

December 23, 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 OREGON PUBLIC UTILITY STAFF Requesting the Commission direct AVISTA UTILITIES to file tariffs establishing automatic adjustment clauses under the terms of SB 408 (**Docket No. UG-171(4)**)

Issues List for the Northwest Industrial Gas Users

Dear Filing Center:

Intervenor Northwest Industrial Gas Users identifies the following issue in this proceeding:

Does application of OAR 860-022-0041 to Avista's SB 408 filing successfully implement the legal requirements imposed by SB 408? In order to protect customers from being overcharged by utilities for taxes, the legislature passed SB 408 which requires utilities to true-up any differences between income taxes authorized to be collected through rates from customers and the income taxes actually paid to units of the government that are properly attributed to the utilities' regulated functions. As identified by Staff, there is a potential inconsistency between SB 408 and OAR 860-022-0041 with respect to the determination of the existence of a normalization violation. The potential inconsistency could result in an outcome whereby Avista is allowed to collect more for taxes than it actually pays, in contravention of SB 408.

CABLE HUSTON

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

Very truly yours,

/s/ Tommy A. Brooks
Tommy A. Brooks

cc: UG-171 Service List

CERTIFICATE OF SERVICE

I CERTIFY that I have on this day served the foregoing document upon all parties of record in this proceeding via electronic mail or by mailing a copy to those parties not waiving paper service in a properly addressed envelope with first class postage prepaid.

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Dated in Portland, Oregon, this 23rd day of December, 2010.

/s/ Tommy A. Brooks
Tommy A. Brooks, OSB No. 076071
Chad M. Stokes, OSB No. 004007
Of Attorneys for the Northwest Industrial Gas Users