

Avista Corp.  
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July 31, 2014

Advice No. 14-05-G/ UG-\_\_\_\_  
(UM 1356)

Public Utility Commission of Oregon  
3930 Fairview Industrial Drive SE  
Salem, OR 97302

Attention: Filing Center

Pursuant to Docket UM 1356 and ORS 757.259(5), Avista Utilities hereby submits the following tariff revision applicable to its Oregon natural gas operations along with a copy of its supporting workpapers.

**Intervenor Funding Grants - Oregon**

Fifth Revision Sheet 476

Canceling

Fourth Revision Sheet 476

Fifth Revision Sheet 476 updates the Company's Intervenor Funding amortization rates currently in effect pursuant to Section 7.9 of the Second Amended and Restated Intervenor Funding Agreement previously adopted by the Public Utility Commission of Oregon ("Commission") in Order No. 13-399. The Company is requesting an increase in overall retail revenues of \$60,915, or 0.07%, effective on November 1, 2014. The current amortization rates and the proposed changes, both inclusive of the gross revenue factor, are as follows:

<u>Schedule</u>	<u>Current Amortization Rates</u>	<u>Proposed Rate Change</u>	<u>Updated Amortization Rate</u>
410	\$0.00101	\$0.00049	\$0.00150
440	\$0.00043	\$0.00092	\$0.00135
456	\$0.00043	\$0.00092	\$0.00135

In Order No. 13-357 in Docket No. UM 1356, the Commission approved Avista's request for reauthorization to defer costs related to Intervenor Funding grants for the period November 2013 through October 2014. Avista made that filing under ORS 757.259 and OAR 860-027-0300(4). This filing is in compliance with ORS 757.259 which authorizes deferred utility expenses or revenues to be allowed (amortized) in rates to the extent authorized by the Commission in a proceeding to change rates. All of the deferrals included in this filing occurred with appropriate application by Commission authorization, as rate orders or under approved tariffs.

Pursuant to ORS 757.259(5-7) and OAR 860-027-0300(9), the overall annual average rate impact of the amortizations authorized under the statutes may not exceed three percent of the natural gas utility's gross revenues for the preceeding calendar year, unless the Commission finds that allowing a higher amortization rate is reasonable under the circumstances. However, per ORS 757.259(4), Intervenor Funding is excluded from the three percent test.

Pursuant to OAR 860-022-0025 and OAR 860-022-0030, the total number of customers affected by this filing, the annual revenue before and after the impact of the rate change, and the average monthly use and resulting bills under existing and proposed rates are as follows:

<u>Rate Schedule</u>	<u>Number of Customers</u>
Schedule 410	86,184
Schedule 440	35
Schedule 456	35


Sch No	Description	Present Revenues	Proposed Revenues	Revenue Incr (Decr)	Percent Incr (Decr)	Monthly Use (Therms)	Present Monthly Cost	Proposed Monthly Cost	Monthly Change	Proposed Change to Monthly Cost
410	Residential	\$ 58,136,705	\$ 58,160,639	\$ 23,936	0.04%	47	\$ 55.97	\$ 56.00	\$ 0.02	0.04%
440	Interruptible	\$ 1,990,047	\$ 1,993,653	\$ 3,606	0.18%	9,425	\$ 4,784.88	\$ 4,793.56	\$ 8.67	0.18%
456	Int. Transportation	\$ 3,163,529	\$ 3,196,901	\$ 33,372	1.05%	86,273	\$ 7,523.87	\$ 7,603.24	\$ 79.37	1.05%

After combining the impact of this filing with the two other regulatory filings made today<sup>1</sup>, a residential customer using an average of 47 therms a month could expect their bill to *increase* by \$5.45, or 9.7 percent, for a revised monthly bill of \$61.42 effective November 1, 2014.

The Company will issue a media release coincident with the annual Purchased Gas Cost Adjustment ("PGA") filing and provide notice to customers via a newspaper advertisement following the updated PGA filing in mid-September.

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

Sincerely,

  
Kelly O. Norwood,  
Vice President, State and Federal Regulation

Enc.

