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**BEFORE THE PUBLIC UTILITY COMMISSION**

**OF OREGON**

UM 1121

In the Matter of	)	
	)	
OREGON ELECTRIC UTILITY	)	ORDER
COMPANY, LLC, <i>et al.</i>	)	
	)	
Application for Authorization to Acquire	)	
Portland General Electric Company.	)	

**DISPOSITION: PROPOSED BUDGETS FOR ISSUE FUND GRANTS  
APPROVED**

On March 15, 2004, the Citizens' Utility Board (CUB) filed a Notice of Intent to Request An Issue Fund Grant. On April 29, 2004, CUB filed its Request for a Portland General Electric Company (PGE) Issue Fund Grant, with a proposed budget amount of \$81, 654.

On March 15, 2004, the Industrial Customers of Northwest Utilities (ICNU) filed a Notice of Intent to Request An Issue Fund Grant. On April 30, 2004, ICNU filed its Request for a PGE Issue Fund Grant, with a proposed budget of \$131,475.

On April 29, 2004, the Associated Oregon Industries (AOI) filed an Application for Case Certification, stating that it intended to ask for an Issue Fund Grant. AOI was granted case certification on May 27, 2004. See Order No. 04-303. On June 1, 2004, AOI filed its proposed budget of \$55,000.

Copies of these documents were served on the parties in the docket. No objections or comments were received.

**Discussion**

The Intervenor Funding Agreement (IFA), approved by the Commission in Order No. 03-388, provides that precertified intervenors must submit a proposed issue fund budget to the Commission that contains, at a minimum, the following information:

- 1) A statement of the work to be performed;
- 2) A description of the areas to be investigated;
- 3) A description of the particular customer class(es) that will benefit from the intervenor's participation;
- 4) Identification of the specific fund accounts from which the intervenor is seeking monies; and

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

Once the proposed budget is received, we decide whether Issue Fund Grants are available for use. We make these determinations based on the following factors:

- 1) Breadth and complexity of the issues;
- 2) Significance of policy issues;
- 3) Procedural schedule;
- 4) Dollar magnitude of the issues at stake;
- 5) Participation of other parties that adequately represent the interests of customers;
- 6) Amount of funds being provided by the applicant intervenor;
- 7) Qualifications and experience before the Commission;
- 8) Level of available funds; and
- 9) Other Eligible Proceedings in which intervenors may seek additional Issue Fund Grants from the same Fund account(s).

We have the authority to accept, deny or partially deny the request, and may place reasonable conditions on the grant.

Three parties have submitted proposed budgets with the requisite information, copies of which are attached. CUB's proposed budget is Appendix A, ICNU's proposed budget is Appendix B and AOI's proposed budget is Appendix C.

This docket involves the possible acquisition of PGE by Oregon Electric Utility Company. The initial filing was in early March 2004, and the docket will likely remain active until December 2004. At least eight conferences have been scheduled, along with several rounds of testimony. The parties are engaged in extensive discovery, with preliminary issues lists showing 30-40 outstanding issues. Currently, hearings are scheduled for three days, with two rounds of post-hearing briefs to be submitted.

In light of the issues being addressed, the complexity of the issues and the significant policy decisions to be made, the three proposed budgets should be approved. However, if all three budgets are approved, the PGE Issue Fund will be overspent in contravention of the IFA.

Previously, ICNU submitted information to the Commission indicating that it was asking for \$95,000 rather than \$131,475. We approve a proposed budget of \$95,000, leaving approximately \$9,000 in the PGE Issue Fund. If ICNU's expenses go beyond \$95,000, it has two options: to either apply for a Preauthorized Matching Fund Grant, or file a supplemental request after January 1, 2005, asking for monies from the PGE Issue Fund Grant.

We understand that the proposed budgets are based upon the current schedule, and that changes may occur which result in a lesser amount of monies being awarded. Also, our approval of proposed budgets in other dockets results in funds being held which may be available in the future for this and other dockets. To assist our monitoring of the funds, we will order CUB, ICNU and AOI to submit detailed billings of monies expended on the first of July, September, and November 2004.

**ORDER**

IT IS ORDERED that:

1. The proposed budgets of the Citizens' Utility Board and Associated Oregon Industries are approved, subject to final accounting.
2. The proposed budget of the Industrial Customers of Northwest Utilities is approved in the amount of \$95,000.
3. CUB, ICNU and AOI are to submit detailing billings of monies expended on July 1, September 1 and November 1, 2004.

Made, entered, and effective \_\_\_\_\_.

