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January 16, 2008

VIA ELECTRONIC FILING & FIRST CLASS MAIL

Oregon Public Utility Commission Attn: Filing Center 550 Capitol Street, N.E., #215 P.O. Box 2148 Salem, Oregon 97308-2148

Re:

In the Matter of the Avista Corp. Request for General Rate Revision

Docket No. UG-181

Proposed Budget of the Northwest Industrial Gas Users

Dear Filing Center:

After consultation with the Citizens Utility Board of Oregon, the Northwest Industrial Gas Users ("NWIGU") does not at this time anticipate that the litigation of this matter will require the retention of an expert witness to testify on revenue requirement issues. In addition, NWIGU would note that the Parties have reached a joint stipulation on return on equity and capital requirements that is pending before the Commission.

Accordingly at this time, NWIGU would respectfully reserve the right to revise this proposed issues fund budget in the event that revenue requirement issues are not resolved through approval by the Oregon Public Utility Commission ("Commission") of the pending stipulation and potentially future stipulations. At this time, NWIGU respectfully submits, an issues fund budget of \$12,526.

Article 6.3 of the First Amended and Restated Intervenor Funding Agreement ("IFA"), provides that precertified intervenors seeking an issue fund grant must submit a proposed budget to the Commission. Accordingly, NWIGU has attached a detailed budget as Appendix A. In addition, the IFA requires the following information:

1. A Statement of the Work to be Performed.

NWIGU will participate in all stages of Avista's general rate proceeding. This includes review of Avista's filing, participation in workshops and settlement conferences, drafting data requests, drafting testimony and briefs, and participation at hearing and Oral Argument.

2. A Description of the Areas to be Investigated.

The parties have reached a joint stipulation on return on equity and capital requirements that is currently pending before the Commission. NWIGU will focus its efforts on rate spread and design as well as other cost of service issues.

3. A Description of the Particular Customer Class(es) That Will Benefit From the Intervenor's Participation.

NWIGU is a nonprofit association comprised of thirty-two end users of natural gas with major facilities in the states of Oregon, Washington, and Idaho. NWIGU members include diverse industrial interests, including food processing, pulp and paper, wood products, electric generation, aluminum, steel, chemicals, electronics, and aerospace. NWIGU members take service from gas utilities under industrial rate schedules. Accordingly, NWIGU advocacy will benefit the industrial rate class.

4. Identification of the Specific Fund Accounts From Which the Intervenor is Seeking Monies.

NWIGU identifies the Avista Utilities Account as the account from which NWIGU is seeking monies. NWIGU is not seeking funds from any other account.

5. A Budget Showing Estimated Attorney, Consultant and Expert Witness Fees, Which May Include the Cost for Appropriate Support Staff and Operations Support.

NWIGU has attached a detailed budget for NWIGU's participation in this proceeding as Appendix A.

6. Representation that Intervenor will use matching funds in the form of either in-house resources or outside funding to account for or pay at least 20 percent of the Eligible Expenses.

NWIGU 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 percent of the Eligible Expenses.

CABLE HUSTON

January 16, 2008 Page 3

CONCLUSION

NWIGU respectfully request that the Commission approve its proposed budget for an issue fund grant. NWIGU anticipates that it will use its Matching Funds to cover the expenses, if any, of a cost of service and rate design witness in this proceeding as well as using Matching Funds in Dockets UM-1351 and UG-170 and future Avista filings this year.

Should you have any questions regarding this filing, please call.

Very truly yours,

Chad M. Stokes

CMS:tr Enclosure(s)

cc: UG-181 Service List

CERTIFICATE OF SERVICE

I CERTIFY that I have on this day served the foregoing document upon all parties of record in this proceeding via electronic mail or by mailing a copy properly addressed with first class postage prepaid.

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Dated in Portland, Oregon, this 16th day of January, 2008.

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