

Davison Van Cleve PC

TEL (503) 241-7242 • FAX (503) 241-8160 • mail@dvclaw.com

Suite 400
333 SW Taylor
Portland, OR 97204

December 31, 2014

Via Electronic Mail and Federal Express

Public Utility Commission of Oregon
Attn: Filing Center
3930 Fairview Industrial Drive SE
Salem OR 97302

Re: In the Matter of PACIFICORP
Multi-State Intervenor Funding Agreement
Docket No. UM 1586

Dear Filing Center:

Enclosed for filing in the above-referenced docket, please find the original and one (1) copy of the Proposed Budget for MSP Issue Fund Grant of the Industrial Customers of Northwest Utilities.

Thank you for your assistance. If you have any questions, please do not hesitate to contact our office.

Sincerely,



Jesse O. Gorsuch

Enclosures
cc: Service List

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that I have this day served the attached **Proposed Budget for MSP Issue Fund Grant** upon all parties in this proceeding by sending a copy via electronic mail to the following parties at the following addresses.

Dated at Portland, Oregon, this 31st day of December, 2014.



Jesse O. Gorsuch

<p>(W) CITIZENS' UTILITY BOARD OF OREGON ROBERT JENKS G. CATRIONA MCCRACKEN 610 SW BROADWAY, STE 400 PORTLAND OR 97205 bob@oregoncub.org catriona@oregon.org</p>	<p>(W) PACIFIC POWER SARAH WALLACE SENIOR COUNSEL 825 NE MULTNOMAH ST. STE 2000 PORTLAND, OR 97232 sarah.wallace@pacificcorp.com</p>
<p>(W) PACIFICORP R. BRYCE DALLEY VICE PRESIDENT, REGULATION 825 NE MULTNOMAH STE 2000 PORTLAND OR 97232 bryce.dalley@pacificorp.com</p>	<p>(W) PACIFICORP, dba PACIFIC POWER OREGON DOCKETS 825 NE MULTNOMAH ST. STE 2000 PORTLAND, OR 97232 oregondockets@pacificorp.com</p>

BEFORE THE PUBLIC UTILITY COMMISSION

OF OREGON

UM 1586

In the Matter of)	
)	
PACIFICORP, dba PACIFIC POWER)	PROPOSED BUDGET FOR
)	MSP ISSUE FUND GRANT OF THE
Multi-State Process Intervenor Funding)	INDUSTRIAL CUSTOMERS OF
Agreement.)	NORTHWEST UTILITIES
_____)	
)	

Pursuant to Section 5.1 of the Multi-State Process (“MSP”) Intervenor Funding Agreement (“IFA”) approved by the Oregon Public Utility Commission (“Commission”) by Order Nos. 12-110 and 12-122, the Industrial Customers of Northwest Utilities (“ICNU”) files this Proposed Budget seeking an MSP Issue Fund Grant in the amount of \$40,000 for 2015. ICNU proposes that this grant be funded from the PacifiCorp MSP Issue Fund Account. The following information is provided in accordance with Section 5.1 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 the MSP Broad Review Workgroup, which is considering the appropriate cost allocation methodology for PacifiCorp post-2016. The IFA defines eligible MSP Activities as participating in an MSP Standing Committee workgroup and the comprehensive MSP efforts outlined in the 2010 Protocol. IFA, Article1(g). MSP Activities do not include formal proceedings before the Commission.

(2) **Statement of the Breadth and Complexity of MSP Activities:**

ICNU's MSP Activities will include continuing review of PacifiCorp's current cost allocation methodology, and potential alternative cost allocation methodologies. The MSP Activities will involve refinement of the principles that should guide PacifiCorp's cost allocation methodology, and development of various proposals for proper allocation. ICNU's MSP Activities will include review, analysis and negotiation of suitable cost allocation methodologies with participants from Oregon and other states. Finally, the MSP Activities will attempt to reach agreement upon a common cost allocation methodology for PacifiCorp.