<sup>1</sup> On July 31, 2014, Avista filed to update effective November 1, 2014 Schedules 461/462 (Purchased Gas Cost Adjustment Schedules - Advice No. 14-04-G) and Schedule 478 (DSM Cost Recovery - Advice No. 14-06-G).

## CERTIFICATE OF SERVICE

I HEREBY CERTIFY that I have this day served Avista Utilities', a division of Avista Corp, application to update the Intervenor Funding amortization rates into Rate Schedule 476 upon the parties listed below by mailing a copy thereof, postage prepaid and by electronic mail or CD.

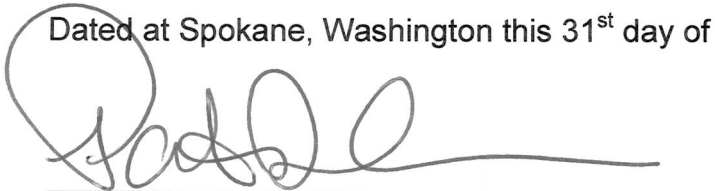
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I declare under penalty of perjury that the foregoing is true and correct.

Dated at Spokane, Washington this 31<sup>st</sup> day of July, 2014.



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Patrick Ehrbar  
Manager, Rates & Tariffs

AVISTA CORPORATION  
dba Avista Utilities

SCHEDULE 476

INTERVENOR FUNDING GRANTS - OREGON

APPLICABLE:

Adjustments under this schedule are applicable to all bills calculated under all schedules of this Tariff.

PURPOSE:

The purpose of this schedule is to recover the cost of Intervenor Funding Grants provided to various entities to cover their costs of advocating on behalf of customers. The awarding of such grants is governed by Section 7.9 of the Second Amended and Restated Intervenor Funding agreement adopted by the Public Utility Commission of Oregon in Order No. 12-452.

MONTHLY RATE:

The Commodity Charge per therm of the individual rate schedules are to be adjusted by the following amounts:

<u>Rate Schedule</u>	<u>Rate</u>
Schedule 410	\$0.00150 per Therm
Schedule 440	\$0.00135 per Therm
Schedule 456	\$0.00135 per Therm

(I)  
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(I)

SPECIAL TERMS AND CONDITIONS:

This schedule is subject to the General Rules and Regulations contained in this tariff and to those prescribed by regulatory authorities.

Advice No. 14-05-G  
Issued July 31, 2014

Effective For Service On & After  
November 1, 2014

Issued by Avista Utilities

By



Kelly Norwood, Vice President, State & Federal Regulation

**Workpapers of  
Avista Utilities**

**Advice No. 14-05-G**

**Intervenor Funding**

**July 31, 2014**

Ln No.	Account Description (a)	Class (b)	New or Residual (c)	Interest Rate (d)	Order Number (e)	Account Balance 06-30-14 (f)	Estimated Thru 10/31/14		Interest Accruals Thru Amortization (i)	Adjustments (j)	Balance for Amortization (k)	Forecasted Therms (l)	Temporary Increment Per Therm By Rate Schedule			
							Interest Accruals (g)	Amortizations (h)					Firm (m)	General (n)	Interruptible (o)	Transportation (p)
1	CUB Fund (Account 191720)	Residential	Residual	7.47%	14-008	\$ 35,587				\$ (35,587)	\$0					
2	Preauthorized Matching Fund (Account 191721)	Industrial	Residual	7.47%	14-117	\$ 609				\$ (609)	\$0					
3	Issues Fund (Account 191722)	Industrial	Residual	7.47%	(1)	\$ 43,728				\$ (43,728)	\$0					
4	Issues Fund (Account 191722)	Residential	Residual	7.47%	(2)	\$ 22,769				\$ (22,769)	\$0					
5	Residential Customers Amortization (Account 191723)	Residential	Residual	1.38%		\$ 6,198	\$ 40	\$ 6,206	\$ 427	\$ 58,356	\$71,228	48,850,366	\$0.00146			
6	Industrial Customers Amortization (Account 191724)	Industrial	Residual	1.38%		\$ 2,513	\$ 23	\$ 5,198	\$ 451	\$ 44,336	\$52,521	40,194,144			\$0.00131	\$0.00131
7	Subtotal Amortization Rates Before Revenue Sensitive Costs												\$0.00146	\$0.00000	\$0.00131	\$0.00131
8	Revenue Requirement Before Revenue Sensitive Costs															
9	Revenue Sensitive Cost Percentages:												102.985%	102.985%	102.985%	102.985%
10	Revenue Requirement After Revenue Sensitive Costs												\$0.00150	\$0.00000	\$0.00135	\$0.00135
11	Proposed Amortization Rates With Revenue Sensitive Costs												\$0.00150	\$0.00000	\$0.00135	\$0.00135

