

**BEFORE THE PUBLIC UTILITY COMMISSION
OF OREGON**

UM 1356

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

**DISPOSITION: DEFERRED ACCOUNTING APPLICATION
APPROVED**

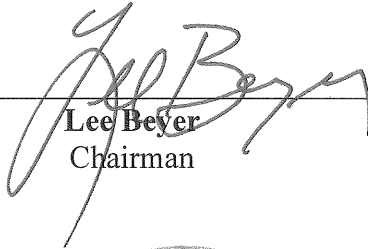
On November 16, 2007, Avista Corporation, dba Avista Utilities (Avista) filed a request for authorization to utilize a sub-account of the Federal Energy Regulatory Commission (FERC) account number 191 to defer intervenor grants. A description of the filing and its procedural history is contained in the Staff Report, attached as Appendix A, and incorporated by reference.

At its Public Meeting on January 8, 2008, the Commission adopted Staff's Recommendation and approved Avista's current request.


ORDER

IT IS ORDERED that Avista Utilities' request to establish deferred accounting 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 JAN 16 2008.



Lee Beyer
Chairman



John Savage
Commissioner



Ray Baum
Commissioner



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: January 8, 2008

REGULAR _____ CONSENT X EFFECTIVE DATE November 16, 2007

DATE: December 26, 2007

TO: Public Utility Commission

FROM: Deborah Garcia *DG*

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

SUBJECT: AVISTA UTILITIES: (Docket No. UM 1356) Defers intervenor funding grants awarded to qualifying organizations participating in certain types of regulatory proceedings before the Commission.

STAFF RECOMMENDATION:

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

DISCUSSION:

The purpose of this filing is to establish, in accordance with ORS 757.259, a deferral account to track Avista Utilities' (Avista or company) distribution of an intervenor funding grant (IFG), docketed as UM 1353, and approved by the Commission at its November 8, 2007, Public Meeting.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), the company will record and defer these ongoing costs upon payment of an IFG. Avista proposes to record the deferred amounts in a sub-account of FERC account 191. However, Staff 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 IFG.

¹ See Order No. 07-487.

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Adoption of this deferred account is authorized by 757.259(2)(e) in order to minimize the frequency of rate changes or fluctuation of rate levels. 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 establish deferred accounting be approved with the costs for each type of grant recorded in a separate sub-account of FERC Account 191.

Avista UM 1356 Intervenor funding