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October 16, 2006

**VIA ELECTRONIC FILING
& U.S. MAIL**

Oregon Public Utility Commission
550 Capitol Street NE, #215
PO Box 2148
Salem, OR 97308-2148
Attn: PUC Filing Center

**Re: In the Matter of Pacific Power & Light Request for a
General Rate Increase in the Company's Oregon Annual Revenues
Docket No. UE-179**

Dear Filing Center:

Enclosed please find the Request for Payment of Issue Fund Grant of the Klamath Water Users Association ("KWUA") in the above-referenced docket. Please note that Attachment A to the Request has been designated **Confidential** and will only be provided to the Commission.

Should you have any questions regarding this filing, please call.

Respectfully submitted,



Edward A. Finklea
Counsel for Klamath Water Users Association

EAF/tr
Enclosures
cc: Service List

**BEFORE THE PUBLIC UTILITY COMMISSION
OF OREGON**

UE 179

In the Matter of the Request of)	
)	
PACIFIC POWER & LIGHT)	THE KLAMATH WATER USERS
(dba PacifiCorp))	ASSOCIATION REQUEST FOR
)	PAYMENT OF ISSUE FUND GRANT
Request for a General Rate Increase in the)	
Company's Oregon Annual Revenues)	
)	

Pursuant to Section 7.3 of the Intervenor Funding Agreement (IFA), the Klamath Water Users Association (KWUA) requests payment of \$8,000 for the Issue Fund Grant authorized by the Commission in the above-referenced docket.

On February 23, 2006, Pacific Power & Light d/b/a PacifiCorp (PacifiCorp) filed a general rate case with the Oregon Public Utility Commission (Commission) seeking an annual revenue increase of 13.2%. PacifiCorp also proposed increasing Schedule 41 rates for irrigation customers by nearly 20%.

On April 17, 2006, KWUA intervened. On May 8, 2006, KWUA filed a Notice of Intent to Request an Issue Fund Grant and a proposed budget of \$30,000. On June 1, 2006, the Commission approved KWUA's Issue Fund Grant, but reduced the budget to \$8,000. *See Order 06-264.*

KWUA requests that the Commission authorize payment of \$8,000 for the Issue Fund Grant. KWUA is only requesting payment of \$8,000, despite the fact that KWUA's actual fees expended in this proceeding far exceed the \$8,000 budget. Confidential Exhibit A contains KWUA's attorney and consulting fees for this proceeding.

PAGE 1 – KWUA REQUEST FOR PAYMENT OF ISSUE FUND GRANT

KWUA's request for Payment satisfies the criteria in the IFA because consultant fees, expert witness fees and attorneys' fees are Eligible Expenses under Section 7.4 of the IFA. Moreover, the requirement of Section 7.3 of the IFA are satisfied because itemized expenses, payees and hourly rates are provided in Confidential Exhibit A as required by § 7.3(a) of the IFA. Moreover, KWUA was an active participant in this Docket. KWUA attended settlement conferences, submitted data requests and filed testimony on issues impacting irrigation customers and its consultant was a co-sponsor of the Joint Testimony in Support of the Stipulation. Expenses related to these activities were reasonably incurred and are directly attributable to the issues and positions pursued on KWUA's behalf as required by § 7.3(b) of the IFA. Finally, no conditions were placed on KWUA's Issue Fund Grant in Order No. 06-264. IFA §7.4(c).

Fees included in Confidential Exhibit A are directly related to services provided by Regulatory and Cogeneration Services, KWUA's consultant and Cable Huston Benedict Haagensen and Lloyd, KWUA's counsel. KWUA requests payment of the \$8,000, as the funds were spent on KWUA's active participation in the case.

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PAGE 2 – KWUA REQUEST FOR PAYMENT OF ISSUE FUND GRANT

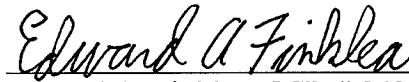
Pursuant to Section 7.6 of the IFA, KWUA respectfully requests that the Commission approve payment of KWUA's Issue Fund Grant in the amount of \$8,000 within 30 days of receipt of this Request for Payment and order PacifiCorp to make such payment.

Payment should be sent to:

Mr. Greg Addington, Executive Director
Klamath Water Users Association
2455 Patterson Street, Suite 3
Klamath Falls, OR 97603

DATED: October 16, 2006.

Respectfully submitted,



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Of Attorneys for Klamath Water
Users Association

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that I caused to be served the foregoing on the attached Service List obtained on October 16, 2006 from the Oregon Public Utility Commission's Website as follows:

by **MAILING** a full, true and correct copy thereof in a sealed, postage-paid envelope, addressed as shown on the attached Service List, and deposited with the U.S. Postal Service at Portland, Oregon, on the date set forth below;

and by **electronic mail** ("e-mail") to those parties on the Oregon Public Utility Commission's Website Service List who listed an e-mail address.

DATED: October 16, 2006.



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