(1) Per Order Nos. 14-009, 14-011, 14-172  
 (2) Per Order Nos. 14-119, 14-072

Avista Utilities  
Oregon Gas Operations  
Intervenor Funding Amortization (Tariff Schedule 476)  
Revenue Increase / Decrease

Sch No	Description	Forecasted Annual Billings	Forecasted Sales (Therms)	Present Billing Rate	Present Revenues	Proposed Billing Rate	Proposed Revenues	Revenue Incr (Decr)	Percent Incr (Decr)	Monthly Use (Therms)	Present Monthly Cost	Proposed Monthly Cost	Monthly Change	Proposed Change to Monthly Cost
410	Residential	1,034,209		\$ 8.00	\$ 8,273,671	\$ 8.00	\$ 8,273,671			47	\$ 55.97	\$ 56.00	\$ 0.02	0.04%
			48,850,366	\$ 1.02073	\$ 49,863,034	\$ 1.02122	\$ 49,886,968	\$ 23,937	0.04%					
					\$ 58,136,705		\$ 58,160,639							
420	General	135,862		\$ 12.00	\$ 1,630,349	\$ 12.00	\$ 1,630,349			193	\$ 190.85	\$ 190.85	\$ -	
			26,278,619	\$ 0.92670	\$ 24,352,396	\$ 0.92670	\$ 24,352,396							
					\$ 25,982,745		\$ 25,982,745	\$ -						
424	Large General	968		\$ 50.00	\$ 48,379	\$ 50.00	\$ 48,379			4,538	\$ 3,155.40	\$ 3,155.40	\$ -	
			4,390,923	\$ 0.68431	\$ 3,004,752	\$ 0.68431	\$ 3,004,752							
					\$ 3,053,131		\$ 3,053,131	\$ -						
440	Interruptible	416	3,919,884	\$ 0.50768	\$ 1,990,047	\$ 0.50860	\$ 1,993,653	\$ 3,606	0.18%	9,425	\$ 4,784.88	\$ 4,793.56	\$ 8.67	0.18%
444	Seasonal 3/1-11/30 (Firm)	41	253,094	\$ 0.71605	\$ 181,228	\$ 0.71605	\$ 181,228	\$ -		6,173	\$ 4,420.18	\$ 4,420.18	\$ -	
447	Special Contracts	36	7,857,780		\$ 282,240		\$ 282,240	\$ -						
456	Int. Transportation	420	36,274,260	\$ 0.08721	\$ 3,163,529	\$ 0.08813	\$ 3,196,901	\$ 33,372	1.05%	86,273	\$ 7,523.87	\$ 7,603.24	\$ 79.37	1.05%
	Total	<u>1,171,952</u>	<u>127,824,925</u>		<u>92,789,625</u>		<u>92,850,537</u>	<u>\$ 60,915</u>	<u>0.07%</u>					
								(0)						

