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May 8, 2006

**VIA ELECTRONIC FILING
& FIRST CLASS MAIL**

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

Re: UE 179 – In the Matter of Pacific Power & Light (dba PacifiCorp)
Request for a General Rate Increase in the Company's Oregon Annual Revenues

Dear Filing Center:

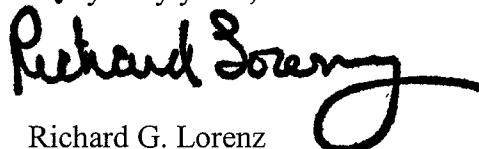
On behalf of the Klamath Water Users Association ("KWUA"), enclosed for filing in the above-referenced docket are the original and five copies of the following documents:

1. KWUA Notice of Intent to Request an Issue Fund Grant.
2. Proposed Budget of the Klamath Water Users Association For Issue Fund Grant.
3. KWUA Application For Case Certification Under Oar 860-012-0100(4) and Article 5.3 Of The Intervenor Funding Agreement.
4. KWUA Motion to File Application for Case Certification and Notice of Intent to Request an Issue Fund Grant Out of Time.

Please date-stamp the extra copies of the documents and return them in the self-addressed envelope provided.

Thank you for your assistance in this matter. Should you have any questions regarding this matter, please feel free to contact me. Thank you.

Very truly yours,


Richard G. Lorenz

cc: UE-179 Service List (via email & first class mail)

**BEFORE THE PUBLIC UTILITY COMMISSION
OF OREGON**

UE 179

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

The Klamath Water Users Association ("KWUA") files this Notice of Intent to Request an Issue Fund Grant in the above-captioned docket, UE-179, pursuant to OAR § 860-012-0100 and Section 6.2 of the Intervenor Funding Agreement ("IFA"). KWUA submits this Notice of Intent to notify the Oregon Public Utility Commission ("OPUC" or Commission"), pre-certified organizations and intervenors in UE 179 that KWUA will request intervenor funding for this proceeding.

1. On February 23, 2006, Pacific Power & Light d/b/a PacifiCorp ("PacifiCorp") filed a general rate case with the Oregon Public Utilities Commission ("OPUC" or "Commission") seeking an annual revenue increase of 13.2%. PacifiCorp specifically seeks to increase its Schedule 41 rates for irrigation customers by nearly 20%. This rate case has been docketed by the Commission as UE-179.

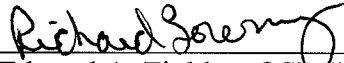
2. UE-179 is an eligible proceeding under the IFA. The IFA defines an eligible proceeding as "any commission proceeding that directly affects one or more of the Participating Public Utilities." IFA Section 1(c). Docket No. UE-179 will directly affect PacifiCorp.

PacifiCorp is a Participating Public Utility under Section 1(k) of the IFA. Therefore, an Issue Fund Grant may be made for this proceeding under Section 6.1 of the IFA.

3. KWUA identifies the PacifiCorp Fund Account as the account from which KWUA intends to request an Issue Fund Grant.

4. KWUA acknowledges that this Notice of Intent is not being filed along with its intervention as required by Section 6.2 of the IFA. This Notice of Intent, however, is being filed along with an Application for case certification, a proposed budget, and a motion to accept the filings out of time. In addition, this Notice of Intent is being served on PacifiCorp, all pre-certified organizations, and all parties identified on the service list for this Docket, UE-179.

Dated in Portland, Oregon, this 8th day of May, 2006.



Edward A. Finklea, OSB # 84216

Richard G. Lorenz, OSB # 00308

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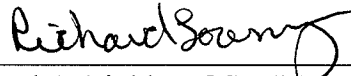
Of Attorneys for Klamath Water
Users Association

CERTIFICATE OF SERVICE

I hereby certify that I served the foregoing **KWUA NOTICE OF INTENT TO REQUEST AN ISSUE FUND GRANT** on the attached UE 179 Service List by:

- ☒ by **MAILING** a full, true and correct copy thereof in a sealed, postage-paid envelope, addressed as shown above, and deposited with the U.S. Postal Service at Portland, Oregon, on the date set forth below;
- ☐ by causing a full, true and correct copy thereof to be **HAND-DELIVERED** to the party, at the address listed above on the date set forth below;
- ☒ by **E-MAILING** a full, true and correct copy thereof to the party, at the e-mail address on record, on the date set forth below.

