

BEFORE THE PUBLIC UTILITY COMMISSION

OF OREGON

UM 1209

In the Matter of)	
)	
MIDAMERICAN ENERGY HOLDINGS)	
COMPANY)	ORDER
)	
Application for Authorization to Acquire)	
Pacific Power & Light, dba PacifiCorp.)	

DISPOSITION: PROPOSED BUDGETS FOR ISSUE FUND GRANTS APPROVED IN PART

On August 29, 2005, the Industrial Customers of Northwest Utilities (ICNU) and the Citizens' Utility Board of Oregon (CUB) filed proposed budgets for an Issues Fund Grant. ICNU's proposed budget, attached as Appendix A, is in the amount of \$75,000. CUB's proposed budget, attached as Appendix B, is in the amount of \$76,455.

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.

Both ICNU and CUB are precertified as eligible to receive an Issue Fund Grant. ICNU was precertified in Order No. 03-502 pursuant to Section 5.1 of the IFA and OAR 860-017-0050(3). CUB was automatically precertified for Issue Fund Grants under Section 5.2(a) of the IFA and OAR 860-012-0100(3)(a). ICNU and CUB served their proposed budgets on all parties to the docket. No party filed comments on either party's proposed budget. ICNU's and CUB's proposed budgets include the requisite information and reflect the current schedule adopted in this docket.

In light of the issues being addressed, the complexity of the issues and the significant policy decisions to be made, we believe that ICNU's and CUB's proposed budgets are reasonable. We note, however, that the requested amounts exceed the uncommitted monies available in PacifiCorp's Issue Fund for 2005. According to the Commission's records, \$250,000 was available for PacifiCorp's 2005 Issues Fund (the unused \$125,000 from 2004 was rolled over and added to the \$125,000 allotted to the 2005 Issues Fund pursuant to Section 4.3 of the IFA). Of that amount, the Commission has approved proposed budgets that commit a total of \$223,557, leaving just \$26,423 available from the 2005 Issues Fund. *See* Orders No. 05-134 and 05-096.

CUB acknowledges this fact, but explains that "because this case will carry over into 2006, PacifiCorp's Issues Fund from 2006 will be available." CUB Request at 4 (August 29, 2005). However, CUB's and ICNU's budget requests, which total \$151,455, actually exceed the monies available from PacifiCorp's Issues Fund in 2005 (\$26,423) and 2006 (\$125,000) by \$32.

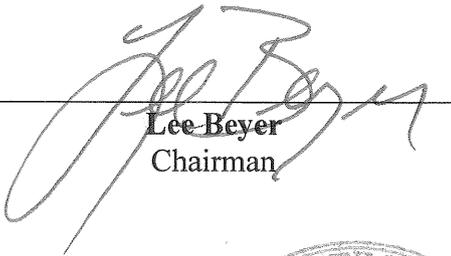
We are reluctant to commit, at this time, all available 2006 Issues Fund monies for PacifiCorp. Such action precludes the availability of such funds for any new qualifying proceeding for the next 15 months. Accordingly, while we will permit ICNU and CUB to use 2006 Issue Funds to pay for services rendered in 2005 on this docket, we will reduce the amount of the proposed budgets to maintain a reserve of Issue Funds available for new proceedings initiated now through December 31, 2006. Based on the guidelines set forth in the IFA and to retain a reasonable reserve of funds, we conclude that each intervenor should have an approved budget of \$60,000.

ORDER

IT IS ORDERED that:

- 1) The Industrial Customers of Northwest Utilities' proposed budget for an Issue Fund Grant is granted in part. The budget is approved up to \$60,000.
- 2) The Citizen's Utility Board of Oregon's proposed budget for an Issue Fund Grant is granted in part. The budget is approved up to \$60,000.

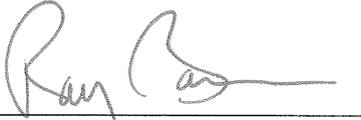
Made, entered, and effective SEP 22 2005.