Line No.	Account / Project No.	Description	Balance To Be Amortized (C)	Current Tariff Rate per Therm (D)	Proposed Amort. Rate per Therm (E)	Proposed Tariff Rate per Therm (F)	(1) Change in Tariff Rate Therm (F) - (D) = (G)	Total Forecasted Therms (H)	Estimated Revenue Increase <Decrease> (G) * (H) = (I)	Schedule 410	Schedule 420	Schedule 440	Schedule 456
1	191723	Residential Customers (Schedule 410)	\$ 71,228	\$ 0.00101	\$0.00146	\$0.00150	\$0.00049	48,850,366	\$23,937	\$23,937			
2	191724	Industrial Customers (Schedule 440)	\$ 5,122	\$ 0.00043	\$0.00131	\$0.00135	\$0.00092	3,919,884	\$3,606			\$3,606	
3	191724	Transportation Customers (Schedule 456)	\$ 47,399	\$ 0.00043	\$0.00131	\$0.00135	\$0.00092	36,274,260	\$33,372				\$33,372
4		<b>Total</b>	<b>\$ 123,749</b>						<b>\$ 60,915</b>	<b>\$ 23,937</b>	<b>\$ -</b>	<b>\$ 3,606</b>	<b>\$ 33,372</b>
										\$0			
TOTAL PER RATE SCHEDULE													
				\$ 0.00101	\$0.00146	\$0.00150	\$0.00049		\$23,937	\$23,937			
				\$ 0.00043	\$0.00131	\$0.00135	\$0.00092		\$3,606			\$3,606	
				\$ 0.00043	\$0.00131	\$0.00135	\$0.00092		\$33,372				\$33,372
									<b>\$60,915</b>	<b>\$23,937</b>		<b>\$3,606</b>	<b>\$33,372</b>

(1) Revenue Sensitive Costs

102.985%



Avista Utilities  
Oregon Gas Operations  
Deferral Account Balance and Estimated Activity

Account Number	Note	Account Description	Deferral Order	Account Balance 6-30-14	Act. Amort. Deferrals & Int. 7-31-14	Est. Amort. Deferrals & Int. 8/1/14 - 10/31/14	Adjustments	Estimated Balance 10/31/14	Amortization Rate Schedules
<b>NEW DEFERRALS</b>									
191720	1	CUB Fund (Residential)	13-355	\$ 35,587.26			\$ (35,587.26)		410
191721	2	Preauthorized Matching Fund (Industrials)	13-355	\$ 608.50			\$ (608.50)		440, 456
191722	3	Issues Fund (Industrials)	13-355	\$ 43,727.64			\$ (43,727.64)		440, 456
191722	4	Issues Fund (Residential)	13-355	\$ 22,769.19			\$ (22,769.19)		410
<b>TOTAL NEW DEFERRALS</b>				\$ 102,692.59	\$ -	\$ -	\$ (102,692.59)		
<b>PREVIOUS DEFERRALS</b>									
191723		Residential Customers (1.38% Interest)	13-399	\$ 6,197.73	\$ 1,204.84	\$ 5,041.59	\$ 58,356.45	\$ 70,800.61	410
191724		Industrial Customers (1.38% Interest)	13-399	\$ 2,512.85	\$ 1,201.60	\$ 4,019.35	\$ 44,336.14	\$ 52,069.94	440, 456
<b>TOTAL PREVIOUS DEFERRALS</b>				\$ 8,710.58	\$ 2,406.44	\$ 9,060.94	\$ 102,692.59	\$ 122,870.55	
<b>Total</b>				\$ 111,403.17	\$ 2,406.44	\$ 9,060.94	\$ -	\$ 122,870.55	

