

**PUBLIC UTILITY COMMISSION OF OREGON
ADMINISTRATIVE HEARINGS DIVISION REPORT
PUBLIC MEETING DATE: NOVEMBER 8, 2007**

REGULAR X CONSENT _____ EFFECTIVE DATE November 8, 2007

DATE: October 26, 2007

TO: Public Utility Commission

FROM: Michael Grant, Chief Administrative Law Judge

SUBJECT: OREGON PUBLIC UTILITY COMMISSION: (Docket No. UM 1353)
Approval of Intervenor Funding Agreement for 2007 for Avista Utilities

ADMINISTRATIVE LAW JUDGE RECOMMENDATION:

The Commission should approve the Intervenor Funding Agreement for 2007 for Avista Utilities set forth in Attachment A.

DISCUSSION:

Avista Utilities (Avista), the Citizens' Utility Board (CUB) and the Northwest Industrial Gas Users (NWIGU) have entered into a written agreement to establish an intervenor funding program for Avista under the terms of the original intervenor funding agreement (IFA) previously approved in Order No. 03-388. Avista was not a signatory to the original IFA. The purpose of this new agreement is to add Avista as a "Participating Public Utility" to that IFA for 2007.

The new agreement is authorized under ORS 757.072, which allows energy utilities to enter into agreements for the financial assistance to organizations representing broad customer interests in Commission proceedings. The new agreement provides \$30,000 for each of three new Avista fund accounts for 2007—that is, \$30,000 for a CUB Fund, \$30,000 for a Preauthorized Matching Fund for NWIGU, and \$30,000 for an Issues Fund. Intervenor Funding grants can be requested from all three new Avista fund accounts under the terms established in the original IFA.

All three parties are currently negotiating, with the other parties, the terms for a successor intervenor funding agreement to the original IFA that expires at the end of 2007. Notwithstanding this expiration, Avista, CUB and NWIGU agree that the unused balance remaining in any of the new Avista fund accounts on December 31, 2007, will

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carry over and be made available for use in 2008 under the same terms of the original IFA or any successor agreement between the parties.

I recommend the Commission approve the agreement under ORS 757.072 to allow the provision of financial assistance agreed to by the signatories.

PROPOSED COMMISSION MOTION:

The Intervenor Funding Agreement for 2007 for Avista Utilities set forth in Attachment A be approved.

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Attachment A Page 1

NORTHWEST INDUSTRIAL GAS USERS

4113 Wolf Berry Court
Lake Oswego, OR 97035-1827

Phone: (503) 636-2580
Facsimile: (503) 636-0703

Paula E. Pyron
Executive Director

HARD COPY OF ELECTRONIC
DOCUMENT(S) RECEIVED
10/10/07

E-mail: ppyron@nwigu.org

October 9, 2007

RECEIVED

OCT 25 2007

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

Public Utility Commission of Oregon
Administrative Hearing Division

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.

DOCKETED

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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

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Attachment A Page 3

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

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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

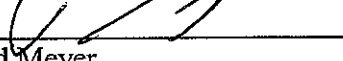
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Attachment A Page 4

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Avista Utilities

cc Honorable Chief Administrative Law Judge Michael Grant