

ORDER NO. 16 392

ENTERED OCT 18 2016

**BEFORE THE PUBLIC UTILITY COMMISSION
OF OREGON**

UG 315

In the Matter of

AVISTA CORPORATION dba AVISTA
UTILITIES,

Updates to Rates on Schedule 476, Intervenor
Funding.

ORDER

DISPOSITION: STAFF'S RECOMMENDATION ADOPTED

This order memorializes our decision, made and effective at our October 18, 2016 Special Public Meeting, to adopt Staff's recommendation in this matter. The Staff Report with the recommendation is attached as Appendix A.

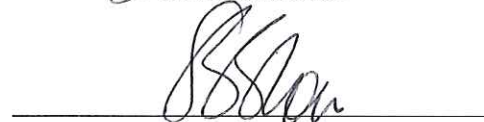
Dated this 16 day of October, 2016, at Salem, Oregon.



Lisa D. Hardie
Chair



John Savage
Commissioner



Stephen M. Bloom
Commissioner

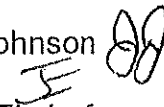
A party may request rehearing or reconsideration of this order under ORS 756.561. A request for rehearing or reconsideration must be filed with the Commission within 60 days of the date of service of this order. The request must comply with the requirements in OAR 860-001-0720. A copy of the request must also be served on each party to the proceedings as provided in OAR 860-001-0180(2). A party may appeal this order by filing a petition for review with the Circuit Court for Marion County in compliance with ORS 183.484.

PUBLIC UTILITY COMMISSION OF OREGON
STAFF REPORT
PUBLIC MEETING DATE: October 18, 2016

REGULAR _____ CONSENT X EFFECTIVE DATE November 1, 2016

DATE: September 21, 2016

TO: Public Utility Commission

FROM: Judy Johnson 

THROUGH: Jason Eisdorfer and Marc Hellman 

SUBJECT: AVISTA UTILITIES: (Docket No. UG 315/Advice No. 16-09-G) Updates rates on Schedule 476, Intervenor Funding.

STAFF RECOMMENDATION:

Staff recommends that Avista Utilities' filing (Avista or Company) be approved, and the associated tariffs be allowed to go into effect on November 1, 2016.

DISCUSSION:

Issue

Whether Avista's request to amortize deferred costs for grants paid to intervenors should be allowed.

Applicable Law

This filing is made pursuant to 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.

In accordance with ORS 727.259(5), the amortization of intervenor funding is not subject to an earnings review. Further, the intervenor funding amortization balance is not included in the three percent test that caps the level of deferred costs that may be amortized during a calendar year per ORS 757.259(4).

Order No. 07-397 requires the costs associated with intervenor funding to be allocated to the customer class on whose behalf the intervenor is acting.

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Discussion and Analysis

In this filing, Avista updates the rate increments in its Schedule No. 476, Intervenor Funding Grants - Oregon, to reflect currently deferred account balances, in accordance with Order No. 07-397.

For the upcoming November 1, 2016, through October 31, 2017 period (2016/2017 PGA Year), Avista proposes: (1) no adjustment to residential rates; (2) an increase of approximately \$5,697, or 0.04 percent to commercial customers; and (3) an increase of \$55,643, or 1.70 percent to Interruptible Transportation customers. This represents an overall increase of \$66,221, or 0.70 percent.

Conclusion

Staff reviewed Avista's application and supporting workpapers to determine if the amortized amounts reconciled with the previous year's balances are consistent with Intervenor Funding grants that were paid by the Company, that interest was applied correctly, and that the proposed rate increments are applied correctly.

Staff finds that Avista's accounting, including the application of interest, is accurate. Staff also finds that the proposed rate increments are calculated correctly. For these reasons, Staff recommends the Commission approve this filing.

PROPOSED COMMISSION MOTION:

Approve Avista's filing and allow the associated tariffs to take effect on November 1, 2016.

Avista UG 315 16-09-G IV Funding.docx