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May 3, 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 2012 Oregon General Rate Case
Docket No. UE 246

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 3rd day of May, 2012

/s/ Sarah A. Kohler
Sarah A. Kohler

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**BEFORE THE PUBLIC UTILITY COMMISSION
OF OREGON**

UE 246

In the Matter of)	
)	PROPOSED BUDGET FOR
PACIFICORP)	ISSUE FUND GRANT OF THE
)	INDUSTRIAL CUSTOMERS OF
2012 Oregon General Rate Case)	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 246 (the “Proceeding”) for an Issue Fund Grant in the amount of \$24,000. 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 246. In UE 246, PacifiCorp filed an application for its 2012 Oregon General Rate Case (“GRC”). 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 246 directly affects PacifiCorp, which falls under the definition of “Participating Public Utility” in Section 1(k) of

the IFA. Therefore, UE 246 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 246. 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 2012 GRC, 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 GRC should benefit all of PacifiCorp's customers. ICNU has participated in many of PacifiCorp's previous rate cases, including 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 \$24,000, from the PacifiCorp Issue Fund Account, established under IFA Section 4.2.3. ICNU and CUB have coordinated our budgets regarding the remaining available PacifiCorp Issue Fund, to accommodate for both the General Rate Case and PacifiCorp's TAM. At the start of the TAM, \$108,217 remained in the PacifiCorp Issue Fund Account. In the TAM, CUB requested \$15,000,

and ICNU requested \$30,000. ICNU has been informed that the amount available in the PacifiCorp Issue Fund Account is currently \$59,407. ICNU is requesting \$24,000 to participate in the GRC. ICNU's actual expenditures will be significantly higher.

(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 246. 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 GRC 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 \$24,000, based on the following considerations:

1. PacifiCorp proposes to increase overall rates by 4.6% and industrial rates by 7%. Instead of an equal percentage overall rate increase, PacifiCorp is proposing a rate spread based on a cost of service study that may have a significant and direct impact on PacifiCorp's industrial customers.
2. ICNU plans to thoroughly analyze PacifiCorp's costs included in its 2012 GRC filing. ICNU has filed power cost testimony in other PacifiCorp GRC proceedings, including UE 210 and UE 217.

3. PacifiCorp is seeking a total rate increase in the GRC of about \$54.3 million to fund investments in new solar technology, environmental improvements on its hydro facilities to improve fish passage and protection, environmental emission and pollution controls, and the proposed retirement and decommissioning of its 172 MW Carbon plant in Helper, Utah. The reasonableness and prudence of these investments 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 GRC 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 \$24,000. 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 3rd of May, 2012.

Respectfully submitted,

DAVISON VAN CLEVE, P.C.

/s/Melinda J. Davison

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Of Attorneys for Industrial Customers
of Northwest Utilities

Exhibit A

Proposed Budget of ICNU

UE 246

Exhibit A

ICNU Proposed Budget for Issue Fund Grant

Personnel	Hours	Rate	Cost
<i>Attorney Fees</i>			
Senior Attorney	50	\$240.00	\$6,125
Associate Attorney	200	\$195.00	\$23,400
Paralegal	50	\$125.00	\$6,250
<i>Expert Witness Fees</i>			
Expert 1	150	\$225.00	\$20,000
Expert 2	166	\$150	\$25,000
Expert 3	93	\$215	\$20,000
<i>Other Expenses</i>			
Travel			\$3,000
Printing and Postage			\$500
Subtotal			\$104,275
20% of Eligible Expenses			\$20,855
ICNU PacifiCorp Issue Fund Grant Eligibility			\$83,420
Total ICNU PacifiCorp Issue Fund Grant Proposed Budget			\$24,000^{1/}

^{1/} 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.