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Suite 2460
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Portland, OR 97205

April 30, 2004

Via Facsimile and U.S. Mail

Ms. Trudy Jaynes
Oregon Public Utility Commission
P.O. Box 2148
Salem OR 97308-2148

Re: In the Matter of Oregon Electric Utility Company, LLC, et al., Application for
Authorization to Acquire Portland General Electric Company
Docket No. UM 1121

Dear Ms. Jaynes:

Enclosed please find an original and six copies of the Proposed Budget for Issue
Fund Grant of the Industrial Customers of Northwest Utilities in the above-captioned Docket.

Please return a file-stamped copy of this document in the self-addressed, stamped
envelope provided. Thank you for your assistance.

Sincerely,



Ruth A. Miller

Enclosures

cc: Service List

**BEFORE THE PUBLIC UTILITY COMMISSION
OF OREGON**

UM 1121

In the Matter of)	
)	
Oregon Electric Utility Company)	PROPOSED BUDGET FOR
)	ISSUE FUND GRANT OF THE
Application for Authorization to Acquire)	INDUSTRIAL CUSTOMERS OF
Portland General Electric Company.)	NORTHWEST UTILITIES
_____)	

Pursuant to Section 6.3 of the Intervenor Funding Agreement (“IFA”) approved by the Oregon Public Utility Commission (“Commission”) in Order No. 03-388 (July 2, 2003), the Industrial Customers of Northwest Utilities (“ICNU”) files this Proposed Budget in UM 1121 for an Issue Fund Grant in the amount of \$95,000. Although ICNU anticipates that its budget will exceed \$95,000, ICNU is only requesting \$95,000 through an Issue Fund Grant. ICNU will bear all its costs in this proceeding that exceed \$95,000. ICNU prepared its Proposed Budget on the basis of the procedural schedule adopted in the prehearing conference report issued in this Docket on April 16, 2004. ICNU proposes that this grant be funded from the Portland General Electric Co. (“PGE”) 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 UM 1121. In UM 1121, Texas Pacific Group and Oregon Electric Utility Company (collectively, the “Applicants”) have filed an application for the authorization to acquire PGE. 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). UM 1121 directly affects PGE, which falls under the definition of “Participating Public Utility” in Section 1(k) of the IFA. Therefore, UM 1121 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 attend all clarifying sessions, workshops, settlement conferences, public meetings, oral presentations and hearings in UM 1121. In addition, ICNU intends to submit an issues list, sponsor expert witness testimony and prepare briefs as called for by the procedural schedule in this Docket. The purpose of ICNU’s participation is to ensure that the proposed acquisition complies with Oregon law and will provide a net benefit to PGE’s customers.

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

ICNU intends to investigate the “Application for Authorization to Acquire Portland General Electric” filed by the Applicants with the Commission on March 8, 2004. According to the Applicants, the acquisition of PGE serves the public interest, as required by ORS § 757.511(3). ICNU intends to review issues regarding the proposed acquisition’s impact on rates and quality of service, and its consistency with the public interest requirement. ICNU also intends to advocate for the interests of PGE’s customers and promote customer benefits consistent with the public interest requirement.

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

ICNU’s participation will directly benefit industrial and all other large non-residential customers who purchase service from PGE. In addition, ICNU has participated in

previous proposed acquisitions of PGE, including the proposed acquisitions by Northwest Natural Gas Company and Sierra Pacific Resources. Thus, ICNU possesses significant interest and expertise with respect to issues regarding the acquisition and ownership of PGE.

(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 \$95,000. ICNU will bear the cost of its participation to the extent that its costs exceed the amount requested. ICNU proposes that the grant amount be allocated from the PGE Issue Fund Account established under IFA Section 4.2.3.

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

Attached as Exhibit A is ICNU's proposed budget in UM 1121.

