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May 13, 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 PACIFICORP 2009 Renewable Energy Adjustment
Clause
Docket No. UE 200

Dear Filing Center:

Enclosed please find the original Proposed Budget on behalf of the Industrial
Customers of Northwest Utilities in the above-referenced docket.

Thank you for your assistance.

Sincerely,

/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 on behalf of the Industrial Customers of Northwest Utilities upon the parties, on the service list, by causing the same to be deposited in the U.S. Mail, postage-prepaid, where paper service has not been waived, and via electronic mail.

Dated at Portland, Oregon, this 13th day of May, 2008.

/s/ Brendan E. Levenick
Brendan E. Levenick

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W=Waive Paper service

**BEFORE THE PUBLIC UTILITY COMMISSION
OF OREGON**

UE 200

In the Matter of)	
)	PROPOSED BUDGET FOR
PACIFICORP)	ISSUE FUND GRANT OF THE
)	INDUSTRIAL CUSTOMERS OF
2009 Renewable Energy Adjustment Clause)	NORTHWEST UTILITIES
_____)	

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 200 (the “Proceeding”) for an Issue Fund Grant in the amount of \$70,020. 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 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 UE 200. In UE 200, PacifiCorp filed an application for its 2009 Renewable Energy Adjustment Clause. 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 200 directly affects PacifiCorp, which falls under the definition of “Participating Public Utility” in Section 1(k) of

the IFA. Therefore, UE 200 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 conduct discovery, and attend all clarifying sessions, workshops, settlement conferences and hearings in UE 200. In addition, ICNU intends to sponsor expert witness testimony and prepare 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 PacifiCorp's proposed 2009 Renewable Energy Adjustment Clause, including its model and assumptions, its power cost figures, the prudence of resource acquisitions, its consistency with Senate Bill ("SB") 838 and the settlement in UM 1330, and other issues related to the filing.

(3) Description of the particular customer class or classes that will benefit from ICNU's participation:

ICNU's participation will directly benefit industrial customers who take service from PacifiCorp. ICNU's investigation regarding the Renewable Energy Adjustment Clause should benefit all of PacifiCorp's customers. ICNU has participated in previous PacifiCorp rate cases and proceedings, including UE 111, UE 147, UE 170, UE 173, UE 179, UE 191, UM 1050, UM 1081, UM 1129, and UM 1209. ICNU also participated in the SB 838 implementation proceeding (UM 1330). Thus, ICNU and its members possess significant interest and expertise with respect to issues regarding PacifiCorp's rates and services.

(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 \$70,020. ICNU proposes that the grant amount be allocated from the PacifiCorp Issue Fund Account established under

IFA Section 4.2.3. ICNU has been informed that the amount available in the PacifiCorp Issue Fund Account is \$207,810.44.

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

Attached as Exhibit A are ICNU's estimated attorney and consultant fees in UE 200. ICNU's witness(es) will address PacifiCorp's Renewable Energy Adjustment Clause.

(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 request for this Issue Fund Grant in the amount of \$70,020 based on the following considerations:

1. In this Docket, PacifiCorp proposes to increase overall rates by 4.2% and industrial rates by 5.8%. Under SB 838, the OPUC was required to adopt an automatic adjustment clause for the recovery of prudently incurred costs of constructing or acquiring qualifying renewable resources and associated transmission. As a result, UE 200 may have a significant and direct impact on PacifiCorp's industrial customers.

2. This is the first proceeding regarding PacifiCorp's Renewable Energy Automatic Adjustment Clause. ICNU needs to thoroughly analyze whether it is consistent with SB 838 and the settlement in UM 1330.

3. PacifiCorp is seeking to recover the costs of eight new or existing renewable resources, totaling about 713 megawatts of nameplate capacity. The reasonableness and prudence of these resource acquisitions will be reviewed in this proceeding.

4. In addition, ICNU will review other issues including the proper accounting of PacifiCorp's cost associated with renewable resources.

5. 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.

6. ICNU has been pre-certified 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 21, 2003.

Therefore, ICNU respectfully requests that the Commission issue an order granting an Issue Fund Grant in the amount of \$70,020. ICNU prepared the attached budget on the basis of the schedule adopted in the prehearing conference report issued in this Docket on April 25, 2008.

Dated this 13th May, 2008.

Respectfully submitted,

DAVISON VAN CLEVE, P.C.

/s/ Irion A. Sanger

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Of Attorneys for Industrial Customers
of Northwest Utilities

Exhibit A

Proposed Budget of ICNU

UE 200

Exhibit A

ICNU Proposed Budget for Issue Fund Grant

Personnel	Hours	Rate	Cost
<i>Attorney Fees</i>			
Senior Attorney	64	\$210.00	\$13,440.00
Associate Attorney	131	\$180.00	\$23,580.00
<i>Expert Witness Fees</i>			
Witness 1 (Discovery, Travel, Testimony, and Hearing regarding Net Power Costs)		\$21,500.00	\$21,500.00
Witness 2 (Discovery, Travel, Testimony, and Hearing regarding accounting issues)		\$10,000.00	\$10,000.00
<i>Other Expenses</i>			
Travel			\$1,250.00
Printing and Postage			\$250.00
		Total	\$70,020.00