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December 28, 2007

**VIA ELECTRONIC FILING
& US MAIL**

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

Margaret Kirkpatrick
General Counsel
NW Natural
220 NW Second Avenue
Portland, OR 97209-3991

Inara Scott
Rates & Regulatory Affairs
NW Natural
220 NW Second Avenue
Portland, OR 97209-3991

Re: Northwest Industrial Gas Users Request for Payment of 2006 Preauthorized Matching Grant, NW Natural Account, Docket Nos. UG 174, UM 1275, UM 1147, et al.

Honorable Judge Grant:

The Northwest Industrial Gas Users (“NWIGU”) files this request for payment of a 2006 Preauthorized Matching Grant from NW Natural’s Preauthorized Matching Fund Account in the amount of \$8,902.54. This request for payment is filed pursuant to Section 7.2 of the Intervenor Funding Agreement (“IFA”), which was approved by the Oregon Public Utility Commission (“OPUC”) on July 2, 2003, in Order No. 03-388. 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 NW Natural Preauthorized Matching Fund Account, as demonstrated by the following:

1. Under the IFA, NW Natural makes available an Annual Grant Amount of \$50,000, which is added to NW Natural’s Preauthorized Matching Fund Account each calendar year during the term of the IFA. IFA at Section 4.2.2. NWIGU has not made a Request for Payment for a Preauthorized Matching Grant for Eligible

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Expenses incurred in 2006. NWIGU may file a Request for Payment for a Preauthorized Matching Grant at any time during the term of the IFA. IFA at Section 7.2. The current IFA does not expire until December 31, 2007, with the First Amended and Restated Intervenor Funding Agreement becoming effective on January 1, 2008 under Order No. 07-564 until December 31, 2012. Funds from NW Natural's Preauthorized Matching Fund Account are available for use exclusively by NWIGU, IFA at Section 4.2.2.

2. A Preauthorized Matching Grant from NW Natural must be used solely to pay Eligible Expenses for Eligible Proceedings involving NW Natural. IFA at Section 4.2.2. NWIGU requests the payment of a Preauthorized Matching Grant for Eligible Expenses incurred in the following Eligible Proceedings in 2006: UM 1147, NW Natural Tariff Issues re Schedules 3, 31, 32, and 33, UG 174, UM 1275, PGA Mechanism Review, Bare Steel and other surcharges passed through to customers, and Docket AR 499 (only for eligible expenses after August 1, 2006), and UM 1244. NWIGU requests the payment of the \$8,902.54 Preauthorized Matching Grant for the expenses listed in Exhibit A, attached, which are Eligible Expenses under Section 7.4 of the IFA. These expenses are in excess of any amounts recovered through Issue Fund Grants and/or other Matching Fund Grant Requests.
3. 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 at Section 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.
4. 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.

Having demonstrated that it meets all of the criteria and conditions for such request, NWIGU requests payment of a Preauthorized Matching Grant from NW Natural's Preauthorized Matching Fund in the amount of \$8,902.54. NWIGU requests that the Commission grant this request within 30 days of receipt and order NW Natural to pay NWIGU the amount of \$8,902.54 within 30 days after receipt of the Commission directive, in accordance with Section 7.2 of the IFA.

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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:tr

Enclosure(s) w/ all originals w/ four copies to Judge Grant

cc: P. Pyron w/ enc.