DATED May 8, 2006.



Edward A. Finklea, OSB # 84216
Richard G. Lorenz, OSB # 00308
Cable Huston Benedict Haagensen & Lloyd LLP
Attorneys for KWUA

KURT J BOEHM, ATTORNEY MICHAEL L KURTZ BOEHM KURTZ & LOWRY 36 E SEVENTH ST - STE 1510 CINCINNATI OH 45202	JAMES T SELECKY BRUBAKER & ASSOCIATES, INC. 1215 FERN RIDGE PKWY, SUITE 208 ST. LOUIS MO 63141
OPUC DOCKETS CITIZENS' UTILITY BOARD OF OREGON 610 SW BROADWAY - STE 308 PORTLAND OR 97205	JIM ABRAHAMSON, COORDINATOR COMMUNITY ACTION DIRECTORS OF OREGON PO BOX 7964 SALEM OR 97303-0208
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MICHAEL T WEIRICH ASSISTANT ATTORNEY GENERAL DEPARTMENT OF JUSTICE REGULATED UTILITY & BUSINESS SECTION 1162 COURT ST NE SALEM OR 97301-4096	KARL HANS TANNER, PRESIDENT OREGON ENERGY COORDINATORS ASSOCIATION 2448 W HARVARD BLVD ROSEBURG OR 97470
LAURA BEANE, MANAGER, REGULATION PACIFICORP 825 MULTNOMAH STE 800 PORTLAND OR 97232-2153	PORTLAND GENERAL ELECTRIC COMPANY RATES & REGULATORY AFFAIRS 121 SW SALMON ST 1WTC0702 PORTLAND OR 97204
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PAULA PYRON NORTHWEST INDUSTRIAL GAS USERS 4113 WOLF BERRY COURT LAKE OSWEGO, OR 97035-1827	

**BEFORE THE PUBLIC UTILITY COMMISSION
OF OREGON**

UE 179

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

Pursuant to the procedural schedule adopted in the above-captioned proceeding, the Klamath Water Users Association ("KWUA") submits its proposed budget for an issue fund grant in the amount of \$30,000. KWUA is comprised of a collection of PacifiCorp's irrigation customers who will pay power rates based on PacifiCorp's Schedule 41.

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 percent. PacifiCorp specifically seeks to increase its Schedule 41 rates for irrigation customers by nearly 20%. This rate case has been docketed by the Commission as UE-179. KWUA has timely intervened UE-179. Along with this proposed budget, KWUA also is providing a Notice of Intent to Seek Intervenor Funding, an Application for Case Certification under the Intervenor Funding Agreement ("IFA") and a Motion for leave to accept the Notice of Intent and Application for Case Certification out of time.

The IFA provides that precertified and case-certified intervenors seeking an issue fund grant must submit a proposed budget to the Commission. Accordingly, KWUA has attached a detailed budget as Appendix A. In addition, the IFA requires the following information:

1) A statement of the work to be performed.

KWUA has retained Don Schoenbeck, of Regulatory and Cogeneration Services and Cable Huston Benedict Haagensen & Lloyd to review PacifiCorp's filing and cost-of-service study as it relates to Schedule 41 rates and tariff design. KWUA, through its attorneys and consultants, will engage in discovery, review the filing and the cost of service study, and if necessary, submit testimony, participate in settlement conferences, cross-examine witnesses, submit briefs and participate in oral argument.

2) A description of the areas to be investigated.

KWUA's participation in UE-179 will focus on PacifiCorp's irrigation rate and tariff design and will benefit the entire class of customers taking service under PacifiCorp's Schedule 41.

3) A description of the particular customer class(es) that will benefit from the intervenor's participation.

KWUA is a nonprofit corporation comprised of approximately 20 public agencies, most of which are irrigation districts, and many other private irrigators located in PacifiCorp's service territory. In UE-170, the Commission ordered that KWUA members will take service from PacifiCorp at rates based on Schedule 41, PacifiCorp's generally applicable irrigation tariff. In this proceeding, therefore, KWUA intends to present evidence concerning PacifiCorp's generally applicable irrigation tariff that will benefit all customers that take service from PacifiCorp under such tariff.

