

Avista Corporation
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September 1, 2011

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

Docket UM 1356

On August 19, 2011 in Docket UM 1356 Avista Utilities (the Company) filed for reauthorization of deferred accounting for intervenor funding grants (Tracking No. 14577). After consultation with Staff the Company would like to withdraw this filing.

Additionally, pursuant to ORS 757.259 and OAR 860-27-300(4) Avista submits an original and ten (10) copies of a request for an order authorizing it to utilize deferred accounting for intervenor funding grants provided to various qualifying organizations.

Avista seeks, with this application, to receive additional authorization of these deferrals for the twelve month period beginning November 1, 2011 and ending October 31, 2012.

Please direct any questions regarding this order request to Patrick Ehrbar at (509) 495-8620 or Craig Bertholf at (509) 495-4124.

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 Utilities, a division of Avista Corporation, application for reauthorization to utilize deferred accounting for purchase gas cost difference upon the parties listed below by mailing a copy thereof, postage prepaid and by electronic mail.

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

Dated at Spokane, Washington this 1st day of September 2011.



Patty Olsness
Rates Coordinator

1 three funds from which Grants could be made (CUB Fund, Preauthorized Matching
2 Fund and an Issues Fund).

3 DESCRIPTION OF EXPENSES

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

- 7 1) A statement of the work to be performed;
- 8 2) A description of the areas to be investigated;
- 9 3) A description of the particular customer class(es) that will benefit from their
10 participation;
- 11 4) Identification of the specific fund from which the intervenor is seeking
12 monies and an estimate of the amount of available funds in that account;
- 13 5) A budget showing estimated costs;
- 14 6) A representation that the intervenor will use matching funds from either in-
15 house resources or outside funding to pay for at least 20 percent of the
16 eligible expenses for which the intervenor is seeking a grant.

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

21 A sub-account of FERC account number 191 is used to record the grant
22 payments.

1 GRANTS APPROVED THIS PERIOD

2 On November 3, 2010 by Order No. 10-430 the Commission approved
 3 continued deferred accounting treatment for the three intervenor funds. In accordance
 4 with this Order the Company deferred the following:

	CUB Fund	Preauthorized Matching Fund	Issues Fund
Per Order No. 11-010	\$ 30,000.00		
Per Order No. 11-125			\$ 17,048.04
Per Order No. 11-126		\$ 1,497.52	
Per Order No. 11-185			\$ 27,631.00
	<u>\$ 30,000.00</u>	<u>\$ 1,497.52</u>	<u>\$ 44,679.04</u>

5
 6 RECOVERY OF INTERVENOR FUNDING GRANTS

7 On November 1, 2010, in accordance with Order No. 10-433, the Company
 8 began amortizing the Intervenor Funding deferrals through Schedule 476. This
 9 Schedule was revised in association with the 2010 Purchased Gas Cost Adjustment
 10 (PGA) filing. The different funds were combined together based on the different
 11 customer groups that the Commission ordered the grant to be assessed (residential or
 12 industrial).

13 As of June 30, 2011 the remaining balances for these groups, after amortization
 14 and interest total;

	Residential Acct 191723	Industrial Acct 191724
Balance to be amortized	\$ 49,845.57	\$ 19,488.48
Less: Amortization	\$ 43,030.81	\$ 4,382.70
Add: Interest	\$ 368.26	\$ 280.96
	<u>\$ 7,183.02</u>	<u>\$ 15,386.74</u>

1 The Company anticipates that as of November 1, 2011 the remaining
2 unamortized balance in the Residential Account will be very minor. However, when
3 the Company filed its 2009 PGA was filed in Docket UG 188, the proposed
4 amortization rate increase for industrial customers was not reflected in the actual
5 Schedule 476 rate when it was approved by order No. 09-447. Therefore, the
6 amortization rate was set too low to allow full recovery of the deferred balance over
7 the normal PGA period. It is estimated that, due to this under recovery, the remaining
8 unamortized balance for Industrial customers as of November 1, 2011 will be
9 approximately \$10,000. The Company discussed this error with Staff and a
10 representative from NWIUG earlier this year and they both concurred with the
11 Company's findings. This error will be corrected when the amortization rates are
12 updated in association with the 2011 PGA.

13 SCHEDULE 476 TARIFF FILING

14 Within a few weeks of filing this Application the Company, in Docket UG 192,
15 will be asking for authorization to recover the remaining unamortized residual
16 balances and the current deferrals over the upcoming PGA period (November 1, 2011
17 – October 31, 2012).

18 FUTURE ESTIMATED DEFERRALS

19 The Company estimates that the following amounts maybe deferred during the
20 twelve month period subsequent to this Application:

21 CUB Fund	\$30,000.00
22 Preauthorized Matching Fund	\$60,000.00
23 Issues Fund	\$60,000.00

1 Absent Commission's authorization of deferred accounting, the Company
2 would not incur the cost of Funding Grants.

3 Avista seeks with this application to receive reauthorization of the sub-accounts
4 of FERC Account No. 191 used to account for the Intervenor Funding Grants awarded
5 over the twelve month period beginning November 1, 2011 and ending October 31,
6 2012.

7 DATED this 1st day of September 2011.

8 Respectfully submitted,

9 Avista Utilities

10
11 

12 By: _____

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