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**Lee Beyer**  
Chairman

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**John Savage**  
Commissioner

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**Ray Baum**  
Commissioner

A party may request rehearing or reconsideration of this order pursuant to ORS 756.561. A request for rehearing or reconsideration must be filed with the Commission within 60 days of the date of service of this order. The request must comply with the requirements in OAR 860-014-0095. A copy of any such request must also be served on each party to the proceeding as provided by OAR 860-013-0070(2). A party may appeal this order to a court pursuant to applicable law.

**UM 1121 CUB Intervenor Funding Budget**

ORDER NO. 04-352

<b>CUB internal expenses</b>	rate	hours	cost
<i>staff:</i>			
Bob Jenks, Executive Dir.	\$34.10	330	\$11,253
Jason Eisdorfer, Attorney	\$32.50	330	\$10,725
Lowery Brown, Utility Analyst	\$29.50	350	\$10,325
Jeff Bissonnette, Org. Dir.	\$29.50	30	\$885
 <i>other expenses:</i>			
Printing, mailing			\$750
Travel			\$1,200
 <b>CUB consultant expenses</b>			
<i>Labor:</i>			
Project Director	\$125	150	\$18,750
Assistant Project Director	\$110	150	\$16,500
Consultant	\$110	40	\$4,400
Utility Analyst/Administration	\$45	82	\$3,690
 <i>other expenses:</i>			
Airfare			\$1,530
Airport Mileage			\$81
Lodging			\$900
Local Transportation			\$150
Per diem			\$420
Airport Parking			\$60
Long distance and shipping			\$35
 <b>Total</b>			 <b>\$81,654</b>

Exhibit AICNU Proposed Budget for Issue Fund Grant

<u>Task</u>	<u>Assigned Personnel</u>	<u>Hours</u>	<u>Rate</u>	<u>Cost</u>
Attend Prehearing	Sr. Attorney	25	175.00	4,375.00
Conference,	Assoc. Attorney	20	135.00	2,700.00
Analyze Case and Prepare	Sr. Attorney	20	175.00	3,500.00
Issue Statement, Work on				
Issues with Other Parties				
Prepare for and Participate in	Sr. Attorney	40	175.00	7,000.00
Workshops and Public	Assoc. Attorney	10	135.00	1,350.00
Conduct Discovery	Sr. Attorney	50	175.00	8,750.00
	Assoc. Attorney	50	135.00	6,750.00
Participate in Settlement	Sr. Attorney	40	175.00	7,000.00
Conferences	Assoc. Attorney	10	135.00	1,350.00
Prepare Opening Testimony	Sr. Attorney	20	175.00	3,500.00
	Assoc. Attorney	20	135.00	2,700.00
Prepare Surrebuttal Testimony	Sr. Attorney	5	175.00	875.00
	Assoc. Attorney	15	135.00	2,025.00
Legal Research	Assoc. Attorney	20	135.00	2,700.00
Prepare for and Attend	Sr. Attorney	50	175.00	8,750.00
Hearings	Assoc. Attorney	50	135.00	6,750.00
Draft Opening Brief and Reply	Sr. Attorney	20	175.00	3,500.00
Brief	Assoc. Attorney	40	135.00	5,400.00
Prepare for and Attend Oral	Sr. Attorney	10	175.00	1,750.00
Argument				
Expert Witness Fees		250	175.00	43,750.00
	Total Hours	765	Sub-Total	124,475.00
Travel Expenses (Mileage)				500.00
Consultant Travel Expenses				3,000.00
Printing and Reproduction				3,000.00
Telephone and Postage				500.00
			Grand Total	131,475.00

**AOI PROPOSED BUDGET  
UM 1121 Issue Fund Grant**

<b>Task</b>	<b>Est. hours</b>	<b>Est. cost</b>
<b>Outside Attorney at \$125/hour to:</b>		
Review & analyze all testimony & other filings of Applicants, Commission staff & intervenors; Identify issues & develop positions to be addressed by AOI on behalf of a broad base of commercial customers	90	\$11,250.
Prepare testimony and/or collaborate on, contribute to, and co-sponsor testimony with other intervenors on targeted issues to advocate for AOI interests. Participate in targeted portions of hearings. (Note: AOI may retain the services of a consultant for testimony that AOI would sponsor, which would be included in this task. The consultant costs would offset some of the attorney costs in this category.)	150	\$18,750.
Advocate for AOI's interests in settlement negotiations; Participate in settlement conferences & status conferences; Confer with other parties regarding possible settlement positions affecting AOI interests	110	\$13,750.
Research, write and submit briefs and/or collaborate on, contribute to, and co-sponsor briefs with other parties on targeted issues to represent and advocate for AOI interests; participate in oral arguments	90	\$11,250.
<b>In-house costs</b>		
In-house professional time in support of participation		Not included in request
In-house clerical time in support of participation		Not included in request
Printing, telephone, and postage costs		Not included in request
<b>Total</b>		<b>\$55,000.</b>