

December 6, 2010

**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 Application of AVISTA CORPORATION DBA AVISTA
UTILITIES for a General Rate Revision
Docket No. UG-201
Proposed Budget of the Northwest Industrial Gas Users

Dear Filing Center:

Pursuant to OAR § 860-012-0100(4), the First Amended and Restated Intervenor Funding Agreement (“IFA”), approved by the Oregon Public Utility Commission (“Commission”) in Order No. 07-576 (December 20, 2007), and Administrative Law Judge (ALJ) Power’s Prehearing Conference Memorandum dated October 26, 2010, the Northwest Industrial Gas Users (NWIGU) hereby respectfully submit an issue fund budget of \$43,165, which after 20% match by NWIGU, is a net requested issue fund budget of \$34,532.

Article 6.3 of the 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 the Avista Corporation, dba Avista Utilities (“Avista”) general rate case. This includes review of Avista’s filing, participation in settlement conferences, drafting testimony and briefs, and participation at hearing. NWIGU will share the cost of an expert focusing on revenue requirement issues with the Citizens’ Utility Board of Oregon (“CUB”).

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2. A Description of the Areas to be Investigated.

NWIGU will focus its efforts on evaluating Avista's filing, revenue requirements, cost of service study and rate design to ensure that rates are set in a fair and equitable manner consistent with Commission precedent.

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-eight 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, and will benefit all customers in the sharing of an expert witness with CUB.

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. There is currently \$60,000 available with an additional \$30,000 being added in 2011. Given CUB and NWIGU's filings, there are sufficient funds in the Avista Utilities Account even in the event of a fully litigated case. Settlement of some or all of the issues will likely reduce NWIGU's request. 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.

CONCLUSION

NWIGU respectfully requests that the Commission approve its proposed budget for an issue fund grant in the amount of \$43,165, less the 20% matching requirement (\$8,633), for a net

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grand total issue fund grant of \$34,532, and that the budget be approved as expeditiously as possible in order to allow the retention of the expert witness that CUB and NWIGU desire to share on revenue requirement concerns.

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

Very truly yours,

/s/ Chad M. Stokes
Chad M. Stokes

CMS:ki

Enclosure(s)

cc: UG-201 Service List

APPENDIX A**UG 201****NWIGU PROPOSED BUDGET FOR ISSUE FUND**

<u>Work to be Performed</u>	<u>Personnel</u>	<u>Hours</u>	<u>Rate</u>	<u>Cost</u>
Review of Filing and Discovery	Partner	5	\$185	\$925
	Associate	10	\$150	\$1500
Settlement Conferences	Partner	16	\$185	\$2960
Testimony	Partner	20	\$185	\$3700
	Associate	10	\$150	\$1500
Briefs	Partner	25	\$185	\$4625
	Associate	25	\$150	\$3750
Cross Exam Statements	Partner	4	\$185	\$740
Hearings	Partner	18	\$185	\$3330
Oral Argument	Partner	5	\$185	\$925
Travel	Partner	6	\$185	\$1110
	Associate	4	\$150	\$600
Total Hours		148		
Grand Total				\$25,665.00

Estimated Expert Witness Budget
(NWIGU will share the costs of its expert witness with the Citizens' Utility Board)

Review and Analysis of Filing	10	\$195	\$1950
Assist with Discovery	15	\$195	\$2925
Review revenue requirement components	22	\$195	\$4290
Prepare rebuttal and surrebuttal testimony	24	\$195	\$4680
Prepare and testify at hearing	18	\$195	\$3510
Total	89		\$17,355
Additional Misc. Allowed Expert Witness Costs			\$145
Represents ½ of the estimated cost			\$17,500
Grand Total (Attorneys' Fees and Expert Fees)			\$43,165
Less 20% Match			\$8,633
Net Grant Issue Fund Grant			\$34,532

CERTIFICATE OF SERVICE

I hereby certify that I caused to be served the foregoing via electronic mail and, where paper service is not waived, via postage-paid first class mail upon the following parties of record:

CITIZENS' UTILITY BOARD OF OREGON (W) Gordon Feighner Energy Analyst 610 SW Broadway, Ste 400 Portland, OR 97205 gordon@oregoncub.org	AVISTA CORPORATION David J Meyer Vice President & Chief Counsel PO Box 3727 Spokane, WA 99220-3727 david.meyer@avistacorp.com
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DATED: December 6, 2010

CABLE HUSTON BENEDICT
HAAGENSEN & LLOYD LLP

/s/ Chad M. Stokes

Chad M. Stokes, OSB No. 004007

Of Attorneys for the Northwest Industrial Gas Users