0.00

Note 1 - Per Order No. 14-008

Note 2 - Per Order No. 14-117

Note 3 - Per Order Nos. 14-009, 14-011, 14-172

Note 4 - Per Order Nos. 14-119, 14-072

	Acct 191723 Residential Customers Interest <u>1.38%</u>	Acct 191724 Industrial Customers Interest <u>1.38%</u>
Balance at 6/30/14	6,197.73	2,512.85
Sch 410 Volumes	1,221,448	-
Sch 440 Volumes	-	217,135
Sch 456 Volumes	-	2,635,270
	<u>1,221,448</u>	<u>2,852,405</u>
Sch 440 Amortization Rate		\$0.00042
Sch 456 Amortization Rate		\$0.00042
Amortization Rate	<u>\$0.00098</u>	
Amortization	\$1,197.02	\$1,198.02
Interest	\$7.82	\$3.58
Estimated Bal at 7/31/14	<u>\$7,402.57</u>	<u>\$3,714.45</u>
Sch 410 Volumes	1,133,446	-
Sch 440 Volumes	-	260,977
Sch 456 Volumes	-	2,747,716
	<u>1,133,446</u>	<u>3,008,694</u>
Sch 440 Amortization Rate		\$0.00042
Sch 456 Amortization Rate		\$0.00042
Amortization Rate	<u>\$0.00098</u>	
Amortization	\$1,110.78	\$1,263.65
Interest	\$9.15	\$5.00
Estimated Bal at 8/31/14	<u>\$8,522.50</u>	<u>\$4,983.10</u>
Sch 410 Volumes	1,180,543	-
Sch 440 Volumes	-	444,927
Sch 456 Volumes	-	2,702,777
	<u>1,180,543</u>	<u>3,147,704</u>
Sch 440 Amortization Rate		\$0.00042
Sch 456 Amortization Rate		\$0.00042
Amortization Rate	<u>\$0.00098</u>	
Amortization	\$1,156.93	\$1,322.04
Interest	\$10.47	\$6.49
Estimated Bal at 9/30/14	<u>\$9,689.90</u>	<u>\$6,311.63</u>
Sch 410 Volumes	2,797,487	-
Sch 440 Volumes	-	449,837
Sch 456 Volumes	-	2,917,076
	<u>2,797,487</u>	<u>3,366,913</u>
Sch 440 Amortization Rate		\$0.00042
Sch 456 Amortization Rate		\$0.00042
Amortization Rate	<u>\$0.00098</u>	
Amortization	\$2,741.54	\$1,414.10
Interest	\$12.72	\$8.07
Estimated Bal at 10/31/14	<u>\$12,444.16</u>	<u>\$7,733.80</u>

Avista Utilities  
 Estimated Amortization  
 Account 191723 - Residential Customers Amortization Rate

		Sch 410 Residential	Amortization Rate \$0.00146	Amortization	Interest 1.77%	Balance
						\$70,800.61
November	2014	5,486,392	\$0.00146	(\$8,010.13)	\$98.52	\$62,889.00
December		8,409,741	\$0.00146	(\$12,278.22)	\$83.71	\$50,694.49
January	2015	8,256,601	\$0.00146	(\$12,054.64)	\$65.88	\$38,705.73
February		6,451,596	\$0.00146	(\$9,419.33)	\$50.14	\$29,336.54
March		5,788,565	\$0.00146	(\$8,451.30)	\$37.04	\$20,922.28
April		4,182,679	\$0.00146	(\$6,106.71)	\$26.36	\$14,841.93
May		2,400,327	\$0.00146	(\$3,504.48)	\$19.31	\$11,356.76
June		1,498,056	\$0.00146	(\$2,187.16)	\$15.14	\$9,184.74
July		1,286,474	\$0.00146	(\$1,878.25)	\$12.16	\$7,318.65
August		1,205,090	\$0.00146	(\$1,759.43)	\$9.50	\$5,568.72
September		1,169,875	\$0.00146	(\$1,708.02)	\$6.95	\$3,867.65
October	2015	2,714,971	\$0.00146	(\$3,963.86)	\$2.78	(\$93.43)
		<u>48,850,366</u>		<u>(\$71,321.53)</u>	<u>\$427.49</u>	

Avista Utilities  
 Estimated Amortization  
 Account 191724 - Industrial Customers Amortization Rate

