



July 25, 2014

Public Utility Commission of Oregon
Attention: Filing Center
3930 Fairview Industrial Drive SE
Salem, Oregon 97302

RE: Docket No: UM 1356

Pursuant to ORS 757.259 and OAR 860-027-300(4), Avista Utilities submits an original and three (3) copies of its Application for Reauthorization to Defer Costs related to Intervenor Funding Grants provided to various qualifying organizations.

Avista seeks, with this application, to receive reauthorization of these deferrals for the twelve month period beginning November 1, 2014 and ending October 31, 2015.

Please direct any questions regarding this order request to Patrick Ehrbar at (509) 495-8620 or Ryan Finesilver at (509) 495-4873.

Sincerely,

A handwritten signature in black ink, appearing to read "D. J. Meyer", is positioned above the typed name.

David J. Meyer, Esq., Vice President and Chief Counsel
for Regulatory and Governmental Affairs

Enclosure

Cc: Certificate of Service

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that I have this day served Avista Corporation's Application for an Order Reauthorizing Deferral Accounting for Intervenor Funding, upon the parties listed below by mailing a copy thereof, postage prepaid and/or by electronic mail.

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W Keith Kueny

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W Ed Finklea

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W Deborah Garcia

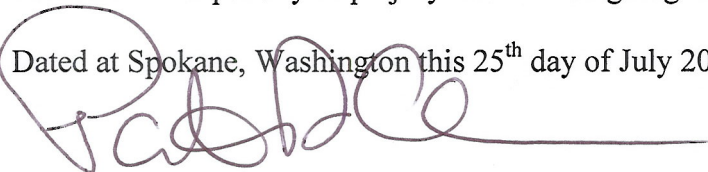
Public Utility Commission
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deborah.garcia@state.or.us

W Jason W. Jones

Assistant Attorney General
1162 Court St. NE
Salem, OR 97301-4096
jason.w.jones@state.or.us

I declare under penalty of perjury that the foregoing is true and correct.

Dated at Spokane, Washington this 25th day of July 2014.



Patrick Ehrbar
Manager, Rates and Tariffs

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BEFORE THE PUBLIC UTILITY COMMISSION

OF OREGON

Docket No. UM 1356

IN THE MATTER OF THE APPLICATION OF) APPLICATION FOR
AVISTA UTILITIES FOR AN ORDER) REAUTHORIZATION TO
REAUTHORIZING DEFERRAL OF CERTAIN) DEFER COSTS
COSTS)

Pursuant to ORS 757.259 and OAR 860-027-0300(4), Avista Corporation, dba Avista Utilities (“Avista” or “Company”), applies to the Public Utility Commission of Oregon ("Commission") for an order authorizing it to utilize deferred accounting for Intervenor Funding Grants provided to various qualifying organizations. Avista respectfully requests that this reauthorization become effective November 1, 2014.

In support of this Application, the Company states:

Avista provides natural gas service in southwestern and northeastern region and is a public utility subject to the Commission’s jurisdiction under ORS 757.005(1)(a)(A).

The Company requests that all notices, pleadings and correspondence regarding this Application be sent to the following:

| | |
|----------------------------|----------------------------------|
| Patrick Ehrbar | David J. Meyer, Esq. |
| Manager, Rates and Tariffs | Vice President and Chief Counsel |
| Avista Corporation | for Regulatory and |
| P.O. Box 3727 | Governmental Affairs |
| Avista Corporation | P.O. Box 3727 |
| 1411 E. Mission, MSC-27 | 1411 E. Mission, MSC-27 |
| Spokane, WA 99220-3727 | Spokane, WA 99220-3727 |
| (509) 495-8620 | (509) 495-4316 |

This Application is filed pursuant to ORS 757.259, which empowers the Commission to authorize the deferral of expenses or revenues of a public utility for later incorporation in

1 rates.

2

3 BACKGROUND

4 The Intervenor Funding Agreement between the Company, Citizens' Utility Board of
5 Oregon ("CUB") and Northwest Industrial Gas Users ("NWIGU") established three funds
6 from which Grants could be made (CUB Fund, Preauthorized Matching Fund and an Issues
7 Fund).

