

# Davison Van Cleve PC

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April 18, 2012

***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 PACIFICORP 2013 Transition Adjustment Mechanism  
**Docket No. UE 245**

Dear Filing Center:

Enclosed please find an original and one (1) 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.

Sincerely yours,

/s/ Sarah A. Kohler  
Sarah A. Kohler

Enclosures

cc: Service List

## CERTIFICATE OF SERVICE

I HEREBY CERTIFY that I have this day served the foregoing the 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, and via electronic mail where paper service has been waived.

Dated at Portland, Oregon, this 18th day of April, 2012.

/s/ Sarah A. Kohler  
Sarah A. Kohler

<b>(W) PUC STAFF--DEPARTMENT OF JUSTICE</b> JASON W JONES (C) 1162 COURT ST NE SALEM OR 97301-4096 jason.w.jones@doj.state.or.us	<b>(W) PACIFICORP, DBA PACIFIC POWER</b> OREGON DOCKETS 825 NE MULTNOMAH ST, STE 2000 PORTLAND OR 97232 oregondockets@pacificorp.com
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**BEFORE THE PUBLIC UTILITY COMMISSION  
OF OREGON**

**UE 245**

In the Matter of	)	
	)	PROPOSED BUDGET FOR
PACIFICORP	)	ISSUE FUND GRANT OF THE
	)	INDUSTRIAL CUSTOMERS OF
2013 Transition Adjustment Mechanism	)	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 245 (the “Proceeding”) for an Issue Fund Grant in the amount of \$30,000. 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 245. In UE 245, PacifiCorp filed an application for its 2013 Transition Adjustment Mechanism (“TAM”). 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 245 directly affects PacifiCorp, which falls under the definition of “Participating Public Utility” in Section

1(k) of the IFA. Therefore, UE 245 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 245. In addition, ICNU intends to sponsor expert witness testimony and prepare briefs, as called for by the procedural schedule in this Proceeding.

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

ICNU intends to investigate PacifiCorp's proposed 2013 TAM, including its GRID model and assumptions, its power cost figures, the prudence of resource acquisitions, 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. In addition, ICNU's investigation regarding the TAM should benefit all of PacifiCorp's customers. ICNU has participated in previous PacifiCorp TAM proceedings, including UE 207, UE 216, and UE 227. ICNU has also participated in PacifiCorp's two most recent general rate cases – UE 210 and UE 217. 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 \$30,000, 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 \$104,407.

**(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 245. The Proposed Budget details the expected hours and hourly rates of ICNU's attorneys and experts. The Proposed Budget was developed based on the costs ICNU incurred in previous TAM cases, and is lower than ICNU's budgets in the last two TAM cases.

**(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 \$30,000, based on the following considerations:

1. PacifiCorp proposes to increase overall rates by 0.8% and industrial rates by 1.2%. As a result, UE 245 may have a significant and direct impact on PacifiCorp's industrial customers.
2. ICNU plans to thoroughly analyze PacifiCorp's costs included in its 2013 TAM filing. ICNU has filed power cost testimony in other PacifiCorp TAM proceedings, including UE 207, UE 216, and UE 227.
3. PacifiCorp is seeking a total rate increase in the TAM of about \$9.9 million. The reasonableness and prudence of new 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 its TAM filing.

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 of PacifiCorp's industrial customers.

6. ICNU has been precertified under Sections 5.1 and 5.2 of the IFA and OAR § 860-001-0120(3)(b), as eligible to receive an Issue Fund Grant, by Commission Order No. 07-576, which was entered on December 20, 2007.

Therefore, ICNU respectfully requests that the Commission issue an order granting an Issue Fund Grant in the amount of \$30,000. ICNU prepared the attached budget on the basis of the schedule adopted in the corrected prehearing conference report, issued in this Docket on March 20, 2012.

Dated this 18th of April, 2012.

Respectfully submitted,

DAVISON VAN CLEVE, P.C.

/s/Melinda J. Davison

Melinda J. Davison

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Of Attorneys for Industrial Customers  
of Northwest Utilities

## **Exhibit A**

### **Proposed Budget of ICNU**



UE 245

Exhibit A

ICNU Proposed Budget for Issue Fund Grant

Personnel	Hours	Rate	Cost
<i>Attorney Fees</i>			
Senior Attorney	25	\$245.00	\$6,125
Associate Attorney	120	\$195.00	\$23,400
Paralegal	50	\$125.00	\$6,250
<i>Expert Witness Fees</i>			
Expert 1 (Power Costs)	133	\$150.00	\$20,000
Expert 2 (Power Costs)	10	\$205.00	\$2,000
Travel			\$800
Printing and Postage			\$500
Subtotal			\$59,075
20% of Eligible Expenses			\$11,815
<b>ICNU PacifiCorp Issue Fund Grant Eligibility</b>			<b>\$47,260</b>
<b>Total ICNU PacifiCorp Issue Fund Grant Proposed Budget</b>			<b>\$30,000<sup>1/</sup></b>

<sup>1/</sup> Due to the limitation of funds in the issue fund account, ICNU is reducing the amount it is seeking from the issue fund for this case. The budget number has been coordinated with the Citizens' Utility Board of Oregon.