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/ / /

4) Identification of the specific fund accounts from which the intervenor is seeking monies

KWUA identifies the PacifiCorp Fund Account as the account from which KWUA is seeking monies. In UE 170, KWUA applied for and received case certification to be eligible to receive an issue fund grant. *See In re PacifiCorp*, Docket No. UE 170, Order No. 05-134 (March 17, 2005). The Commission allocated \$30,000 of intervenor funding from the PacifiCorp Fund Account for PacifiCorp's irrigation customers to be shared by KWUA and the Klamath Off-Project Water Users Association ("KOPWUA"). At the time KWUA and KOPWUA applied for case certification in UE 170, they both intended to focus not only on issues related to the historic rates, but also on the rates and terms and conditions of service generally applicable to PacifiCorp's Schedule 41 customers. In the end, due to their limited resources, KWUA and KOPWUA focused primarily on issues related to the historic rates. Accordingly, neither KWUA nor KOPWUA requested or received payment from the PacifiCorp issue fund account in UE 170. Under Section 4.3 of the Intervenor Funding Agreement, any unclaimed funds in the PacifiCorp Fund Account should have rolled over and should still be available, unless another pre-certified entity or case certified intervenor has claimed these funds.

5) A budget showing estimated attorney, consultant and expert witness fees, which may include the cost for appropriate support staff and operations support.

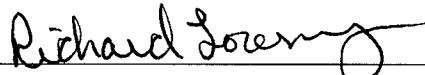
KWUA has attached a detailed budget for KWUA's participation in this proceeding as Appendix A. The Commission will notice that KWUA intends to allocate the majority of the funding to substantive analysis by Mr. Schoenbeck rather than legal argument by Cable Huston.

CONCLUSION

KWUA respectfully request that the Commission approve its proposed budget for an issue fund grant.

DATED May 8, 2006.

CABLE HUSTON BENEDICT HAAGENSEN &
LLOYD LLP



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rlorenz@chbh.com

Of Attorneys for Klamath Water Users
Association

UE 179**KWUA PROPOSED BUDGET**

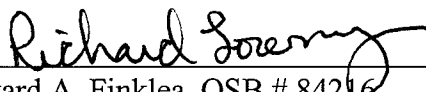
WORK TO BE PERFORMED	PERSONNEL	HOURS	RATE	COST
ATTORNEYS				
Analyze case and conduct discovery	Partners	25	\$185	\$ 4,625.00
File direct and rebuttal testimony	Partners	20	\$185	\$3,700.00
Attend hearing	Partners	5	\$185	\$ 925.00
File brief	Partners	4	\$185	\$ 740.00
EXPERT WITNESS				
Conduct analysis and engage in discovery	Don Schoenbeck	50	\$200	\$10,000.00
File direct and rebuttal testimony	Don Schoenbeck	45	\$200	\$ 9,000.00
Attend hearings	Don Schoenbeck	5	\$200	\$ 1,000.00
TOTAL HOURS: 151				
TOTAL REQUESTED FUNDS: \$29,990.00				

CERTIFICATE OF SERVICE

I hereby certify that I served the foregoing **PROPOSED BUDGET OF THE KLAMATH WATER USERS ASSOCIATION FOR ISSUE FUND GRANT** on the attached UE 179 Service List by:

- ☒ by **MAILING** a full, true and correct copy thereof in a sealed, postage-paid envelope, addressed as shown above, and deposited with the U.S. Postal Service at Portland, Oregon, on the date set forth below;
- ☐ by causing a full, true and correct copy thereof to be **HAND-DELIVERED** to the party, at the address listed above on the date set forth below;
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DATED May 8, 2006.



Edward A. Finklea, OSB # 84216
Richard G. Lorenz, OSB # 00308
Cable Huston Benedict Haagensen & Lloyd LLP
Attorneys for KWUA

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UE 179

THE KLAMATH WATER USERS
ASSOCIATION APPLICATION FOR
CASE CERTIFICATION UNDER OAR
860-012-0100(4) AND ARTICLE 5.3 OF
THE INTERVENOR FUNDING
AGREEMENT

service territory. KWUA members, including the irrigation districts and other private irrigator members, are customers of PacifiCorp. KWUA members irrigate over 200,000 acres of farmland. KWUA's mission is to represent the interests of irrigators in the Upper Klamath River Basin with respect to power, water and real-property matters affecting its members.