Lee Beyer
Chairman



John Savage
Commissioner



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

Exhibit A

ICNU Proposed Budget for Issue Fund Grant

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<u>Task</u>	<u>Assigned Personnel</u>	<u>Hours</u>	<u>Rate</u>	<u>Cost</u>
Attend Prehearing Conference, Work on Scheduling, Review Filing	Sr. Attorney	10	195.00	1,950.00
Analyze Case and Prepare Issue Statement, Work on Issues with Other Parties	Sr. Attorney	10	195.00	1,950.00
	Assoc. Attorney	10	145.00	1,450.00
Prepare for and Participate in Workshops	Sr. Attorney	20	195.00	3,900.00
	Assoc. Attorney	5	145.00	725.00
Prepare Opening Comments	Sr. Attorney	5	195.00	975.00
	Assoc. Attorney	10	145.00	1,450.00
Conduct Discovery	Sr. Attorney	10	195.00	1,950.00
	Assoc. Attorney	20	145.00	2,900.00
Prepare for and Participate in Settlement Conferences	Sr. Attorney	20	195.00	3,900.00
	Assoc. Attorney	5	145.00	725.00
Review Testimony	Sr. Attorney	10	195.00	1,950.00
	Assoc. Attorney	10	145.00	1,450.00
Legal Research	Assoc. Attorney	20	145.00	2,900.00
Draft Executive Summary	Sr. Attorney	5	195.00	975.00
	Assoc. Attorney	10	145.00	1,450.00
Prepare for and Attend Opening Presentations to Commissioners	Sr. Attorney	10	195.00	1,950.00
	Assoc. Attorney	5	145.00	725.00
Prepare for and Attend Hearing	Sr. Attorney	20	195.00	3,900.00
	Assoc. Attorney	20	145.00	2,900.00
Draft Opening and Reply Briefs	Sr. Attorney	10	195.00	1,950.00
	Assoc. Attorney	25	145.00	3,625.00
Expert Witness Fees		105	225.00	23,625.00
	Total Hours	375	Sub-Total	69,275.00
Travel Expenses (Mileage)				500.00
Consultant Travel Expenses				2,000.00
Printing and Reproduction				3,000.00
Telephone and Postage				225.00
			Grand Total	75,000.00

UM 1209 CUB Intervenor Funding Budget

CUB Internal Expenses	Hours	Rate	Cost
<i>Staff:</i>			
Bob Jenks, Executive Director		\$38.02	
discovery	30		
case preparation	75		
communications	10		
settlement	50		
hearings and workshops	50		
procedural matters	15		
briefing and oral argument	20		
Bob Subtotal	250		\$9,505
Jason Eisdorfer, Attorney		\$35.63	
discovery	25		
case preparation	40		
communications	15		
settlement	50		
hearings and workshops	50		
procedural matters	10		
briefing and oral argument	60		
Jason Subtotal	250		\$8,908
Lowrey Brown, Utility Analyst		\$32.75	
discovery	30		
case preparation	100		
communications	5		
settlement	50		
hearings and workshops	50		
procedural matters	10		
briefing and oral argument	35		
Lowrey Subtotal	280		\$9,170
Jeff Bissonnette, Organizing Director		\$32.75	
communications	15		
hearings and workshops	35		
Jeff Subtotal	50		\$1,638
<i>Staff Expenses:</i>			
Printing & Mailing			\$950
Travel			\$1,200
Internal Expenses Total			\$31,370

UM 1209 CUB Intervenor Funding Budget

CUB Consultant Expenses	Hours	Rate	Cost
<i>Financial:</i>			
Project Director	130	\$125	
Assistant Project Director	100	\$110	
Utility Analyst/Administration	82	\$42	
			Financial Subtotal
			\$30,694
<i>PUHCA:</i>			
PUCHA Consultant	100	\$125	
			PUHCA Subtotal
			\$12,500
<i>Consultant Expenses:</i>			
Airfare			\$750
Airport Mileage			\$81
Lodging			\$450
Local Transportation			\$150
Per Diem			\$210
Shipping			\$250
			Consultant Expenses Total
			\$45,085
			CUB Total Budget
			\$76,455