		Sch 440 Interruptible	Sch 456 Transportation	Total	Amortization Rate \$0.00131	Amortization	Interest 1.77%	Balance
								\$52,069.94
November	2014	460,939	2,956,036	3,416,975	\$0.00131	(\$4,476.24)	\$73.50	\$47,667.20
December		400,305	3,182,306	3,582,611	\$0.00131	(\$4,693.22)	\$66.85	\$43,040.83
January	2015	403,246	3,318,058	3,721,305	\$0.00131	(\$4,874.91)	\$59.89	\$38,225.81
February		348,604	3,149,419	3,498,023	\$0.00131	(\$4,582.41)	\$53.00	\$33,696.40
March		295,658	3,209,732	3,505,390	\$0.00131	(\$4,592.06)	\$46.32	\$29,150.66
April		257,556	3,098,057	3,355,613	\$0.00131	(\$4,395.85)	\$39.76	\$24,794.57
May		200,745	2,948,808	3,149,553	\$0.00131	(\$4,125.91)	\$33.53	\$20,702.19
June		182,369	2,894,242	3,076,610	\$0.00131	(\$4,030.36)	\$27.56	\$16,699.39
July		201,719	2,747,779	2,949,498	\$0.00131	(\$3,863.84)	\$21.78	\$12,857.33
August		247,887	2,851,755	3,099,642	\$0.00131	(\$4,060.53)	\$15.97	\$8,812.77
September		446,575	2,815,633	3,262,208	\$0.00131	(\$4,273.49)	\$9.85	\$4,549.13
October	2015	474,281	3,102,435	3,576,716	\$0.00131	(\$4,685.50)	\$3.25	(\$133.12)
		<u>3,919,884</u>	<u>36,274,260</u>	<u>40,194,144</u>		<u>(\$52,654.32)</u>	<u>\$451.26</u>	

Avista Utilities  
Oregon Gas Operations  
Estimated Amortization  
Revenue Conversion Factor for 12 Months Ended 12/31/2012  
(From the last GRC, UG 246)

<u>Line No.</u>			
1	Uncollectibles	0.4895	
2	Regulatory Commission Fee	0.2500	
3	Energy Resource Supplier Assessment	0.0751	
4	Franchise Fees	<u>2.0842</u>	
5			<u><u>2.8988</u></u>
6	Calculation of Revenue Adjustment Factor		
7	Derived: $1 / (1 - 0.028988) =$		<u><u>1.029850</u></u>

Avista Utilities  
Oregon Gas Operations  
Forecasted Volumes

	Nov-14	Dec-14	Jan-15	Feb-15	Mar-15	Apr-15	May-15	Jun-15	Jul-15	Aug-15	Sep-15	Oct-15	12 MO END
410	5,486,392	8,409,741	8,256,601	6,451,596	5,788,565	4,182,679	2,400,327	1,498,056	1,286,474	1,205,090	1,169,875	2,714,971	48,850,366
420	2,859,843	4,281,539	4,399,418	3,318,075	2,987,765	2,144,658	1,293,785	861,224	806,881	809,074	807,071	1,709,288	26,278,619
424	512,653	529,395	441,816	416,015	402,131	315,605	244,655	234,465	259,087	291,724	271,838	471,539	4,390,923
440	460,939	400,305	403,246	348,604	295,658	257,556	200,745	182,369	201,719	247,887	446,575	474,281	3,919,884
444	6,122	3,025	1,325	3	5	423	738	3,584	3,929	12,297	137,658	83,983	253,094
447	601,835	629,808	651,298	658,662	681,139	676,423	671,576	683,165	640,932	650,094	648,140	664,708	7,857,780
456	2,956,036	3,182,306	3,318,058	3,149,419	3,209,732	3,098,057	2,948,808	2,894,242	2,747,779	2,851,755	2,815,633	3,102,435	36,274,260
	12,883,821	17,436,119	17,471,762	14,342,375	13,364,995	10,675,401	7,760,634	6,357,104	5,946,801	6,067,920	6,296,791	9,221,204	127,824,925

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For Estimated Amortization

	Jul-14	Aug-14	Sep-14	Oct-14	Total
410	1,221,448	1,133,446	1,180,543	2,797,487	6,332,924
420	836,331	852,350	783,790	1,605,621	4,078,092
424	264,749	292,315	264,916	436,885	1,258,865
440	217,135	260,977	444,927	449,837	1,372,876
444	4,151	12,678	137,657	79,626	234,111
456	2,635,270	2,747,716	2,702,777	2,917,076	11,002,840
	5,179,085	5,299,484	5,514,609	8,286,531	24,279,709

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