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BEFORE THE PUBLIC UTILITY COMMISSION

OF OREGON

Docket No: UM 1497

IN THE MATTER OF THE APPLICATION OF)	APPLICATION
AVISTA UTILITIES FOR AN ORDER)	FOR REAUTHORIZATION
REAUTHORIZING DEFERRAL OF CERTAIN)	OF CERTAIN DEFERRAL
COSTS RELATED TO PURCHASED GAS COSTS)	ACCOUNTS
DIFFERENCES)	

Avista Corporation, dba Avista Utilities (“Avista” or “Company”), pursuant to ORS 757.259 and OAR 860-027-0300(4), applies to the Public Utility Commission of Oregon ("Commission") for an order reauthorizing it to utilize deferred accounting for Purchased Gas Cost differences. Avista respectfully requests that the reauthorization become effective November 1, 2023.

In support of this Application, the Company states:

Avista provides natural gas service in southwestern and northeastern Oregon and is a public utility subject to the Commission’s jurisdiction under ORS 757.005(1)(a)(A).

Avista requests that all notices, pleadings and correspondence regarding this Application be sent to the following:

- | | |
|--------------------------------|---|
| Patrick D. Ehrbar | David J. Meyer |
| Director of Regulatory Affairs | Vice President and Chief Counsel |
| Avista Corporation | for Regulatory and Governmental Affairs |
| P.O. Box 3727 | Avista Corporation |
| 1411 E. Mission, MSC-27 | P.O. Box 3727 |
| Spokane, WA 99220-3727 | 1411 E. Mission, MSC-10 |
| (509) 495-8620 | Spokane, WA 99220-3727 |
| Patrick.ehrbar@avistacorp.com | (509) 495-4316 |
| | David.meyer@avistacorp.com |

1 This Application is filed pursuant to ORS 757.259, which empowers the Commission to
2 authorize the deferral of expenses or revenues of a public utility for later incorporation into
3 rates.

4 BACKGROUND

5 Deferral of Purchased Gas Cost differences was previously authorized, effective
6 November 1, 2022, by Order No. 22-385 dated October 20, 2022.

7 DESCRIPTION OF EXPENSES

8 Currently, the Company accumulates Purchased Gas Cost differences in two sub-accounts
9 of FERC account number 191, namely account number 191909 and account number 191910.
10 Account number 191909 is used to record the commodity portion of Purchased Gas Cost
11 differences and account number 191910 is used to record the demand portion. After the
12 Commission determines these costs were prudently incurred, these differences are included in
13 the Company's annual Purchased Gas Cost Adjustment (PGA) filing for refund or surcharge to
14 customers.

15 Due to the volatility of the price of natural gas purchased and transported for customer use,
16 the associated costs are difficult to establish with any degree of certainty. This volatility makes
17 the use of deferred accounting extremely important. It is appropriate that deferred accounting
18 be reauthorized for the Purchased Gas Cost differences for the same reasons that originally
19 established the PGA mechanism. Namely, deferred accounting minimizes both the frequency of
20 rate changes and the fluctuation of rate levels pursuant to subsection (2)(C) of ORS 757.259.

1 PROPOSED ACCOUNTING

2 The commodity portion of Purchased Gas Cost differences includes the actual cost of
3 purchasing natural gas, the variable cost of transporting the natural gas from the supply basins
4 to the citygate, the benefits received from storage optimization, off-system sales and other
5 miscellaneous costs or benefits. These costs are compared with the actual commodity costs
6 collected from customers, with 90% of the difference recorded monthly to account number
7 191909.

8 The demand portion of the Purchased Gas Cost differences includes fixed pipeline costs,
9 capacity releases and miscellaneous pipeline related refunds or surcharges. These costs are
10 compared with the actual demand costs collected from customers and the difference is recorded
11 monthly to account number 191910. Interest is calculated on the average net balance and
12 included in the deferral accounts.

13 CURRENT DEFERRAL AND AMORTIZATION BALANCES

14 As of June 30, 2023, the outstanding balances for the Purchased Gas Cost deferral and
15 amortization accounts are:

Account 191909, Commodity Deferrals	\$(4,074,957)
Account 191910, Demand Deferrals	\$(1,683,830)
Account 191911, Prior Commodity Amortization	\$688,380
Account 191912, Prior Demand Amortization	\$17,876
 Total	 <u><u>\$(5,052,531)</u></u>

16
17 Avista seeks with this application to receive reauthorization of the use of sub-accounts of
18 FERC Account No. 191 to account for the Company’s Purchased Gas Cost differences for the
19 12-month period, November 1, 2023 through October 31, 2024. This Application will have no
20 effect on Company revenue or customer rates.

1 WHEREFORE, Avista respectfully requests that the Commission reauthorize the
2 Company to defer the costs described in this Application.

3 DATED this 31st day of July 2023.

4 Respectfully submitted,

5 Avista Corporation

6 

7 By: _____

8 Patrick D. Ehrbar
9 Director of Regulatory Affairs



Docket No. UM 1497

**NOTICE OF APPLICATION FOR REAUTHORIZATION OF CERTAIN
DEFERRAL ACCOUNTS**

July 31, 2023

To All Parties Who Participated in UG 461:

Please be advised that on July 31, 2023, Avista Corporation, dba Avista Utilities (“Avista” or “Company”), applied to the Public Utility Commission of Oregon ("Commission") for an order reauthorizing the Company to utilize deferred accounting for Purchased Gas Cost differences. This filing has been made pursuant to ORS 757.259 and OAR 860-027-0300(4).

This Notice is being sent to all parties that participated in Avista’s most recent general rate case, Docket No. UG 461, to inform them that an Application for Reauthorization has been filed. Parties wanting more information or who wish to obtain a copy of the filing can access the Application on the Commission website, or by contacting either of the following:

**Avista Utilities
Attn: Patrick Ehrbar
P.O. Box 3727
1411 E. Mission, MSC-27
Spokane, WA 99220-3727
(509) 495-8620**

**Public Utility Commission of Oregon
Attn: Filing Center
201 High Street SE, Suite 100
PO Box 1088
Salem, OR 97301-1088
(509) 373-0886**

Any person may submit to the Commission written comments on this matter by August 31, 2022. Approval of Avista’s Application will not authorize a change in the Company’s rates, but will permit the Commission to consider allowing such deferred amounts in rates in a subsequent proceeding.

DATED this 31st day of July 2021

By: */s/ David Meyer*

David J. Meyer, Vice President and Chief
Counsel for Regulatory and Governmental Affairs

CERTIFICATE OF SERVICE

Docket No. UM 1497

I HEREBY CERTIFY that I have on this day, July 31, 2023, served by electronic mail the foregoing Notice of Application for Reauthorization of Certain Deferral Accounts, related to the deferral of Purchased Gas Cost differences, to all parties of record for Avista's most recent general rate case, Docket No. UG 461, as indicated below:

Alliance of Western Energy Consumers (AWEC)

Edward Finklea, Director of Natural Gas
efinklea@awec.solutions

Chad M. Stokes
Cable Huston, LLP
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Oregon Public Utilities Commission (OPUC)

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Oregon Citizens Utility Board (CUB)

dockets@oregoncub.org

Mike Goetz, Staff Attorney
mike@oregoncub.org

William Gehrke
will@oregoncub.org

I declare under penalty of perjury that the foregoing is true and correct.

Dated at Spokane, Washington this 31st day of July 2023.

/s/ Paul Kimball

Paul Kimball
Manager of Compliance & Discovery
Avista Utilities
Paul.Kimball@avistacorp.com
(509) 495-4584