4. In UE-170, the Commission ruled that KWUA members should take service at rates based on PacifiCorp's general irrigation tariff, Schedule 41. PacifiCorp proposes to significantly increase Schedule 41 rates. Thus, KWUA and its many members have a substantial interest in the outcome of PacifiCorp's general rate case and the impact of any proposed rate increase on PacifiCorp's irrigation tariffs.

5. KWUA meets each of the criteria for grant eligibility set forth in OAR 860-012-0100(4)(a-f) and Articles 5.3(a-f) of the IFA:

(a) KWUA will represents the interest of a broad class of customers. Its participation in UE-179 will benefit all of PacifiCorp's irrigation customers taking service under Schedule 41.

KWUA has previously been certified by the Commission to receive intervenor funding. In UE 170, KWUA applied for and received case certification. At the time KWUA applied for case certification, KWUA intended to focus not only on issues related to a historic rate contract, but also on issues that generally impact PacifiCorp's irrigation customers. In the end, due to its limited resources, KWUA focused on issues related to the rate contract and not on Schedule 41. Accordingly, KWUA did not request payment of intervenor funding in UE 170.

Unlike UE 170, KWUA's participation in UE-179 will focus solely on the rates, rate design and quality of service applicable to PacifiCorp's Schedule 41. Accordingly, KWUA's participation will be directed at PacifiCorp's rates and terms and conditions of service affecting the entire class of customers taking service under PacifiCorp's Schedule 41 as required by Article 5.3(a) of the IFA.

(b) KWUA is able to effectively represent PacifiCorp's irrigation class of customers. First, KWUA is one of the largest associations of irrigation districts and irrigators in Oregon.

Second, KWUA engaged the law firm of Cable Huston Benedict Haagensen & Lloyd LLP ("Cable Huston") to represent KWUA in UE-179. Cable Huston attorneys representing KWUA in this proceeding have extensive experience practicing before this Commission as well as the Washington Utilities and Transportation Commission ("WUTC") and Federal Energy Regulatory Commission ("FERC") in general rate proceedings and in other proceedings involving the rates and terms and conditions of service impacting customers of electric, natural gas and oil pipeline companies. In addition, Cable Huston represented KWUA in PacifiCorp's last general rate proceeding, UE 170. KWUA will be able to effectively represent irrigation customers of PacifiCorp in this proceeding.

(c) KWUA's members are customers of PacifiCorp, which is a party to the IFA. KWUA is funded almost entirely by dues collected from its members. The intervenor funding sought in this proceeding would, if granted, represent a very small portion of KWUA's

overall annual budget. KWUA's members serviced by PacifiCorp contribute a significant percentage of the overall support and funding of the organization.

(d) KWUA will substantively contribute to the record with respect to the rates and terms and conditions of service offered by PacifiCorp to its irrigation customers in Oregon. As discussed above in section 6(b), KWUA already has engaged Cable Huston as counsel, which has extensive experience advocating for customer interests in rate cases before this Commission. KWUA has also retained the services of rate experts to participate in discovery, present testimony and participate in hearings. Therefore KWUA has demonstrated the ability to substantively contribute to the record on behalf of irrigators.

(e) To the best of KWUA's knowledge, no other party or pre-certified intervenor adequately represents the specific interests of irrigators in UE-179. The pre-certified intervenors in this proceeding will be the Citizens Utility Board ("CUB") and the Industrial Customers of Northwest Utilities ("ICNU"). CUB represents only residential rate payers and ICNU represents only industrial customers. Irrigation customers have a different tariff and a fundamentally different load profile than any other class of customers affected by this proceeding. Thus, no other party or pre-certified intervenor represents irrigation customers, and all irrigation customers of PacifiCorp would benefit from KWUA participation on their behalf in UE-179. Furthermore, KWUA is not aware of PacifiCorp's irrigation customers ever having the benefit of intervenor funding in any prior rate case. Thus, the allocation of intervenor funding to Schedule 41 customers is not only appropriate but long overdue.

(f) KWUA's request for case-certification will not unduly delay the schedule of UE-179.

