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June 9, 2010

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 Request for a General Rate Revision
Docket No. UE 217

Dear Filing Center:

Enclosed please find an original 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/Kelli R. Madden
Kelli R. Madden
Paralegal

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 9th day of June, 2010

/s/Kelli R. Madden

Kelli R. Madden

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**BEFORE THE PUBLIC UTILITY COMMISSION
OF OREGON**

UE 217

In the Matter of)	
)	PROPOSED BUDGET FOR
PACIFICORP)	ISSUE FUND GRANT OF THE
)	INDUSTRIAL CUSTOMERS OF
Request for a General Rate Revision.)	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 217 (the “Proceeding”) for an Issue Fund Grant in the amount of \$45,000. 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 217. In UE 217, PacifiCorp filed a request for a General Rate Revision. 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 217 directly affects PacifiCorp, which falls under the definition of “Participating Public Utility” in Section 1(k) of the IFA. Therefore, UE 217 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 217. In addition, ICNU will submit expert witness testimony and prepare briefs as called for by the procedural schedule in this Docket.

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

ICNU intends to investigate PacifiCorp's proposed rate increase.

(3) Description of the particular customer class or classes that will benefit from ICNU's participation:

ICNU's participation will directly benefit industrial, residential and commercial customers who take service from PacifiCorp. ICNU has participated in all previous rate cases of PacifiCorp since 1996. 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 \$45,000. ICNU proposes that the grant amount be allocated 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 \$57,077.

(5) Budget showing estimated attorney and consultant fees and expert witness fees:

Attached as Exhibit A is ICNU's proposed budget in UE 217.

(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 \$45,000 based on the following considerations:

1. On March 1, 2010, PacifiCorp requested \$130.9 million revenue requirement increase, which is about a 13.3% average rate increase for PacifiCorp's customers.
2. PacifiCorp is requesting to increase its authorized Return on Equity ("ROE") to 10.6% and the overall rate of return to 8.38%.
3. PacifiCorp is forecasting other cost increases, including increases in its operations and maintenance, administrative and general costs.
4. 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.
5. ICNU has been pre-certified under Section 5.1 of the IFA and OAR § 860-017-0050(3) as eligible to receive an Issue Fund Grant by Order No. 03-502, which was entered on August 21, 2003.
6. ICNU has conferred with The Citizens' Utility Board of Oregon regarding the sharing of witness costs, but was unable to reach an agreement.

Therefore, ICNU respectfully requests that the Commission issue an order granting an Issue Fund Grant in the amount of \$45,000. ICNU prepared the attached budget on the basis of the schedule adopted in the prehearing conference report issued in this Docket on March 18, 2010.

Dated this 9th day of June, 2010.

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 217

Exhibit A

ICNU Proposed Budget for Issue Fund Grant

Personnel	Hours	Rate	Cost
<i>Attorney Fees</i>			
Senior Attorney	50	\$225.00	\$11,250
Associate Attorney	140	\$185.00	\$25,900
Paralegal	50	\$125.00	\$6,250
<i>Expert Witness Fees</i>			
Witness 1 (Discovery, Travel, Testimony, and Hearing regarding rate spread and rate design)		\$25,000	\$25,000
Witness 2 (Discovery, Travel, Testimony, and Hearing regarding A&G and O&M)		\$20,000	\$20,000
Witness 3 (Discovery, Travel, Testimony, and Hearing regarding new plant additions)		\$28,600	\$28,600
Witness 4 (Discovery, Travel, Testimony, and Hearing regarding rate of return issues)		\$20,000	\$20,000
<i>Other Expenses</i>			
Travel			\$5,000
Printing and Postage			\$750
		Subtotal	\$142,750
		Less In-House Resources	\$97,750
		Total	\$45,000 ^{1/}

^{1/} ICNU will likely spend more money than is reflected in this budget if this case is fully litigated. However, due to the amount of funds available in the issue fund account, ICNU is limiting its request for funds.