Basis for Request

ICNU respectfully requests that the Commission grant its request for this Issue Fund Grant in the amount of \$95,000 based on the following considerations:

1. UM 1121 involves consideration of the appropriate benefits to PGE customers as a result of the proposed acquisition. As a result, UM 1121 will have a direct impact on PGE's customers.
2. UM 1121 involves very significant policy issues, and the Commission should solicit as much input as possible from PGE customers.
3. UM 1121 involves issues that could have significant impacts on customer rates and service. PGE customers could bear substantial risk associated with the proposed merger if the acquisition is approved without ensuring appropriate customer protections and benefits.

4. ICNU represents the interests of industrial customers and has significant experience participating in Commission proceedings involving the acquisition of PGE. ICNU's participation will benefit all PGE industrial customers.

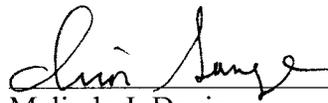
5. ICNU has been pre-certified under Section 5.1 of the IFA and OAR § 860-017-0050(3) as eligible to receive an Issue Fund Grant by Order No. 03-502, which was entered on August 1, 2003.

Therefore, ICNU respectfully requests that the Commission issue an order granting an Issue Fund Grant in the amount specified above. ICNU prepared the attached budget on the basis of the schedule adopted in the prehearing conference report issued in this Docket on April 16, 2004. In the event that the Docket involves a substantially different process, ICNU will prepare an amended budget.

Dated this 30th day of April, 2004.

Respectfully submitted,

DAVISON VAN CLEVE, P.C.



Melinda J. Davison

Irion A. Sanger

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Of Attorneys for Industrial Customers
of Northwest Utilities

Exhibit A

UM 1121

Exhibit A

ICNU Proposed Budget for Issue Fund Grant

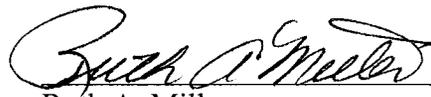
<u>Task</u>	<u>Assigned Personnel</u>	<u>Hours</u>	<u>Rate</u>	<u>Cost</u>
Attend Prehearing Conference, Work on Scheduling, Attend Filing Meetings, Review Filing	Sr. Attorney Assoc. Attorney	25 20	175.00 135.00	4,375.00 2,700.00
Analyze Case and Prepare Issue Statement, Work on Issues with Other Parties	Sr. Attorney	20	175.00	3,500.00
Prepare for and Participate in Workshops and Public Meetings	Sr. Attorney Assoc. Attorney	40 10	175.00 135.00	7,000.00 1,350.00
Conduct Discovery	Sr. Attorney Assoc. Attorney	50 50	175.00 135.00	8,750.00 6,750.00
Participate in Settlement Conferences	Sr. Attorney Assoc. Attorney	40 10	175.00 135.00	7,000.00 1,350.00
Prepare Opening Testimony	Sr. Attorney Assoc. Attorney	20 20	175.00 135.00	3,500.00 2,700.00
Prepare Surrebuttal Testimony	Sr. Attorney Assoc. Attorney	5 15	175.00 135.00	875.00 2,025.00
Legal Research	Assoc. Attorney	20	135.00	2,700.00
Prepare for and Attend Hearings	Sr. Attorney Assoc. Attorney	50 50	175.00 135.00	8,750.00 6,750.00
Draft Opening Brief and Reply Brief	Sr. Attorney Assoc. Attorney	20 40	175.00 135.00	3,500.00 5,400.00
Prepare for and Attend Oral Argument	Sr. Attorney	10	175.00	1,750.00
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

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that I have this day served the foregoing Proposed Budget for Issue Fund Grant of the Industrial Customers of Northwest Utilities upon the parties, shown below, on the official service list for Docket No. UM 1121, as well as pre-certified organizations, also shown below, by causing the same to be mailed, postage-prepaid, through the U.S. Mail.

Dated at Portland, Oregon, this 30th day of April, 2004.


 Ruth A. Miller

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* Denotes pre-certified organizations