7. As demonstrated above, KWUA meets the requirements of OAR 860-012-0100(4) and Article 5.3 of the IFA. Therefore, KWUA respectfully requests that the Commission certify KWUA as an entity eligible to receive Issue Fund Grants for UM-179.

DATED Monday, May 08, 2006.



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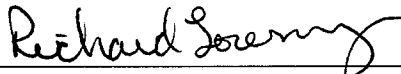
Of Attorneys for Klamath Water
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CERTIFICATE OF SERVICE

I hereby certify that I served the foregoing **KWUA APPLICATION FOR CASE CERTIFICATION AND NOTICE OF INTENT TO REQUEST AN ISSUE FUND GRANT OUT OF TIME** on the attached UE 179 Service List by:

- ☒ by **MAILING** a full, true and correct copy thereof in a sealed, postage-paid envelope, addressed as shown above, and deposited with the U.S. Postal Service at Portland, Oregon, on the date set forth below;
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**BEFORE THE PUBLIC UTILITY COMMISSION
OF OREGON**

UE 179

In the Matter of the Request of)	KLAMATH WATER USERS
	)	ASSOCIATION MOTION TO FILE
PACIFIC POWER & LIGHT	)	APPLICATION FOR CASE
(dba PacifiCorp)	)	CERTIFICATION AND NOTICE OF
	)	INTENT TO REQUEST AN ISSUE
Request for a General Rate Increase in the	)	FUND GRANT OUT OF TIME
Company's Oregon Annual Revenues)	

INTRODUCTION

Pursuant to OAR 860-013-0031, the Klamath Water Users Association ("KWUA") files this Motion for leave to file out of time its Application for Case Certification under Section 5.3 of the Intervenor Funding Agreement and Notice of Intent to Request an Issue Fund Grant out of time. KWUA meets the criteria for case certification, and will represent the interests of all irrigation customers of PacifiCorp taking service under Schedule 41. KWUA's Motion should be granted in light of the fact that KWUA was required to participate in overlapping rate cases and because KWUA's application will not prejudice any other party to this proceeding. Therefore, KWUA respectfully requests that the Oregon Public Utility Commission ("OPUC" or "Commission") accept KWUA's Application for Case Certification, Notice of Intent and proposed budget in this docket.

ARGUMENTS

1. KWUA Was Forced To Participate In Overlapping Rate Cases

KWUA filed its intervention in this docket on April 17, 2006. KWUA is aware that, under normal circumstances, KWUA should have filed its notice of intent to seek

intervenor funding and application for case certification along with its intervention. KWUA acknowledges that it is important for other requesting intervenor funding to have notice of how much funding is likely to be available in this proceeding. As such, KWUA regrets not being in a position to submit its notice sooner, but wishes to call the Commission's attention to several extenuating circumstances.

First and foremost, KWUA was still deeply involved in PacifiCorp's last rate case, UE 170, at the time that PacifiCorp filed the present rate case. As of February 23, 2006, the day that PacifiCorp filed its application for a general rate increase in UE 179, KWUA was in the midst of preparing its testimony and briefs in docket UE 170. KWUA has limited time and resources to devote to PacifiCorp's rate cases, and thought it prudent at the time to thoroughly complete its participation in UE 170 prior to turning its attention to the next rate case. KWUA submits that by taking this approach, it was able to provide testimony and briefs that were as helpful as possible to the Commission. Further, because the only issue left to be addressed at that point in time in UE 170 was the applicable rate for the Klamath Irrigators, the problem of dealing with PacifiCorp's overlapping rate cases was particularly burdensome to KWUA.

By the time the Commission issued a decision in UE 170, the deadline for intervening in UE 179 was literally days away. Furthermore, because the Klamath Irrigators argued vigorously in UE 170 that they should be a separate customer class, KWUA was not on notice that it would be addressing the Schedule 41 rates until the final UE 170 order was issued. As the Commission is aware, the final order in UE 170 indicates that the rates paid by the Klamath Irrigators will be based on PacifiCorp's Schedule 41 rates. Thus, KWUA did not find itself in the position of addressing

PacifiCorp's proposed increase to Schedule 41 rates until just days before the deadline for intervention in UE 179.

