

1 BACKGROUND

2 The Intervenor Funding Agreement¹ between the Company, Citizens’ Utility Board of
3 Oregon (“CUB”) and Northwest Industrial Gas Users (“NWIGU”) established three funds
4 from which grants could be made (CUB Fund, Preauthorized Matching Fund and an Issues
5 Fund).

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7 DESCRIPTION OF EXPENSES

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

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

¹ Third Amended and Restated Intervenor Funding Agreement Order No. 15-335 dated October 20, 2015.

1 Expenses” for the work to be performed for which the intervenor is seeking an Issue
2 Fund Grant.

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

7 Sub-accounts of FERC account number 191 is used to record the grant payments,
8 specifically account numbers 191720, 191721 and 191722.

9 GRANTS APPROVED THIS PERIOD

10 On October 6, 2015, by Order No. 15-306, the Commission approved continued deferred
11 accounting treatment for the three Intervenor Funds. In accordance with that Order the
12 Company deferred the following²:

	CUB Fund (191720)	Preauthorized Matching Fund (191721)	Issues Fund (191722)
Per Order No. 16-004	\$34,500.00		
Per Order No. 16-092		\$1,726.03	
Per Order No. 15-302		\$9,122.03	
Per Order No. 15-392			\$40,251.00
Per Order No. 16-059			\$4,549.00
Per Order No. 16-107			\$41,353.21
Interest	\$1,318.62	\$509.98	\$2,992.72
Balance at 06-30-2016	<u>\$35,818.62</u>	<u>\$11,358.04</u>	<u>\$89,145.93</u>

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² As noted above, the Preauthorized Matching Fund grant of \$9,122.03 as approved in Order No. 15-302, was inadvertently included in Account 191723 - Residential Amortization instead of Account 191721 –Preauthorized Matching Fund Grants (Deferral). The Company resolved this error in July 2016. The net effect was approximately \$600 in interest (7.46% deferral interest rate versus 1.93% in the amortization account).

1 RECOVERY OF INTERVENOR FUNDING GRANTS

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

4 As of June 30, 2016 balances for the Residential and Industrial accounts are as follows:

	Residential Acct 191723	Industrial Acct 191724
Balance at June 30, 2015	\$32,436.12	(\$27,155.02)
2016 Funding Grants	\$62,656.91	\$35,451.22
Less: Amortization	\$75,893.49	\$15,241.07
Add: Interest	\$752.42	(\$322.66)
Balance at June 30, 2016	<u>\$19,951.96</u>	<u>(\$7,267.53)</u>

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6 SCHEDULE 476 TARIFF FILING

7 In conjunction with its annual PGA filing in July 2016, Avista will request to recover the
8 remaining unamortized residual balances, and the current deferrals, over the upcoming PGA
9 period (November 1, 2016 – October 31, 2017). At that time \$35,818.62 (consisting of
10 \$34,500 in payments plus interest) will be transferred from Account 191720 (CUB Fund) to
11 Account 191723 (Residential) and \$11,358.04 (consisting of \$10,848.06 in payment plus
12 interest) will be transferred from Account 191721 (Preauthorized Matching Fund) to Account
13 191724 (Industrial) for amortization during the upcoming PGA recovery cycle³. These
14 amounts do not include interest that will be accrued from July 1, 2016 through October 31,
15 2016 in accordance with the Intervenor Funding Agreement previously approved by the
16 Commission.

³ In addition, there will be an \$89,145.93 transfer from Account 191722 (Issues Fund) into Accounts 191723 (residential) and 191724 (industrial). \$46,715.74 of the total transfer will be transferred to Account 191723 and \$42,430.19 will be transferred to Account 191724.

1 FUTURE ESTIMATED DEFERRALS

2 The Company estimates that the following amounts may be deferred during the twelve
3 month period subsequent to this Application (November 1, 2016 through October 31, 2017):

4 CUB Fund	\$34,500.00
5 Preauthorized Matching Fund	\$10,000.00
6 Issues Fund	\$70,000.00


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

9 Avista seeks with this application to receive reauthorization of the use of sub-accounts
10 of FERC Account No. 191 to account for the Intervenor Funding Grants awarded over the
11 twelve month period beginning November 1, 2016 and ending October 31, 2017.

12 DATED this 22nd day of July 2016.

13 Respectfully submitted,
14 Avista Corporation

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By: 

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