

# Davison Van Cleve PC

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February 6, 2008

***Via Electronic and US 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 and one (1) copy of the Industrial Customers of  
Northwest Utilities' Proposed Budget for Issue Fund Grant in the above-referenced matter.

Thank you for your assistance.

Sincerely yours,

/s/ Brendan E. Levenick  
Brendan E. Levenick

Enclosure

cc: Service List

**CERTIFICATE OF SERVICE**

I HEREBY CERTIFY that I have this day served the foregoing Proposed Budget for Issue Fund Grant 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, and service via electronic mail.

Dated at Portland, Oregon, this 6th day of February, 2008.

/s/ Brendan E. Levenick  
Brendan E. Levenick

<b>CITIZENS' UTILITY BOARD OF OREGON</b> LOWREY R BROWN JASON EISDORFER 610 SW BROADWAY STE 308 PORTLAND OR 97205 lowrey@oregoncub.org jason@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; MCDUGAL</b> LINDA K WILLIAMS 10266 SW LANCASTER RD PORTLAND OR 97219-6305 linda@lindawilliams.net
<b>MCDOWELL &amp; ASSOCIATES PC</b> SARAH J ADAMS LIEN KATHERINE MCDOWELL 520 SW SIXTH AVE STE 830 PORTLAND OR 97204 sarah@mcd-law.com katherine@mcd-law.com	<b>PACIFICORP OREGON DOCKETS</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 COMMISSION STAFF directing:	)	
	)	
PACIFIC POWER & LIGHT dba	)	
PACIFICORP, (UE 177)	)	PROPOSED BUDGET FOR ISSUE
	)	FUND GRANT OF THE
to File Tariffs Establishing Automatic	)	INDUSTRIAL CUSTOMERS OF
Adjustment Clauses Under the Terms of	)	NORTHWEST UTILITIES
SB 408.	)	
	)	

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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 in UE 177 (the “Proceeding”) for an Issue Fund Grant in the amount of \$7,800.

Pursuant to Order No. 07-576 (December 20, 2007), ICNU is requesting the remaining \$7,800 of its original Proposed Budget of \$26,000 in UE 177. Of the \$26,000 that ICNU requested, a budget of only \$18,200 was granted because of the limited funds available in PacifiCorp’s Issue Fund account at the end of 2007. The Commission ordered that ICNU file a revised budget of \$7,800 under the provisions of the IFA.

ICNU respectfully requests that the Commission act on this Proposed Budget within 14 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 this Proceeding. This Proceeding deals with the review of PacifiCorp's 2006 tax reports under the automatic adjustment clause required by 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). This Proceeding directly affects PacifiCorp, which is a Participating Public Utility under Section 1(k) of the IFA. Therefore, an Issue Fund Grant may be approved for this proceeding under Section 6.1 the IFA.

ICNU intends to attend all workshops, settlement conferences, hearings, and oral argument in this Proceeding. In addition, ICNU intends to sponsor testimony and briefs as called for by the procedural schedule in this Proceeding.

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

ICNU intends to investigate whether the 2006 utility tax filings are appropriate pursuant to SB 408, in a manner that is consistent with the legislature's intent in enacting 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 \$7,800. ICNU proposes that the grant amount be allocated from the PacifiCorp Issue Fund Account established under IFA Section 4.2.3. ICNU estimates that the amount available in the PacifiCorp Issue Fund Account is \$125,000.

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

Attached as Exhibit A is ICNU's proposed budget in this Proceeding.

**(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.

**(7) Basis for Request:**

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

A. This Proceeding involves analysis of the 2006 utility tax filings pursuant to SB 408. As a result, this Proceeding has a direct impact on all customers of PacifiCorp in Oregon.

B. This Proceeding presents the first review of PacifiCorp's tax filings under the rules adopted by the Commission pursuant to SB 408 and therefore involves very significant precedent and policy issues; and, the Commission should solicit as much input as possible from customers. The decision that the Commission issues in this Proceeding could have a significant impact on customer rates.

C. The Commission has previously determined that ICNU qualifies for an Issue Fund Grant in this Docket in Order No. 07-576.

D. ICNU has been precertified under Section 5.2 of the IFA and OAR 860-017-0050(3) as eligible to receive an Issue Fund Grant, by Order No. 03-502. (August 1, 2003)

E. 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.

Therefore, ICNU respectfully requests that the Commission issue an order granting an Issue Fund Grant in the amount specified above.

Dated at Portland, Oregon, this 6th day of February, 2008.

Respectfully submitted,

DAVISON VAN CLEVE, P.C.

/s/ S. Bradley Van Cleve

Melinda J. Davison

S. Bradley Van Cleve

Allen C. Chan

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Of Attorneys for the Industrial Customers  
of Northwest Utilities

Exhibit AICNU 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	175.00	0.00
<b><i>Case Preparation</i></b>	Sr. Attorney	0	215.00	0.00
Review filings and testimony, legal research, develop case strategy, prepare testimony, communications with expert witnesses, prepare issue statements	Assoc. Attorney	0	175.00	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	0	175.00	0.00
<b><i>Settlement</i></b>	Sr. Attorney	4	215.00	860.00
Prepare for and attend settlement meetings, draft settlement documents	Assoc. Attorney	4	175.00	700.00
<b><i>Communication</i></b>	Sr. Attorney	1	215.00	215.00
Meetings and communications with clients and third parties	Assoc. Attorney	2	175.00	350.00
<b><i>Hearings/Workshops</i></b>	Sr. Attorney	1	215.00	215.00
Preparation and attendance at hearings, workshops and other Commission sponsored meetings	Assoc. Attorney	2	175.00	350.00
<b><i>Briefing/Oral Argument</i></b>	Sr. Attorney	0	215.00	0.00
Prepare for and attend oral argument, draft briefs, legal research related to briefs	Assoc. Attorney	0	175.00	0.00
	Total Hours	14	Sub-Total	2,690.00
 <u>Expert Witness Fees</u>				
Witness				5,000.00
 <u>Expenses</u>				
Travel Expenses (Mileage)				110.00
Consultant Travel Expenses				0.00
Printing and Reproduction				0.00
Postage				0.00
			Sub-Total	110.00
			<b><u>Grand Total</u></b>	7,800.00

ICNU expects to expend a significantly higher amount on this proceeding, especially on expert witness fees. ICNU is voluntarily limiting its request to \$7,800.