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December 13, 2007

Michael Grant
Chief Administrative Law Judge
Oregon Public Utility Commission
550 Capitol Street NE
P. O. Box 2148
Salem, OR 97308-2148

Re: UE 178 - ICNU Proposed Budget for Issue Fund

Dear ALJ Grant:

On December 5, 2007, the Industrial Customers of Northwest Utilities ("ICNU") filed a proposed budget seeking an issue fund grant in dockets UE 177 (PacifiCorp) and UE 178 (PGE) in the amount of \$52,000 split evenly between the respective intervenor issue funds for PGE and PacifiCorp. Although UE 178 and UE 177 are related in that both dockets concern tax reports filed under SB 408, the dockets involve different tax reports, have separate schedules and independent hearings. Because PGE customers will ultimately pay for intervenor funding grants from PGE's issue fund, such grants should pay for eligible activities in PGE's docket, not finance activities in other dockets. Based on the attached letter dated December 11 from counsel for ICNU, we understand that ICNU will separately track its expenses and expert fees incurred in UE 178 and UE 177 and will seek recovery from PGE's issue fund solely for eligible expenses incurred in UE 178.

Very truly yours,

A handwritten signature in cursive script that reads "David White".

David F. White

DFW/ldh
cc: Service List
001991\00252\801445 V001

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Allen C. Chan

RECEIVED

DEC 12 2007

TONKON TORP LLP

December 11, 2007

Via Electronic and U.S. Mail

David F. White
Tonkon Torp LLP
888 SW 5th Ave Suite 1600
Portland, OR 97204

Re: Intervenor Funding

Dear Mr. White:

The purpose of this letter is to confirm to Portland General Electric Company ("PGE") that the Industrial Customers of Northwest Utilities ("ICNU") will separately account for expenses incurred in litigating UE 177 (PacifiCorp's Tax Report) and UE 178 (PGE's Tax Report). In ICNU's proposed \$52,000 budget filed with the Oregon Public Utility Commission ("Commission") on December 5, 2007, ICNU stated that it would split the joint costs evenly between PacifiCorp and PGE. We, however, have separate billing matters established and any work specific to each utility is billed accordingly.

Should both UE 177 and UE 178 be litigated to a Commission decision, ICNU expects to spend far more than the \$26,000 allocated to each utility. Should one case settle, however, and actual expenses end up being less than \$26,000, ICNU will not charge that utility for any expenses incurred in the other docket. ICNU's and the consultants' internal accounting will ensure that costs actually incurred in litigating each docket are properly charged to the respective utility.

Sincerely yours,



Allen Chan