Now that it is clear that they will be paying rates based on Schedule 41, KWUA's members are committed to investigating PacifiCorp's proposal to significantly increase the rates for all irrigation customers taking service under Schedule 41. To that end, KWUA has retained Don Schoenbeck of Regulatory and Cogeneration Services and Cable Huston to review PacifiCorp's filing. If necessary, KWUA is prepared to participate in settlement discussions, file testimony and briefs, and sponsor and cross examine witnesses.

2. The Allocation of Public Interest Funding To Schedule 41 Customers is in the Public Interest.

It is in the public interest to grant KWUA's request to file the Notice of Intent and Application for Case Certification out of time because KWUA will represent the interest of a broad class of largely unrepresented customers. To the best of KWUA's knowledge, no other party or pre-certified intervenor even purports to represent the specific interests of irrigators in UE-179. Irrigation customers are served based on a different tariff and have a fundamentally different load profile than any other class of customers affected by this proceeding. Thus, no other party or pre-certified intervenor represents irrigation customers, and all irrigation customers of PacifiCorp taking service under rate schedule 41 would benefit from KWUA participation on their behalf in UE-179.

The magnitude of the proposed rate increase for the Schedule 41 customers also supports the allocation of intervenor funding to such customers. PacifiCorp has requested an overall rate increase of just over 13%, but an increase in the Schedule 41 rate of nearly 20%. This means that the overall rate increase would, if granted,

disproportionately affect the Schedule 41 customers as compared to other customer classes. Because the Schedule 41 customers are facing a disproportionately high rate increase, they arguably have the greatest need for funding in this rate case.

Furthermore, to the best of KWUA's knowledge, no amount of intervenor funding has ever been paid to PacifiCorp's Schedule 41 customer class. Unlike PacifiCorp's residential and industrial customers, which have historically been well-represented by very capable legal counsel and rate experts funded, in part, through intervenor funding, PacifiCorp's irrigation class of customers have never enjoyed this type of representation and funding. Therefore, the allocation of a reasonable amount of funding to Schedule 41 customers in this proceeding is not only appropriate, but long overdue.

3. The Allocation of Public Interest Funding To Schedule 41 Customers Will Not Prejudice Any Other Party to this Proceeding.

There would be no harm to other pre-certified or case certified intervenors by granting this request. In UE 170, the Commission allocated a total of \$30,000 to PacifiCorp's irrigation customers from the PacifiCorp Fund Account. Although these funds were allocated to irrigators, payment was never actually requested or received in light of the nature of the arguments raised by the two parties to which these funds were allocated. It is KWUA's understanding that these unclaimed funds should have been rolled over and should still be available in the PacifiCorp Fund Account. In other words, KWUA is only asking the Commission for an amount of funding for PacifiCorp's Schedule 41 customers that this Commission has already ear-marked for such customers.

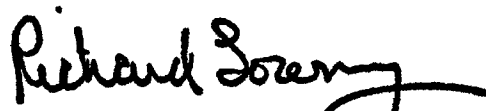
Finally, KWUA is filing this Motion, its Application for Case Certification, its Notice of Intent to Request Intervenor Funding and KWUA's Proposed Budget on the

date proposed budgets are due. No delay in this proceeding will be caused by granting this Motion.

CONCLUSION

KWUA respectfully requests that the Commission grant this request to file an Application for Case Certification and Notice of Intent to Request an Issue Fund Grant out of time.

DATED Monday, May 08, 2006.



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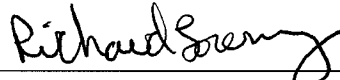
Of Attorneys for Klamath Water
Users Association

CERTIFICATE OF SERVICE

I hereby certify that I served the foregoing **KWUA'S MOTION TO FILE APPLICATION FOR CASE CERTIFICATION AND NOTICE OF INTENT TO REQUEST AN ISSUE FUND GRANT OUT OF TIME** on the attached UE 179 Service List:

- ☒ by **MAILING** a full, true and correct copy thereof in a sealed, postage-paid envelope, addressed as shown above, and deposited with the U.S. Postal Service at Portland, Oregon, on the date set forth below;
- ☐ by causing a full, true and correct copy thereof to be **HAND-DELIVERED** to the party, at the address listed above on the date set forth below;
- ☒ by **E-MAILING** a full, true and correct copy thereof to the party, at the e-mail address on record, on the date set forth below.

DATED May 8, 2006.



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