8

9 DESCRIPTION OF EXPENSES

10 The Intervenor Funding Agreement provides that pre-certified intervenors must submit
11 a proposed fund budget to the Commission that contains the following information:

- 12 1) A statement of the work to be performed by the applicant for which the applicant is
13 seeking an Issue Fund Grant;
- 14 2) A description of the areas to be investigated by the intervenor;
- 15 3) A description of the particular customer class(es) that will benefit from the
16 intervenor's participation;
- 17 4) Identification of the specific account or accounts from which the intervenor is
18 seeking an Issue Fund Grant and an estimate of the amount of available funds in
19 that account;
- 20 5) A budget showing estimated attorney fees, which may include the cost for
21 appropriate support staff and operational support;
- 22 6) A budget showing estimated consultant fees and expert witness fees, which may
23 include the cost for appropriate support staff and operational support; and

1 7) A representation that the intervenor will use matching funds from either in-house
 2 resources or outside funding to account for or pay at least 20 percent of the Eligible
 3 Expenses for the work to be performed for which the intervenor is seeking an Issue
 4 Fund Grant.

5 After Commission approval of the proposed budget, the intervenor must file a Request
 6 for Payment with the Commission. If the Request meets the Intervenor Funding Agreement
 7 requirements the Commission will order payment and specify which customer class will be
 8 responsible for the grant.

9 A sub-account of FERC account number 191 is used to record the grant payments,
 10 specifically account numbers 191720, 191721 and 191722.

11

12 GRANTS APPROVED THIS PERIOD

13 On October 29, 2013, by Order No. 13-399, the Commission approved continued
 14 deferred accounting treatment for the three Intervenor Funds. In accordance with this Order
 15 the Company deferred the following:

| | CUB Fund | Preauthorized Matching Fund | Issues Fund |
|----------------------|---------------------|-----------------------------------|---------------------|
| Per Order No. 14-008 | \$ 34,500.00 | | |
| Per Order No. 14-009 | | | \$ 25,928.00 |
| Per Order No. 14-011 | | | \$ 8,334.00 |
| Per Order No. 14-072 | | | \$ 15,605.59 |
| Per Order No. 14-117 | | \$ 601.00 | |
| Per Order No. 14-119 | | | \$ 6,785.60 |
| Per Order No. 14-172 | | | \$ 8,334.00 |
| | <u>\$ 34,500.00</u> | <u>\$ 601.00</u> | <u>\$ 64,987.19</u> |

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17 RECOVERY OF INTERVENOR FUNDING GRANTS

1 On November 22, 2011, in accordance with Order No. 11-470, the Company began
2 amortizing the Intervenor Funding deferrals through Schedule 476.

3 As of June 30, 2014 balances for the Residential and Industrial accounts are as follows:

| | Residential Acct 191723 | Industrial Acct 191724 |
|--------------------------|----------------------------|---------------------------|
| Balance at June 30, 2013 | \$4,685.31 | \$1,090.76 |
| 2014 Funding Grants | \$47,550.65 | \$13,401.59 |
| Less: Amortization | \$46,250.37 | \$12,056.93 |
| Add: Interest | \$212.14 | \$77.43 |
| Balance at June 30, 2014 | <u>\$6,197.73</u> | <u>\$2,512.85</u> |

4
5 SCHEDULE 476 TARIFF FILING

6 In conjunction with its annual PGA filing in July 2014, Avista request to recover the
7 remaining unamortized residual balances and the current deferrals over the upcoming PGA
8 period (November 1, 2014 – October 31, 2015). At that time \$35,587.26 will be transferred
9 from Account 191720 to Account 191723 and \$608.50 will be transferred from Account
10 191721 to Account 191724 for amortization during the upcoming PGA recovery cycle¹.
11 These amounts do not include interest that will be accrued from July 1, 2014 through
12 October 31, 2014 in accordance with the Intervenor Funding Agreement previously approved
13 by the Commission.

14
15 FUTURE ESTIMATED DEFERRALS

16 The Company estimates that the following amounts may be deferred during the twelve
17 month period subsequent to this Application (November 1, 2014 through October 31, 2015):

¹ In addition, there will be a \$66,496.83 transfer from Account 191722 (Issues Fund) into Accounts 191723 and 191724. \$43,727.64 of the total transfer will be transferred to Account 191723 and \$22,769 will be transferred to Account 191724.

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|-----------------------------|-------------|
| CUB Fund | \$34,500.00 |
| Preauthorized Matching Fund | \$10,000.00 |
| Issues Fund | \$10,000.00 |

Absent Commission's reauthorization of deferred accounting, the Company would incur the cost of Intervenor Funding Grants.

Avista seeks with this application to receive reauthorization of the use of sub-accounts of FERC Account No. 191 to account for the Intervenor Funding Grants awarded over the twelve month period beginning November 1, 2014 and ending October 31, 2015.

DATED this 25th day of July 2014.

Respectfully submitted,

Avista Utilities

By: 

David J. Meyer, Esq., Vice President and Chief
Counsel for Regulatory and Governmental Affairs