

**BEFORE THE PUBLIC UTILITY COMMISSION
OF OREGON**

UM 1356(3)

In the Matter of

AVISTA CORPORATION, dba AVISTA
UTILITIES

Application for Reauthorization of Certain
Deferred Accounts.

ORDER

**DISPOSITION: DEFERRED ACCOUNTING APPLICATION
APPROVED**

On August 31, 2010, Avista Corporation, dba Avista Utilities (Avista) filed a request for reauthorization to utilize deferred accounting for intervenor funding grants. Deferred accounting for intervenor funding grant payments, in this docket, was originally approved by the Commission in Order No. 08-015 and reauthorized by Order Nos. 08-506 and 09-419. 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 27, 2010, the Commission adopted Staff's Recommendation and approved Avista's application.

ORDER

IT IS ORDERED that Avista Utilities' application 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 Account 191 as described in Appendix A, is approved.

Made, entered, and effective NOV 03 2010.

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.

ITEM NO. CA3

PUBLIC UTILITY COMMISSION OF OREGON
STAFF REPORT
PUBLIC MEETING DATE: October 27, 2010

REGULAR _____ CONSENT X EFFECTIVE DATE November 1, 2010

DATE: September 28, 2010

TO: Public Utility Commission

FROM: Deborah Garcia *DA*

THROUGH: *W* Lee Sparling, *MG* Maury Galbraith and *JJ* Judy Johnson

SUBJECT: AVISTA UTILITIES: (Docket No. UM 1356(3)) Reauthorizes deferred accounting for costs associated with intervenor funding.

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.¹

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. The company 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.

¹ Deferred accounting for the Company's intervenor funding grant payments, docketed as UM 1356, was originally approved by Order No. 08-015.

² See Order No. 07-564, Appendix A, for the terms of the IFA.

Avista UM 1356 (3)
September 28, 2010
Page 2

By Order No. 09-419 the Commission approved Avista's application for reauthorization of deferred accounting for the three intervenor funds. Subsequent to Commission Orders directing payments to qualified intervenors, the Company has deferred the following amounts for which it will seek recovery at a later date.

CUB Fund	30,000
Preauthorized Matching Fund	1,124
Issues Fund	35,095
Total	\$66,219

Avista anticipates that the maximum amount of intervenor funding grants that will be recorded during November 2009 through October 2010 will be as follows:

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

Adoption of this deferred account is authorized by ORS 757.259(3) which permits a 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 UM 1356(3) filing be approved, effective November 1, 2010. Avista is directed to record activity for each of three types of intervenor funding grants in separate sub-accounts of FERC Account 191.

Avista UM 1356(3) Intervenor funding deferral