

Avista Corp.

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August 28, 2012

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

Docket UM 1356

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, 2012 and ending October 31, 2013.

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 O. Norwood".

Kelly O. Norwood, Vice President
State and Federal Regulation

Enclosure

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that I have this day served Avista Corporation's Application for an Order Reauthorizing Deferral Accounting for Intervenor Funding, upon the parties listed below by mailing a copy thereof, postage prepaid and/or by electronic mail.

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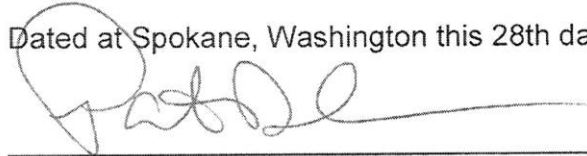
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W Jason W. Jones

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

Dated at Spokane, Washington this 28th day of August 2012.



Patrick Ehrbar
Manager, Rates & Tariffs

1 BEFORE THE PUBLIC UTILITY COMMISSION

2 OF OREGON

3 Docket UM 1356

4 IN THE MATTER OF THE APPLICATION OF) APPLICATION FOR
5 AVISTA UTILITIES FOR AN ORDER) REAUTHORIZATION TO
6 REAUTHORIZING DEFERRAL OF CERTAIN) DEFER COSTS
7 COSTS)
8

9 Pursuant to ORS 757.259 and OAR 860-027-0300(4), Avista Corporation, dba
10 Avista Utilities (“Avista” or “Company”), applies to the Public Utility Commission of
11 Oregon ("Commission") for an order authorizing it to utilize deferred accounting for
12 Intervenor Funding Grants provided to various qualifying organizations. Avista
13 respectfully requests that this authorization become effective November 1, 2012.

14 The Company requests that all notices, pleadings and correspondence regarding
15 this Application be sent to the following:

16 Patrick Ehrbar	David J. Meyer, Esq.
17 Manager, Rates and Tariffs	Chief Counsel for Regulatory and
18 Avista Corporation	Governmental Affairs
19 P.O. Box 3727	Avista Corporation
20 1411 E. Mission, MSC-29	P.O. Box 3727
21 Spokane, WA 99220-3727	1411 E. Mission, MSC-13
22 (509) 495-8620	Spokane, WA 99220-3727
23	(509) 495-4316

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

27 BACKGROUND

28 The Intervenor Funding Agreement between the Company, Citizens’ Utility
29 Board of Oregon (CUB) and Northwest Industrial Gas Users (NWIGU) established

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.

23

1 GRANTS APPROVED THIS PERIOD

2 On October 10, 2011 by Order No. 11-409 the Commission approved continued
 3 deferred accounting treatment for the three intervenor funds. In accordance with this
 4 Order the Company deferred the following:

	CUB Fund	Preauthorized Matching Fund	Issues Fund
Per Order No. 12-009	\$ 30,000.00		
Per Order No. 12-148		\$ 1,363.57	
	<u>\$ 30,000.00</u>	<u>\$ 1,363.57</u>	<u>\$ -0 -</u>

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 6 RECOVERY OF INTERVENOR FUNDING GRANTS

7 On November 22, 2011, in accordance with Order No. 11-470, the Company
 8 began amortizing the Intervenor Funding deferrals through Schedule 476. This
 9 Schedule was revised in association with the 2011 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, 2012 the remaining balances for these groups, after amortization,
 14 the transfer of 2011 previously ordered funding grants and interest total;

	Residential Acct 191723	Industrial Acct 191724
Balance at June 30, 2011	\$7,183.02	\$15,386.74
2011 Funding Grants	\$57,631.00	\$18,545.56
Less: Amortization	\$58,350.97	\$24,161.82
Add: Interest	\$402.93	\$338.19
Balance at June 30, 2012	<u>\$6,865.98</u>	<u>\$10,108.67</u>

1 SCHEDULE 476 TARIFF FILING

2 In conjunction with the annual PGA filing the Company will be asking for
3 authorization to recover the remaining unamortized residual balances and the current
4 deferrals over the upcoming PGA period (November 1, 2012 – October 31, 2013). At
5 that time \$31,078.13 will be transferred from Account 191720 to Account 191723
6 and \$1,363.57 will be transferred from Account 191721 to Account 191724 for
7 amortization during the upcoming PGA recovery cycle. These amounts do not
8 include interest that will be accrued from July 1, 2012 through October 31, 2012 in
9 accordance with the Intervenor Funding Agreement previously approved by the
10 Commission.

11
12 FUTURE ESTIMATED DEFERRALS

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

15 CUB Fund	\$30,000.00
16 Preauthorized Matching Fund	\$10,000.00
17 Issues Fund	\$10,000.00


18 Absent Commission’s authorization of deferred accounting, the Company
19 would not incur the cost of Funding Grants.

20 Avista seeks with this application to receive reauthorization of the sub-accounts
21 of FERC Account No. 191 used to account for the Intervenor Funding Grants awarded
22 over the twelve month period beginning November 1, 2012 and ending October 31,
23 2013.

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DATED this 28th day of August 2012.

Respectfully submitted,
Avista Utilities

By: 

Kelly O. Norwood, Vice President
State and Federal Regulation