

# Davison Van Cleve PC

Attorneys at Law

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December 31, 2013

*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 Issue Fund Grant of the Industrial Customers of Northwest Utilities.

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

Sincerely,

/s/ Jesse Gorsuch  
Jesse Gorsuch

Enclosures

cc: Service List

## CERTIFICATE OF SERVICE

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

Dated at Portland, Oregon, this 31st day of December, 2013.

*/s/ Jesse Gorsuch*  
Jesse Gorsuch

<p><b>(W) CITIZENS' UTILITY BOARD OF OREGON</b> ROBERT JENKS G. CATRIONA MCCrackEN 610 SW BROADWAY, STE 400 PORTLAND OR 97205 bob@oregoncub.org catriona@oregon.org</p>	<p><b>(W) PACIFICORP DBP PACIFIC POWER &amp; LIGHT CO.</b> ANDREA KELLY VICE PRESIDENT, REGULATION 825 NE MULTNOMAH STE 2000 PORTLAND OR 97232 andrea.kelly@pacificorp.com</p>
<p><b>(W) PACIFICORP</b> WILLIAM GRIFFITH VICE PRESIDENT, REGULATION 825 NE MULTNOMAH STE 2000 PORTLAND OR 97232 bill.griffith@pacificorp.com</p>	

**BEFORE THE PUBLIC UTILITY COMMISSION  
OF OREGON**

**UM 1586**

In the Matter of	)	
	)	
PACIFICORP, dba PACIFIC POWER	)	PROPOSED BUDGET FOR
	)	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 2014. 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 informal MSP Broad Review workgroup as well as other workgroups that are established during 2014. The MSP Broad Review Workgroup 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 review PacifiCorp's current cost allocation methodology, and potential alternative cost allocation methodologies. The MSP Activities will first create principles, criteria and evaluation methods to review cost allocation methodologies. The MSP Activities will then review, analyze and develop different cost allocation methodologies. 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:**

MSP Broad Group Meetings currently occur every six weeks by phone and/or in person. At least one meeting will be held out of state. MSP Small Group Meetings occur more frequently and typically occur by phone. In addition, there may be additional meetings related to MSP activities.

(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 current MSP process that is developing a new cost allocation methodology, including attending clarifying sessions, workshops, settlement conferences, public meetings, and oral presentations. ICNU also plans to conduct informal discovery in this proceeding. ICNU's attorneys and/or consultants will review, analyze and comment on issues related to new cost allocation methodologies for PacifiCorp.

(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 2014 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.

**(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 (\$56,125) minus 20% (\$11,225) exceed \$40,000. ICNU will bear all expenses over \$40,000.

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

Dated this 31st day of December, 2013.

Respectfully submitted,

DAVISON VAN CLEVE, P.C.

*Irion A. Sanger*

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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	5	\$275.00	\$1,375
Associate Attorney	120	\$245.00	\$29,400
Law Clerk	15	\$125.00	\$1,875
Paralegal	15	\$125.00	\$1,875
<i>Expert Witness Fees</i>			
Expert 1	130	\$150.00	\$19,500
<i>Other Expenses</i>			
Travel			\$2,000
Printing and Postage			\$100
Subtotal			\$56,125*
20% of Eligible Expenses			\$11,225
<b>ICNU MSP Issue Fund Grant Eligibility</b>			<b>\$40,000</b>
<b>Total ICNU MSP Issue Fund Grant Proposed Budget</b>			<b>\$40,000</b>

\*Please note that ICNU's *eligible* expenses amount to \$56,125. ICNU will bear all expenses over \$40,000.