	0	215.00	0.00
Draft and review pleadings, hearings regarding procedural issues	Assoc. Attorney	1	155.00	155.00
<b><i>Settlement</i></b>	Sr. Attorney	0	215.00	0.00
Prepare for and attend settlement meetings, draft settlement documents	Assoc. Attorney	0	155.00	0.00
<b><i>Communication</i></b>	Sr. Attorney	5	215.00	1,075.00
Meetings and communications with clients and third parties	Assoc. Attorney	1	155.00	155.00
<b><i>Hearings/Workshops</i></b>	Sr. Attorney	0	215.00	0.00
Preparation and attendance at hearings, workshops and other Commission sponsored meetings	Assoc. Attorney	0	155.00	0.00
<b><i>Briefing</i></b>	Sr. Attorney	10	215.00	2,150.00
Draft briefs, legal research related to briefs	Assoc. Attorney	35	155.00	5,425.00
	Total Hours	59	Sub-Total	10,165.00
 <u>Expert Consultant Fees</u>				
Expert Consultant 1				3,000.00
			Sub-Total	3,000.00
 <u>Expenses</u>				
Travel Expenses (Mileage)				0.00
Expert Expenses				0.00
Printing and Reproduction				0.00
			Sub-Total	0.00
			<b><u>Grand Total</u></b>	13,165.00
 In-House Resources				
20% of Eligible Expenses				2,633.00
			<b>ICNU PacifiCorp Issue Fund Grant Budget Eligibility: \$</b>	<b>10,532.00</b>
			<b>Total ICNU PacifiCorp Issue Fund Grant Proposed Budget: \$</b>	<b>10,500.00</b>

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