

NORTHWEST INDUSTRIAL GAS USERS

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Paula E. Pyron
Executive Director

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October 9, 2007

Public Utility Commission of Oregon
550 Capitol St NE #215
P.O. Box 2148
Salem, Oregon 97308-2148

Re: Intervenor Funding Agreement for 2007 for Avista Utilities, Citizens' Utility Board of Oregon and Northwest Industrial Gas Users, Docket No. UM _____

Dear Commissioners Beyer, Savage and Baum:

The purpose of this letter is to reflect the agreement of Avista Utilities ("Avista"), the Citizens' Utility Board ("CUB"), and the Northwest Industrial Gas Users ("NWIGU") under OAR 86-012-0100 to establish an intervenor funding program for 2007 for Avista as a "Participating Public Utility" pursuant to the terms of the Intervenor Funding Agreement of February 5, 2003 by and among Portland General Electric Company, PacifiCorp, Northwest Natural Gas Company, Industrial Customers of Northwest Utilities, Citizens' Utility Board of Oregon, and Northwest Industrial Gas Users, which was adopted by the Oregon Public Utility Commission ("Commission") in its Order No. 03-388 ("IFA"). Avista, CUB and NWIGU hereby agree:

1. Avista, CUB and NWIGU hereby adopt and incorporate the IFA by reference to govern Avista's participation as a Participating Public Utility under the terms of the IFA.
2. This agreement between Avista, CUB and NWIGU shall be effective as of October 8, 2007 providing \$30,000 for each of the three Avista funds for 2007 from which Intervenor Funding Grants can be made under the IFA (i.e., \$30,000 for a CUB Fund, \$30,000 for a Preauthorized Matching Fund, and \$30,000 for an Issues Fund).
3. Avista, CUB and NWIGU acknowledge that they are currently negotiating the terms for a successor intervenor funding agreement to the IFA to govern the period after December 31, 2007 when the IFA expires. Notwithstanding the IFA expiration, Avista, CUB and NWIGU agree that the balance remaining in any of the Avista Fund accounts for 2007 that is unused by December 31, 2007 shall be carried over and made available for use in 2008 under the same terms of the IFA or under any successor intervenor funding agreement entered into between Avista, CUB and NWIGU for 2008.

Avista, CUB and NWIGU respectfully request that the Commission approve this agreement as expeditiously as possible without material modifications.

Executed Effective this 9th day of October, 2007:

By: Paula E. Pyron
Paula E. Pyron
Executive Director
Northwest Industrial Gas Users

By: _____
Bob Jenks
Executive Director
Citizens Utility Board

By: _____
David Meyer
Avista Utilities

cc Honorable Chief Administrative Law Judge Michael Grant

Avista, CUB and NWIGU respectfully request that the Commission approve this agreement as expeditiously as possible without material modifications.

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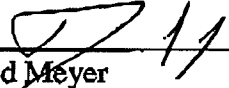
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