

**BEFORE THE PUBLIC UTILITY COMMISSION
OF OREGON**

UM 1356(1)

In the Matter of)	
)	
AVISTA CORPORATION, dba AVISTA)	ORDER
UTILITIES)	
)	
Application for reauthorization to utilize a sub-)	
account of FERC account number 191 to defer)	
intervenor funding grants.)	

**DISPOSITION: DEFERRED ACCOUNTING APPLICATION
APPROVED**

On September 29, 2008, Avista Corporation, dba Avista Utilities (Avista) filed a request for reauthorization to utilize a sub-account of the Federal Energy Regulatory Commission (FERC) account number 191 to defer intervenor grants. Deferred accounting for intervenor funding grant payments, in this docket, was originally approved by the Commission in Order No. 08-015. A description of the filing and its procedural history is contained in the Staff Report, attached as Appendix A, and incorporated by reference.

At its Public Meeting on October 21, 2008, the Commission adopted Staff's Recommendation and approved Avista's current request.

ORDER

IT IS ORDERED that Avista Utilities' request to reauthorize deferred accounting related to payment of intervenor funding grants, with the costs for each type of grant recorded in a separate sub-account of FERC 191, as described in Appendix A, is granted.

Made, entered, and effective OCT 22 2008 .

BY THE COMMISSION:



Becky L. Beier

Becky L. Beier
Commission Secretary

A party may request rehearing or reconsideration of this order pursuant to ORS 756.561. A request for rehearing or reconsideration must be filed with the Commission within 60 days of the date of service of this order. The request must comply with the requirements in OAR 860-014-0095. A copy of any such request must also be served on each party to the proceeding as provided by OAR 860-013-0070(2). A party may appeal this order by filing a petition for review with the Court of Appeals in compliance with ORS 183.480-183.484.

**PUBLIC UTILITY COMMISSION OF OREGON
STAFF REPORT
PUBLIC MEETING DATE: October 21, 2008**

REGULAR _____ CONSENT X EFFECTIVE DATE November 1, 2008

DATE: September 30, 2008

TO: Public Utility Commission

FROM: Deborah Garcia *DG*

THROUGH: *APL* Lee Sparling, *EB* Ed Busch, and *JJ* Judy Johnson

SUBJECT: AVISTA UTILITIES: (Docket No. UM 1356(1)) Reauthorizes deferred accounting related to intervenor funding grants.

STAFF RECOMMENDATION:

I recommend Avista Utilities' application be approved and the Commission require Avista Utilities to record activity for each of three types of intervenor funding grants in separate sub-accounts of FERC Account 191.

DISCUSSION:

The purpose of this filing is to request, in accordance with ORS 757.259 and OAR 860-027-0300(4), the reauthorization of deferred accounting to track Avista Utilities' (Avista or company) distribution of an intervenor funding grant. Deferred accounting for intervenor funding grant payments, docketed as UM 1356, was originally approved¹ by the Commission at its January 8, 2008, Public Meeting.

In accordance with the statutory authority provided by ORS 757.259(3) and the Commission's prior approval, Avista has recorded and deferred the following payments:

Name	Order No.	Deferral Account	Amount
CUB	07-498	191720	\$30,000.00
CUB	08-006	191720	\$30,000.00
NWIGU	08-208	191721	\$985.20
CUB	08-258	191722	\$2,313.00
Total			\$63,298.20

¹ See Order No. 08-015

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Avista anticipates that the maximum amount of intervenor funding grants that will be recorded during November 2008 through October 2009 will be as follows:

CUB Fund	\$30,000
Preauthorized Matching Fund	\$30,000
Issues Fund	\$30,000
Total	\$90,000

Following the Commission's approval and issuance of an order directing the company to make payment in accordance with the Intervenor Funding Agreement (IFA)², the company will record and defer these ongoing costs upon payment of an intervenor funding grant. Avista proposes to record the deferred amounts in a sub-account of FERC Account 191. Staff again recommends that the Commission require the use of a separate sub-account for each of the three grant types established in the IFA. This will facilitate the recovery of costs from the appropriate customer class. Absent the Commission's authorization of deferred accounting, the company would not incur the cost of an intervenor funding grant.

Adoption of this deferred account is authorized by ORS 757.259(3) which permits the utility to defer amounts provided as financial assistance to an organization that represents customer interests, if the utility and the organization have entered into an IFA under ORS 757.072. Avista has met the requirements of OAR 860-027-0300 in its filing.

This application is for accounting purposes only. A request to include deferred amounts in rates will be made by Avista at the time of its annual purchased gas cost adjustment filing.

PROPOSED COMMISSION MOTION:

Avista's request to reauthorize deferred accounting related to payment of intervenor funding grants be approved with the costs for each type of grant recorded in a separate sub-account of FERC Account 191.

Avista UM 1356(1) intervenor funding deferral

² See Order No. 07-487 in Docket No. UM 1353 (November 8, 2007, Public Meeting.)