

1 BEFORE THE PUBLIC UTILITY COMMISSION

2 OF OREGON

3 Docket No. UM 1356

4 IN THE MATTER OF THE APPLICATION OF) NOTICE OF APPLICATION FOR
5 AVISTA UTILITIES FOR AN ORDER) REAUTHORIZATION
6 REAUTHORIZING DEFERRAL OF CERTAIN) TO OF CERTAIN
7 COSTS RELATED TO INTERVENOR) DEFERAL ACCOUNTS
8 FUNDING GRANTS)
9

10 Pursuant to ORS 757.259 and OAR 860-027-0300(4), Avista Corporation, dba Avista
11 Utilities (“Avista” or “Company”), applies to the Public Utility Commission of Oregon
12 ("Commission") for an order reauthorizing it to utilize deferred accounting for Intervenor
13 Funding Grants provided to various qualifying organizations. Avista respectfully requests
14 that this reauthorization become effective November 1, 2015.

15 In support of this Application, the Company states:

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

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

20 Patrick Ehrbar	David J. Meyer
21 Manager, Rates and Tariffs	Vice President and Chief Counsel
22 Avista Corporation	for Regulatory and
23 P.O. Box 3727	Governmental Affairs
24 Avista Corporation	P.O. Box 3727
25 1411 E. Mission, MSC-27	1411 E. Mission, MSC-27
26 Spokane, WA 99220-3727	Spokane, WA 99220-3727
27 (509) 495-8620	(509) 495-4316
28 Pat.ehrbar@avistacorp.com	David.meyer@avistacorp.com

29 This Application is filed pursuant to ORS 757.259, which empowers the Commission
30 to authorize the deferral of expenses or revenues of a public utility for later incorporation in

1 rates.

2

3 BACKGROUND

4 The Intervenor Funding Agreement¹ between the Company, Citizens' Utility Board of
5 Oregon ("CUB") and Northwest Industrial Gas Users ("NWIGU") established three funds
6 from which Grants could be made (CUB Fund, Preauthorized Matching Fund and an Issues
7 Fund).

8

9 DESCRIPTION OF EXPENSES

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

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

¹ Second Amended and Restated Intervenor Funding Agreement Order No. 12-452 dated November 20, 2012.

1 7) A representation that the intervenor will use matching funds from either in-house
 2 resources or outside funding to account for or pay at least 20 percent of the
 3 “Eligible Expenses” for the work to be performed for which the intervenor is
 4 seeking an Issue Fund Grant.

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

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

11

12 GRANTS APPROVED THIS PERIOD

13 On September 22, 2014, by Order No. 14-319, the Commission approved continued
 14 deferred accounting treatment for the three Intervenor Funds. In accordance with that Order
 15 the Company deferred the following:

	CUB Fund (191720)	Preauthorized Matching Fund (191721)	Issues Fund (191722)
Per Order No. 15-001	\$34,500.00		
Per Order No. 15-031		\$2,998.02	
Per Order No. 15-170			\$31,686.81
Per Order No. 15-171			\$20,245.20
Per Order No. 15-186			\$5,225.30
	\$34,500.00	\$2,998.02	\$57,157.31

16

17 RECOVERY OF INTERVENOR FUNDING GRANTS

18 On November 22, 2011, in accordance with Commission Order No. 11-470, the

1 Company began amortizing the Intervenor Funding deferrals through Schedule 476.

2 As of June 30, 2015 balances for the Residential and Industrial accounts are as follows:

	Residential Acct 191723	Industrial Acct 191724
Balance at June 30, 2014	\$6,197.73	\$2,512.85
2015 Funding Grants	\$81,815.70	\$12,769.20
Less: Amortization	\$56,142.36	\$42,295.25
Add: Interest	\$565.05	(\$141.82)
Balance at June 30, 2015	<u>\$32,436.12</u>	<u>(\$27,155.02)</u>

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4 SCHEDULE 476 TARIFF FILING

5 In conjunction with its annual PGA filing in July 2015, Avista will request to recover
6 the remaining unamortized residual balances, and the current deferrals, over the upcoming
7 PGA period (November 1, 2015 – October 31, 2016). At that time \$35,808.79 (consisting of
8 \$34,500 in payments plus interest) will be transferred from Account 191720 (CUB Fund) to
9 Account 191723 (Residential) and \$3,092.50 (consisting of \$2,998.02 in payment plus
10 interest) will be transferred from Account 191721 (Preauthorized Matching Fund) to
11 Account 191724 (Industrial) for amortization during the upcoming PGA recovery cycle².
12 These amounts do not include interest that will be accrued from July 1, 2015 through
13 October 31, 2015 in accordance with the Intervenor Funding Agreement previously approved
14 by the Commission.

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16 FUTURE ESTIMATED DEFERRALS

17 The Company estimates that the following amounts may be deferred during the twelve

² In addition, there will be a \$57,513.11 transfer from Account 191722 (Issues Fund) into Accounts 191723 (residential) and 191724 (industrial). \$25,629.05 of the total transfer will be transferred to Account 191723 and \$31,884.06 will be transferred to Account 191724.

1 month period subsequent to this Application (November 1, 2015 through October 31, 2016)³:

2	CUB Fund	\$34,500.00
3	Preauthorized Matching Fund	\$34,500.00
4	Issues Fund	\$70,000.00

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

7 Avista seeks with this application to receive reauthorization of the use of sub-accounts
8 of FERC Account No. 191 to account for the Intervenor Funding Grants awarded over the
9 twelve month period beginning November 1, 2015 and ending October 31, 2016.

10 DATED this 17th day of July 2015.

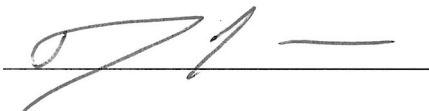
11 Respectfully submitted,

12 Avista Utilities

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By: 

16 David J. Meyer, Vice President and Chief
17 Counsel for Regulatory and Governmental Affairs

³ Included in the future estimated deferrals are the effects of the pending “Third Amended and Restated Intervenor Funding Agreement” which increased the level of funding related to the “Issue Fund” effective August 1, 2015.