(3) **Significance of Any Policy Issues Directly Attributable to MSP Activities:**

PacifiCorp's cost allocation methodology is used to allocate the costs of its generation, transmission, distribution and wholesale activities among its various service territories. All of PacifiCorp's states, except Washington, currently use, in part, the 2010 Protocol to allocate the Company's costs; however, the 2010 Protocol expires at the end of 2016. The MSP Activities may result in a new cost allocation methodology, or multiple cost allocation methodologies, to allocate PacifiCorp's costs among its different states. The cost allocation methodology used in Oregon post-2016 will have a significant and material impact on the rates paid by Oregon customers.

(4) **MSP Activities Schedule:**

The MSP Broad Review Workgroup will be engaged in analysis of results and the presentation and negotiation of cost allocation proposals. The Broad Review Workgroup has scheduled seven in-person meetings for the first half of 2015, and may schedule further meetings if negotiations are ongoing during the second half of 2015. Three of the currently scheduled

meetings will occur in Salt Lake City, Utah, and Boise, Idaho. Additional meetings related to MSP activities may be held in or out of state.

(5) **Participation of Other Parties that Adequately Represent the Interests of Customers:**

ICNU represents the interests of industrial customers that purchase electricity directly from PacifiCorp. ICNU's participation will directly benefit industrial customers, as well as other large non-residential customers who purchase service from PacifiCorp. No other organization represents the interests of Oregon industrial customers in the MSP Activities.

(6) **Statement of Activities to be performed by ICNU for which ICNU is seeking an MSP Fund Grant:**

ICNU will participate in all aspects of the current MSP process that is developing a new cost allocation methodology, including attending clarifying sessions, workshops, settlement conferences, meetings, and oral presentations. ICNU may continue to conduct discovery in this proceeding. ICNU's attorneys and/or consultants will review, analyze and comment on issues related to proposed new cost allocation methodologies for PacifiCorp. ICNU intends to develop and support a methodology for a superior, cost-based allocation of PacifiCorp's costs.

(7) **Description of Areas to Be Investigated by ICNU Relating to MSP Activities:**

ICNU will investigate whether Oregon is paying its fair share of PacifiCorp's generation, transmission, distribution and wholesale costs and revenues. ICNU will investigate a wide array of issues, including those related to cost allocation of load growth, hydro resources, conservation, renewable portfolio standards, thermal generation, and inconsistent state policies.

(8) A Budget of MSP Activities

ICNU is seeking an MSP Issue Fund Grant in the amount of \$40,000, allocated from the PacifiCorp MSP Fund Account. ICNU estimates that the uncommitted amount available in the 2015 ICNU PacifiCorp MSP Fund Account is \$40,000. Attached as Exhibit A is ICNU's proposed budget detailing the expected hours and hourly rates of ICNU's attorneys and experts. In the event that additional MSP activities are scheduled for 2015, and additional MSP Issue Funds become available for 2015, ICNU reserves the right to amend its proposed budget.

(9) Matching Funds:

As required by Section 5.1 of the MSP IFA, 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 MSP Issue Fund Grant. As shown in Exhibit A, ICNU's proposed budget of \$40,000 is equal to the remaining amount in ICNU's issue fund because its eligible expenses (\$56,855) minus 20% (\$11,371) exceed \$40,000.

Therefore, ICNU respectfully requests that the Commission issue an order granting an MSP Issue Fund Grant in the amount of \$40,000.

Dated this 31st day of December, 2014.

Respectfully submitted,

DAVISON VAN CLEVE, P.C.



Melinda J. Davison

333 S.W. Taylor, Suite 400

Portland, Oregon 97204

(503) 241-7242 phone

(503) 241-8160 facsimile

mjd@dvclaw.com

Of Attorneys for Industrial Customers
of Northwest Utilities

Exhibit A

Proposed Budget of ICNU

UM 1586

Exhibit A

ICNU Proposed Budget for Issue Fund Grant

Personnel	Hours	Rate	Cost
<i>Attorney Fees</i>			
Senior Attorney	24	\$275	\$6,600
Associate Attorney	117	\$205.00	\$23,985
Paralegal	13	\$150.00	\$1,950
<i>Expert Witness Fees</i>			
Expert 1	145	\$136.00	\$19,720
<i>Other Expenses</i>			
Travel			\$4,500
Printing and Postage			\$100
Subtotal			\$56,855
20% of Eligible Expenses			\$11,371
ICNU MSP Issue Fund Grant Eligibility			\$45,484
Total ICNU MSP Issue Fund Grant			\$40,000