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August 22, 2008

Via Electronic and U.S. 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 PORTLAND GENERAL ELECTRIC COMPANY
Annual Adjustment to Schedule 126 under the Terms of the Annual Power Cost
Variance Mechanism
Docket No. UE 201

Dear Filing Center:

Enclosed please find an original and one courtesy copy of the Proposed Budget on behalf of the Industrial Customers of Northwest Utilities in the above-referenced docket. Thank you for your attention to this matter.

Thank you for your attention to this matter.

Sincerely yours,

/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.

Dated at Portland, Oregon, this 22nd day of August, 2008.

/s/ Brendan E. Levenick
Brendan E. Levenick

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**BEFORE THE PUBLIC UTILITY COMMISSION
OF OREGON**

UE 201

In the Matter of)	
)	
PORTLAND GENERAL ELECTRIC)	PROPOSED BUDGET FOR
COMPANY)	ISSUE FUND GRANT OF THE
)	INDUSTRIAL CUSTOMERS OF
)	NORTHWEST UTILITIES
Application for Annual Adjustment to Schedule)	
126 under the Terms of the Annual Power Cost)	
Variance Mechanism.)	

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 201 (the “Proceeding”) for an Issue Fund Grant in the amount of \$12,000. Unless ICNU seeks an amendment to this Proposed Budget as described below, ICNU will bear all its costs in the Proceeding that exceed \$12,000. ICNU proposes that this grant be funded from the Portland General Electric Company (“PGE”) Issue Fund Account. ICNU respectfully requests that the Commission act on this Proposed Budget within fourteen 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 UE 201. In UE 201, PGE filed an Application for Annual Adjustment to Schedule 126 under the Terms of the Annual Power Cost Variance Mechanism. 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 201 directly affects PGE, which falls under the definition of “Participating Public Utility” in Section 1(k) of the IFA. Therefore, UE 201 is an Eligible Proceeding and an Issue Fund Grant may be made for this proceeding under Section 6.1 of the IFA.

ICNU will attend all clarifying sessions, workshops, settlement conferences, public meetings, oral presentations and hearings in UE 201. ICNU plans to conduct discovery in this Proceeding. In addition, ICNU will submit expert witness testimony and briefs as called for by the procedural schedule in this Docket.

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

UE 201 involves PGE’s first annual true-up filing under its new Annual Power Cost Variance Mechanism. PGE proposes to refund \$15.8 million to customers pursuant to the filing. ICNU intends to investigate numerous aspects of the filing, including whether all costs included in the filing are appropriate for inclusion in rates.

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

ICNU’s participation will directly benefit industrial customers, as well as all other large non-residential customers who purchase service from PGE.

(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 \$12,000. ICNU will bear the cost of its participation to the extent that its costs exceed the amount requested. ICNU proposes that the grant amount be allocated from the PGE Issue Fund Account established under

IFA Section 4.2.3. ICNU has been informed that the amount available in the PGE Issue Fund Account is \$15,936.37. It is likely that some funds from the PGE Issue Fund Account that were previously allocated in UE 197 and UE 198 will be released back to the PGE Issue Fund Account. In that event, ICNU requests the right to seek an amendment to its Proposed Budget in this Proceeding to request reimbursement of additional amounts.

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

Attached as Exhibit A is ICNU's proposed budget in UE 201.

(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 \$12,000 based on the following considerations:

1. In this proceeding, PGE proposes to calculate the amount due under the Power Cost Variance mechanism based on an actual 2007 Net Variable Power Cost ("NVPC") of \$677.8 million.

2. It is important to carefully review PGE's filing to determine that all costs included in the NVPC calculation were prudently incurred and are properly included in rates. In addition, PGE must demonstrate that it properly performed the calculation of the refund amount under the Power Cost Variance Mechanism. Finally, this case is important because it the first time that PGE has made its annual filing under the Power Cost Variance Mechanism.

3. ICNU represents the interests of industrial customers and has significant experience participating in Commission proceedings involving PGE. ICNU's participation will benefit all PGE industrial and large non-residential customers. In addition, ICNU has participated in numerous previous rate cases of PGE. Thus, ICNU possesses significant interest and expertise with respect to this proceeding.

4. ICNU has been pre-certified under Section 5.2(b)(2) of the IFA and OAR § 860-012-0100(3) as eligible to receive an Issue Fund Grant by Order No. 03-502, which was entered on August 21, 2003.

5. ICNU has been actively participating in UE 196, a case related to recovery of Boardman outage costs. UE 196 has become much more complex than originally contemplated. The schedule has been changed twice. ICNU did not request an issue fund grant in UE 196. ICNU expects to fully use its 2008 PGE Matching Fund Grant for costs associated with UE 196.

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

Dated this 22nd day of August, 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

ICNU Proposed Budget for Issue Fund Grant

<u>Category</u>	<u>Personnel</u>	<u>Hours</u>	<u>Rate</u>	<u>Cost</u>
<i>Discovery</i>	Sr. Attorney	2	215.00	430.00
Draft data requests, respond to data requests, organize discovery, review discovery responses, discovery disputes, depositions	Assoc. Attorney	5	155.00	775.00
	Paralegal	10	125.00	1,250.00
<i>Case Preparation</i>	Sr. Attorney	5	215.00	1,075.00
Review filings and testimony, legal research, develop case strategy, prepare testimony, communications with expert witnesses, prepare issue statements	Assoc. Attorney	10	155.00	1,550.00
	Paralegal	15	125.00	1,875.00
<i>Procedural Matters</i>	Sr. Attorney	5	215.00	1,075.00
Draft and review pleadings, hearings regarding procedural issues	Assoc. Attorney	5	155.00	775.00
<i>Settlement</i>	Sr. Attorney	10	215.00	2,150.00
Prepare for and attend settlement meetings, draft settlement documents	Assoc. Attorney	5	155.00	775.00
<i>Communication</i>	Sr. Attorney	0	215.00	0.00
Meetings and communications with clients and third parties	Assoc. Attorney	0	155.00	0.00
<i>Hearings/Workshops</i>	Sr. Attorney	20	215.00	4,300.00
Preparation and attendance at hearings, workshops and other Commission sponsored meetings	Assoc. Attorney	10	155.00	1,550.00
<i>Briefing</i>	Sr. Attorney	5	215.00	1,075.00
Draft briefs, legal research related to briefs	Assoc. Attorney	15	155.00	2,325.00
	Total Hours	122	Sub-Total	20,980.00
 <u>Expert Witness Fees</u>				
Expert Witness 1				15,000.00
			Sub-Total	15,000.00
 <u>Expenses</u>				
Travel Expenses (Mileage)				200.00
Expert Expenses				1,500.00
Printing and Reproduction				500.00
			Sub-Total	2,200.00
			<u>Grand Total</u>	38,180.00
 In-House Resources				
20% of Eligible Expenses				7,636.00
			ICNU PGE Issue Fund Grant Proposed Budget: \$	30,544.00
			Amount Released due to Limited Available Intervenor Funds	18,544.00
			Total ICNU PGE Issue Fund Grant Proposed Budget: \$	12,000.00

(ICNU is requesting less money than it expects to expend in this docket.)