

ORDER NO. 11 409

ENTERED OCT 10 2011

**BEFORE THE PUBLIC UTILITY COMMISSION
OF OREGON**

UM 1356(4)

In the Matter of

AVISTA CORPORATION, dba AVISTA
UTILITIES,

Application for Reauthorization of Certain
Deferred Accounts.

ORDER

**DISPOSITION: DEFERRED ACCOUNTING APPLICATION APPROVED WITH
CONDITION**

On September 1, 2011, 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, 09-419, and 10-430. A description of the filing and its procedural history is contained in the Staff Report, attached as Appendix A, and incorporated by reference.

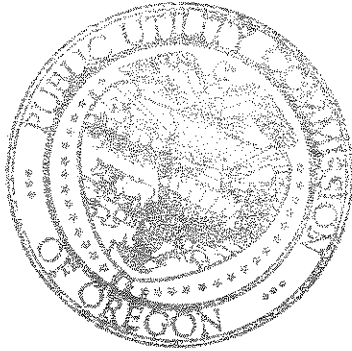
At its Public Meeting on October 4, 2011, the Commission adopted Staff's Recommendation and approved Avista's application.

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 OCT 10 2011.

BY THE COMMISSION:



Becky L. Beier

Becky L. Beier
Commission Secretary

A party may request rehearing or reconsideration of this order under 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 860-001-0720. A copy of the request must also be served on each party to the proceedings as provided in OAR 860-001-0180(2). A party may appeal this order by filing a petition for review with the Court of Appeals in compliance with ORS 183.480 through 183.484.

ITEM NO. CAL

PUBLIC UTILITY COMMISSION OF OREGON
 STAFF REPORT
 PUBLIC MEETING DATE: October 4, 2011

REGULAR _____ CONSENT X EFFECTIVE DATE November 1, 2011

DATE: September 14, 2011

TO: Public Utility Commission

FROM: Deborah Garcia *DG*

THROUGH: *lis* Lee Sparling, *MG* Maury Galbraith and *JD* Judy Johnson

SUBJECT: AVISTA UTILITIES: (Docket No. UM 1356(4)) Requests reauthorization to defer 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 to defer for the 12-month period beginning November 1, 2011, the costs associated with Avista Utilities' (Avista or Company) distribution of an intervenor funding grant.¹

Description of Expense

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.

Reason for deferral

To enable the Company to recover the costs associated with intervenor funding grants. Adoption of this deferred account is authorized by ORS 757.259(3) which permits a

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

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

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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.

Proposed Accounting

The company will continue to record the deferred amounts in separate sub-accounts of FERC Account 191. Absent the Commission's authorization of deferred accounting, the company would not incur the cost of an intervenor funding grant.

Current Deferral Activity

By Order No. 10-430, 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 concurrent with its upcoming annual purchased gas cost adjustment filing:

Order No.	CUB Fund	Preauthorized Matching Fund	Issues Fund
11-010	30,000.00		
11-125			17,048.04
11-126		1,497.52	
11-185			27,631.00
	\$30,000.00	\$1,497.52	\$27,631.00

Estimated Deferral Activity

Avista anticipates that the maximum amount of intervenor funding grants that will be recorded during November 2011 through October 2012 will be as follows:

CUB Fund	30,000
Preauthorized Matching Fund	60,000
Issues Fund	60,000
Total	\$150,000

Staff Analysis

As Avista's filing meets the requirements of ORS 757.259 and OAR 860-027-0300, and the reason for deferral is still valid, I recommend the Commission approve the application. I further recommend that the Commission require Avista to use 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.

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PROPOSED COMMISSION MOTION:

Avista's application to defer the costs associated with intervenor funding grants for the 12-month period beginning November 1, 2011, be approved with the condition that Avista use separate subaccounts of FERC Account 191 to record each of the three grant types.

Avista UM 1356(4) Intervenor Funding