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December 5, 2007

***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 PORTLAND GENERAL ELECTRIC COMPANY to file  
tariffs establishing automatic adjustment clauses under the terms of SB 408  
**Docket No. UE 178**

Dear Filing Center:

Enclosed please find the original and one copy (1) 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/ Christian Griffen  
Christian W. Griffen

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 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 5th day of December, 2007.

/s/ Christian Griffen  
Christian W. Griffen

<b>PORTLAND GENERAL ELECTRIC COMPANY</b> RATES & REGULATORY AFFAIRS 121 SW SALMON ST 1WTC0702 PORTLAND, OR 97204 pge.opuc.filings@pgn.com	<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> DAVID HATTON REGULATED UTILITY & BUSINESS SECTION 1162 COURT ST NE SALEM OR 97301-4096 david.hatton@state.or.us
<b>KAFOURY &amp; MCDUGAL</b> LINDA K WILLIAMS 10266 SW LANCASTER RD PORTLAND OR 97219-6305 linda@lindawilliams.net	<b>PORTLAND GENERAL ELECTRIC COMPANY</b> DOUGLAS C. TINGEY ASST GENERAL COUNSEL 121 SW SALMON 1WTC13 PORTLAND, OR 97204 doug.tingey@pgn.com

**BEFORE THE PUBLIC UTILITY COMMISSION  
OF OREGON**

**UE 177/UE 178/UG 170/UG 171**

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 INDUSTRIAL
PORTLAND GENERAL ELECTRIC )	)	CUSTOMERS OF NORTHWEST
COMPANY, (UE 178) )	)	UTILITIES
	)	
NORTHWEST NATURAL, (UG 170) )	)	
	)	
and )	)	
	)	
AVISTA UTILITIES (UG 171) )	)	
	)	
to File Tariffs Establishing Automatic )	)	
Adjustment Clause Under the Terms of )	)	
SB 408. )	)	
_____ )	)	

Pursuant to Section 6.3 of the Intervenor Funding Agreement (“IFA”) approved by the Oregon Public Utility Commission (Commission) by Order No. 03-388 (July 2, 2003) and the August 23, 2007 Prehearing Conference Memorandum in this proceeding, the Industrial Customers of Northwest Utilities (“ICNU”) files this Proposed Budget in UE 177, UE 178, UG 170, and UG 171 (the “Proceedings”) for an Issue Fund Grant in the amount of \$52,000. ICNU proposes that this grant be split evenly between the PacifiCorp Issue Fund Account and the Portland General Electric Company (“PGE”) Issue Fund Account.

There are limited funds remaining in the PGE and PacifiCorp accounts, and the current Intervenor Funding Agreement (“IFA”) will expire on Dec. 31, 2007. ICNU is proposing

this budget based on the assumption that there will be additional funds available under a new IFA beginning next year, during whose term most of these expenses will be incurred. ICNU is prepared to file a revised budget under the terms of the new IFA at the Commission's request.

The Commission stated in its Modified Protective Order for these Proceedings that it "would entertain a request for increased intervenor funding to cover additional expenses resulting from the requirements imposed by the modified protective order." Re PacifiCorp, Docket Nos. UE 177, UE 178, UG 170, and UG 171, Order No. 06-033 at 5 (Jan. 25, 2006). ICNU expects to spend a significantly higher amount in this case than this budget shows. ICNU is voluntarily limiting its request to \$52,000 and will cover the remaining expenses with other funds.

ICNU respectfully requests that the Commission act on this Proposed Budget within 14 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 has retained Davison Van Cleve, P.C. to represent ICNU in these Proceedings. The Proceedings deal with the review of 2006 utility tax reports for the 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). the Proceedings directly affects both PGE and PacifiCorp, which are Participating Public Utilities under Section 1(k) of the IFA. Therefore, an Issue Fund Grant may be made for this proceeding under Section 6.1 the IFA.

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

**(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 and PGE 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 \$52,000. Pursuant to Section 7.7(a) of the IFA, ICNU proposes that the grant amount be allocated equally between the PacifiCorp and PGE Issue Fund Accounts, which were 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 the Proceedings.

**(6) Basis for Request:**

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

1. These Proceedings involve analysis of the 2006 utility tax filings pursuant to SB 408. As a result, these Proceedings have a direct impact on all customers of PGE and PacifiCorp in Oregon.

2. These Proceedings present the first review of utility tax filings under the rules adopted by the Commission pursuant to SB 408 and therefore involve 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 these Proceedings could have a significant impact on customer rates.

3. ICNU has been precertified 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 1, 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 and PGE industrial customers.

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

Dated this 5th day of December, 2007.

Respectfully submitted,

DAVISON VAN CLEVE, P.C.

/s/ Melinda J. Davison

Melinda J. Davison

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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	5	215.00	1,075.00
Draft data requests, respond to data requests, organize discovery, review discovery responses, discovery disputes, depositions	Assoc. Attorney	12	175.00	2,100.00
<b><i>Case Preparation</i></b>	Sr. Attorney	12	215.00	2,580.00
Review filings and testimony, legal research, develop case strategy, prepare testimony, communications with expert witnesses, prepare issue statements	Assoc. Attorney	20	175.00	3,500.00
<b><i>Procedural Matters</i></b>	Sr. Attorney	5	215.00	1,075.00
Draft and review pleadings, hearings regarding procedural issues	Assoc. Attorney	10	175.00	1,750.00
<b><i>Settlement</i></b>	Sr. Attorney	10	215.00	2,150.00
Prepare for and attend settlement meetings, draft settlement documents	Assoc. Attorney	5	175.00	875.00
<b><i>Communication</i></b>	Sr. Attorney	8	215.00	1,720.00
Meetings and communications with clients and third parties	Assoc. Attorney	8	175.00	1,400.00
<b><i>Hearings/Workshops</i></b>	Sr. Attorney	15	215.00	3,225.00
Preparation and attendance at hearings, workshops and other Commission sponsored meetings	Assoc. Attorney	15	175.00	2,625.00
<b><i>Briefing/Oral Argument</i></b>	Sr. Attorney	10	215.00	2,150.00
Prepare for and attend oral argument, draft briefs, legal research related to briefs	Assoc. Attorney	15	175.00	2,625.00
	Total Hours	150	Sub-Total	28,850.00
 <u>Expert Witness Fees</u>				
Witness				20,000.00
 <u>Expenses</u>				
Travel Expenses (Mileage)				100.00
Consultant Travel Expenses				2,800.00
Printing and Reproduction				150.00
Postage				100.00
			Sub-Total	3,150.00
			<b><u>Grand Total</u></b>	52,000.00

ICNU expects to expend a significantly higher amount on this proceeding, especially on expert witness fees. ICNU is voluntarily limiting its request to \$52,000.