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March 28, 2008

**VIA FIRST CLASS AND  
ELECTRONIC MAIL**

Hon. Michael Grant  
Oregon Public Utility Commission  
P.O. Box 2148  
Salem, OR 97308-2148

David J. Meyer  
Vice President & Chief Counsel  
Avista Corporation  
P.O. Box 3727  
Spokane, WA 99220-3727

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Vice President-State & Federal Regulations  
Avista Utilities  
P.O. Box 3727  
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Re: Northwest Industrial Gas Users' Request for Payment of 2007  
Preauthorized Matching Grant, Avista Account  
Docket Nos. UM 1351, UM 1353, UG 171 & UG 181

Honorable Judge Grant:

The Northwest Industrial Gas Users ("NWIGU") files this request for payment of a final 2007 Preauthorized Matching Grant for costs incurred from October 8, 2007 through December 31, 2007 from Avista Utilities' Preauthorized Matching Fund Account for 2007 in the amount of \$985.20. This request for payment is filed pursuant to the Agreement adopted by the Oregon Public Utility Commission ("OPUC") in Order No. 07-487 and Section 7.2 of the Intervenor Funding Agreement ("IFA"), which was approved by the OPUC on July 2, 2003, in Order No. 03-388. The Agreement provides that Avista agrees to join the Intervenor Funding Program established by the Commission in Order No. 03-388 effective October 8, 2007 under the same terms and conditions as the other utilities participating in the programs, with the exception that Avista will make available \$30,000 in each of the three accounts. The IFA was extended by the Commission with its approval of the First Amended and Restated Intervenor Funding Agreement on December 19, 2007 in Order No. 07-564 ("Amended IFA"), which now requires pursuant to its Section 7.2 that all requests for payments for Preauthorized Matching Grants be filed on or

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before April 1 of each year for expenses incurred in the prior calendar year. The Commission's rules provide that the terms of a Commission-approved intervenor funding agreement will be binding on all organizations seeking a grant under the agreement and will be followed by the Commission in administering the agreement. OAR 860-012-0100(2).

NWIGU meets all of the criteria for payment of a Preauthorized Matching Grant from the Avista Preauthorized Matching Fund Account for 2007, as demonstrated by the following:

1. Under the IFA and Amended IFA, Avista makes available an Annual Grant Amount of \$30,000 for Avista's Preauthorized Matching Fund Account. IFA & Amended IFA at Section 4.2.2. This is NWIGU's sole and final Request for Payment for a Preauthorized Matching Grant for Eligible Expenses incurred in 2007.
2. The amended IFA became effective on January 1, 2008 under Order No. 07-564 and continues until December 31, 2012. Pursuant to Section 7.2 of the Amended IFA, NWIGU must file a request for payment of the Preauthorized Matching Grants on or before April 1 of each year for expenses incurred in the prior calendar year.
3. A Preauthorized Matching Grant from Avista must be used solely to pay Eligible Expenses for Eligible Proceedings involving Avista. IFA & Amended IFA at Sections 4.2.2. NWIGU requests the payment of a Preauthorized Matching Grant for Eligible Expenses incurred in the following Eligible Proceedings from October 8, 2007 through December 31, 2007: UG 171, UG 181, UM 1353, and UM 1351. NWIGU requests the payment of the \$985.20 Preauthorized Matching Grant for the expenses listed in Exhibit A, attached, which are Eligible Expenses under Section 7.4 of the IFA and Amended IFA. These expenses are in excess of any amounts recovered through Issue Fund Grants and/or other Matching Fund Grant Requests.
4. A Preauthorized Matching Grant may be provided only if NWIGU demonstrates that it has used in-house resources or outside funding for at least 50% of the Eligible Expenses for Eligible Proceedings. IFA & Amended IFA at Sections 7.2. As shown in Exhibit A, NWIGU has used in-house resources and outside funding for at least 50% of the Eligible Expenses in each of these proceedings.
5. Section 4.2.2 of the IFA requires that NWIGU become precertified (in accordance with Section 5.2 of the IFA) within one year of the effective date of the IFA in order to be eligible to receive a Preauthorized Matching Grant. NWIGU became precertified as eligible to receive intervenor funding grants under Section 5.2 of the IFA pursuant to Order No.04-055, entered by the Commission on February 3, 2004. Funds from Avista's Preauthorized Matching Fund Account are available for use exclusively by NWIGU under the Amended IFA, at Section 4.2.2.

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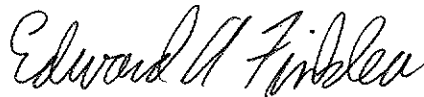
Having demonstrated that it meets all of the criteria and conditions for such request, NWIGU requests payment of a Preauthorized Matching Grant from Avista's Preauthorized Matching Fund in the amount of \$985.20. NWIGU requests that the Commission grant this request within 30 days of receipt and order Avista to pay NWIGU the amount of \$985.20 within 30 days after receipt of the Commission directive, in accordance with Sections 7.2 of the IFA and Amended IFA.

Payment should be sent to:

Paula E. Pyron  
Executive Director  
Northwest Industrial Gas Users  
P.O. Box 2058  
Tualatin, OR 97062-2058

Thank you for your attention to this matter. Please do not hesitate to contact me if you have any questions.

Very truly yours,



Edward A. Finklea  
Counsel for the Northwest Industrial Gas Users

EAF:wc

Enclosure with all originals & four copies to Judge Grant

cc: Paula Pyron (via e-mail with enclosures)