

ORDER NO. 11 471

ENTERED NOV 22 2011

**BEFORE THE PUBLIC UTILITY COMMISSION  
OF OREGON**

UG 211

In the Matter of

AVISTA CORPORATION, dba AVISTA  
UTILITIES

Regulatory Fee Reduction.  
(Advice No. 11-07-G)

ORDER

**DISPOSITION: REQUEST APPROVED**

On August 31, 2011, Avista Corporation, dba Avista Utilities filed Advice No. 11-07-G requesting to remove the refund rate related to the reduction in the 2009 regulatory fee. 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 31, 2011, the Commission adopted Staff's recommendation.

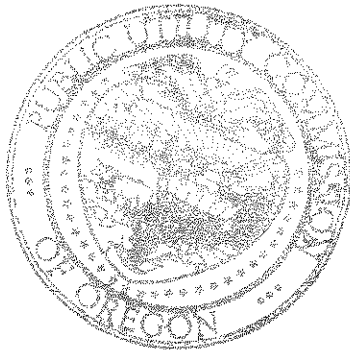
**ORDER**

IT IS ORDERED that:

1. Avista Corporation's, dba Avista Utilities' request to remove the refund rate is approved.
2. Avista Corporation's, dba Avista Utilities' Advice No. 11-07-G is allowed effective with service on or after November 1, 2011.

Made, entered, and effective NOV 22 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.

ITEMS NO. CA7, CA8

PUBLIC UTILITY COMMISSION OF OREGON  
 STAFF REPORT  
 PUBLIC MEETING DATE: October 31, 2011

REGULAR \_\_\_\_\_ CONSENT X EFFECTIVE DATE November 1, 2011

DATE: October 13, 2011

TO: Public Utility Commission

FROM: Deborah Garcia *DG*

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

SUBJECT: AVISTA UTILITIES: (Docket No. UG 211/Advice No. 11-07-G) Sets the Schedule 477, Regulatory Fee Reduction – Oregon, rates to zero.

AVISTA UTILITIES: (Docket No. UG 213/Advice No. 11-06-G) Updates rates on Schedule 476, Intervenor Funding.

**STAFF RECOMMENDATION:**

I recommend that Avista Utilities' filings be approved.

**DISCUSSION:**

**UG 211/Advice No. 11-07-G- Schedule 477 Regulatory Fee Reduction**

In this filing, Avista Utilities (Avista or Company) proposes to modify the Schedule 477 rate to zero. The current refund rate is related to a reduction in the 2009 regulatory fee (due in 2010) that was collected under ORS 757.310. The current rate is the estimated difference from calculating the rate at .015 percent of the previous year's gross operating revenues, instead of .025 percent, pursuant to Order No. 10-083.

When this schedule was initiated, the account balance to be refunded was \$156,481. As of November 1, 2011, the Company estimates the balance will be approximately \$400. Avista intends to transfer the actual remaining balance to a residual account pursuant to Order No. 10-279 in Docket No. UM 1147 which allows a utility to establish a residual account for unamortized balances that equal or are below .05 percent of a utility's retail operating revenues in the previous calendar year. The interest associated with a residual account established under this order is annually updated to reflect the current Blended Treasury Rate as established by the Commission. When the residual

Avista UG 211 & UG 213  
 October 13, 2011  
 Page 2

account balance is sufficient to establish a billing rate, Avista will file for amortization in a subsequent proceeding.

The proposed increase to overall revenues is estimated at \$159,707 or approximately a 0.16 percent increase over current rate levels.

After a review of the associated workpapers, Staff agrees with the Company's proposal in this filing.

### UG 213/Advice No. 11-06-G - Schedule 476, Intervenor Funding

In this filing, Avista updates the current rate increments related to intervenor funding to reflect the current intervenor funding account balances to be amortized for the period of November 1, 2011 through October 31, 2012.<sup>1</sup>

Avista's proposed rates reflect the following deferred payments as well as the estimated residual balances remaining after the current amortization period expires on October 31, 2011.

Commission Order	Industrial/ Residential	CUB Fund	Preauthorized Matching Fund	Issues Fund
11-010	Residential	\$30,000		
11-126	Industrial		\$1,498	
11-125	Industrial			\$17,048
11-185	Residential			\$27,631

The proposed increase to overall revenues is estimated at \$28,598 or approximately a 0.03 percent increase over current rate levels.

After a review of the associated workpapers, Staff agrees with the Company's proposal in this filing.

### Three Percent Test

The calculation of the three percent test is conducted pursuant to ORS 757.259 (6). This statute restricts the overall annual average rate impact of amortizations authorized under the statute to three percent of the natural gas utility's gross revenues for the preceding calendar year. The effects on rates of the Regulatory Fee Reduction are

<sup>1</sup> Please see Avista UM 1356 for a history of the intervenor funding mechanism and the Commission-approved deferral history.

Avista UG 211 & UG 213  
October 13, 2011  
Page 3

excluded from the results of the three percent test per Staff's counsel. Intervenor Funding is also excluded from the three percent test by ORS 757.259(4). For an accounting of the combined effect on customer rates of Avista's proposed rate changes, including the overall results of the three percent test, please see Staff's memo related to Docket No. UG 210/Advice No. 11-05-G, Attachment A.

**PROPOSED COMMISSION MOTION:**

Avista's filings be approved and the associated tariffs be allowed to take effect on November 1, 2011.

Avista UG 211 Reg Fee Reduction & UG 213 Intervenor Funding