

Avista Corp.

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September 29, 2008

Public Utility Commission of Oregon
Attention: Filing Center
550 Capitol Street, NE, Suite 215
Salem, OR 97308-2148

On September 3 in Docket UM 1390, Avista Utilities, pursuant to ORS 757.259 and OAR 860-27-300(4), submitted a request for an order reauthorizing it to utilize deferred accounting for purchase gas cost differences and intervenor funding grants provided to various qualifying organizations.

At this time Avista seeks to bifurcate this original filing and split out separately the request for an order reauthorizing it to utilize deferred accounting for intervenor funding grants for the period November 1, 2008 through October 31, 2009. This separate filing should be docketed as UM 1356, the original docket used when deferral accounting for the intervenor funding grants was initially approved.

Please direct any questions regarding this request to Craig Bertholf at (509) 495-4124 or Brian Hirschhorn at (509) 495-4723.

Sincerely,

A handwritten signature in cursive script that reads "Kelly Norwood".

Kelly O. Norwood, Vice President
State and Federal Regulation

Enclosure

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that I have this day served Avista's Application for Authorization to Defer Costs, upon the parties listed below by mailing a copy thereof, postage prepaid and/or by electronic mail when paper service has been waived.

Judy Johnson
Public Utility Commission
PO Box 2148
Salem, OR 97308-2148
Judy.johnson@state.or.us

W Citizens' Utilities Board
610 SW Broadway, Suite 308
Portland, OR 97205-3404
Bob@OregonCUB.org

David Hatton
Assistant Attorney General
1162 Court St. NE
Salem, OR 97301-4096
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W Paula Pyron
Northwest Industrial Gas Users
4113 Wolf Berry Ct.
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ppyron@nwigu.org

W Chad M. Stokes
Cable Huston Benedicet Haagensen & Lloyd LLP
1001 SW Fifth Ave., Suite 2000
Portland, OR 97204-1136
cstokes@chbh.com

Dated at Spokane, Washington this 29th day of September 2008.



Patty Olsness
Rates Coordinator

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BEFORE THE PUBLIC UTILITY COMMISSION
OF OREGON
(Docket 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)

On September 3, 2008 in Docket UM1390, Avista Utilities (“Avista” or “Company”) pursuant to ORS 757.259 and OAR 860-27-300(4) applied to the Public Utility Commission of Oregon ("Commission") for an order reauthorizing it to utilize deferred accounting for purchase gas cost differences and also intervenor funding grants provided to various qualifying organizations in its annual Purchased Gas Costs (PGA) filing. The Company now seeks to bifurcate the UM 1390 filing by removing the intervenor funding application from that docket and resubmitting it under Docket UM 1356. The Company respectfully requests that the reauthorization to utilize deferred account for intervenor funding grants become effective November 1, 2008.

In support of this Application, the Company states:

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

Avista requests that all notices, pleadings and correspondence regarding this filing be sent to the following:

1 Kelly Norwood
2 Vice President, State and Federal
3 Regulation
4 Avista Corporation
5 P.O. Box 3727
6 1411 E. Mission, MSC-13
7 Spokane, WA 99220-3727
8 (509) 495-4267

David J. Meyer, Esq.
Chief Counsel for Regulatory and
Governmental Affairs
Avista Corporation
P.O. Box 3727
1411 E. Mission, MSC-13
Spokane, WA 99220-3727
(509) 495-4316

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

12 On June 6, 2003, the Governor signed Or Laws 2003, ch 234 (formerly known
13 as Senate Bill 205, the “Intervenor Funding Act”) into law. Section 2 of the Act
14 authorizes the Commission to approve written agreements for intervenor funding grants
15 between electric and natural gas utilities and qualifying organizations representing
16 broad customer interests. Section 2 of the Act also authorizes the Commission to
17 establish rules with respect to funding agreements for determining which organizations
18 are eligible for financial assistance, the amount of assistance that may be provided, the
19 manner in which assistance will be distributed, and other necessary administrative
20 matters.

21 Also, ORS 757-259(3), as amended by section 3 of the Intervenor Funding Act,
22 provides:

23 “Upon request of the public utility, the commission by order shall allow deferral
24 of amounts provided as financial assistance under an agreement entered into
25 under section 2 of this 2003 Act for later incorporation in rates.”
26

27 On November 8, 2007 in Order No. 07-487 the Commission approved the
28 Intervenor Funding Agreement between Avista Utilities, Citizens’ Utility Board of
29 Oregon (CUB) and Northwest Industrial Gas Users (NWIGU). This agreement

1 established an intervenor funding program for 2007 and provided \$30,000 for each of
 2 three funds from which grants could be made (CUB Fund, Preauthorized Matching
 3 Fund and an Issues Fund). The parties also agreed that any unspent funds remaining
 4 after December 31, 2007 would be carried over and made available for use in 2008
 5 under the same terms of the agreement or under any successor intervenor funding
 6 agreement entered into between Avista, CUB and NWIGU for 2008.

7 In accordance with the statutory authority provided by ORS 757.259(3), as
 8 amended, and the Commission's approval of the Intervenor Funding Agreement, Avista
 9 has recorded and deferred intervenor funding grants as follows:

10	<u>Name</u>	<u>Order No.</u>	<u>Deferral Account</u>	<u>Amount</u>
11	CUB	07-498	191720	\$30,000.00
12	CUB	08-006	191720	\$30,000.00
13	NWIGU	08-208	191721	\$ 985.20
14	CUB	08-258	191722	<u>\$ 2,313.00</u>
15	TOTAL			<u>\$63,298.20</u>

16 It is anticipated that the maximum amount of intervenor funding grants that will
 17 be recorded during November 2008 through October 2009 will be as follows:

18	CUB Fund	\$30,000
19	Preauthorized Matching Fund	\$30,000
20	Issues Fund	<u>\$30,000</u>
21	Total	<u>\$90,000</u>

22 Absent Commission's reauthorization of deferred accounting, the Company
 23 would not incur the cost of Intervenor Funding Grants.

24 Pursuant to ORS 757.259 and OAR 860-27-300(4), Avista seeks, with this
 25 application, to receive reauthorization of these intervenor funding accounts, namely
 26 Account No. 191720 Intervenor Funding – CUB, Account No. 191721 Intervenor
 27 Funding – Pre Authorized Matching Fund and, Account No. 191722 - Intervenor Funding

1 – Issues Fund for the period November 2008 through October 2009.

2 The attached Notice of Application was sent to all parties and interested persons
3 that participated in Avista Utilities most recent Oregon general rate case.

4 WHEREFORE, Avista Utilities respectfully requests that its Intervenor Funding
5 Grant deferral accounts described previously be appropriately authorized for the period
6 November 2008 through October 2009.

7

8 DATED this 29th day of September 2008.

9

Respectfully submitted,

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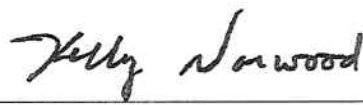
Avista Utilities

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By: 

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Kelly O. Norwood, Vice President
State and Federal Regulation

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