

PUBLIC UTILITY COMMISSION OF OREGON
STAFF REPORT
PUBLIC MEETING DATE: October 12, 2017

REGULAR _____ CONSENT X EFFECTIVE DATE November 1, 2017

DATE: September 29, 2017

TO: Public Utility Commission

FROM:  Lisa Gorsuch

THROUGH:  Jason Eisdorfer and  John Crider

SUBJECT: AVISTA UTILITIES: (Docket No. UG 341/Advice No. 17-04-G) Revises Schedule 477, Residual Deferral Amortization, Schedule 478, DSM Cost Recovery, and Schedule 479, Senate Bill 408 Amortization.

STAFF RECOMMENDATION:

Staff recommends approval of Avista Corporation's (Avista or Company) request to revise Schedules 477, 478, and 479 with an effective date of November 1, 2017.

DISCUSSION:

Issue

Whether the Commission should approve Avista's request to revise the rates for Schedules 477, 478, and 479.

Applicable Law

Under ORS 757.205(1), a public utility must file schedules showing all rates, tolls, and charges for service that have been established and are in force at the time. The Commission may approve tariff changes if they are deemed to be fair, just and reasonable (ORS 757.210). Tariff revisions or corrections may be made by filing revised sheets with the information required under the Commission's administrative rules, including OAR 860-022-0005 and OAR 860-022-0025. Filings that make any change in rates, tolls, charges, rules, or regulations must be filed with the Commission at least 30 days before the effective date of the changes. Unless subject to an automatic adjustment clause under ORS 757.210 (1), amounts deferred under

ORS 757.259(5) are allowed in rates only to the extent authorized by the Commission in a proceeding under ORS 757.210 to change rates and upon a prudence review and review of the utility's earnings.

Analysis

Background

On July 28, 2017, Avista Utilities filed its request to revise Schedule 477, Residual Deferral Amortization; Schedule 478, DSM Cost Recovery; and Schedule 479, Senate Bill 408 Amortization, which will set the rates for each of the schedules to \$0.00000/therm.

Schedule 477 – Residual Deferral Amortization

Schedule 477 provided a rebate to customers of approximately \$7,000¹ related to residual balances of prior amortizations, which included Oregon Commission fees, Roseburg/Medford deferrals, and Margin Reduction. Avista began amortizing the balance effective November 1, 2016, and at the end of June 2017, is forecasting that the entire balance will be amortized by October 31, 2017. The Company may seek to revise this schedule to surcharge or rebate any under- or over-collection in a future filing, if appropriate.

Schedule 478 – DSM Cost Recovery

Schedule 478 recovered approximately \$1.5 million² from customers related to administering the Company's Demand Side Management (DSM) programs for the July 2015 through April 2016 time period. As a result of an Avista General Rate Case, Docket No. UG 288, the Company no longer defers costs associated with the delivery of the Company's DSM program under Schedule 478. Avista now collects funds from its customers through Schedule 469 for the Energy Trust of Oregon to administer the majority of the Company's DSM programs.

¹ The Commission approved the amortization of approximately \$7,000 on October 18, 2016, in Order No. 16-391 in Docket No. UG 316.

² The Commission approved recovery of approximately \$1.5 million on October 18, 2016, in Order No. 16-393 in Docket No. UG 317.

Schedule 479 – Senate Bill 408 Amortization

Schedule 479 recovered approximately \$80,000³ from customers related to Senate Bill 408.⁴ Avista began amortizing the balance effective November 1, 2016, and at the end of June 2017, is forecasting that the entire balance will be amortized by October 31, 2017.

Overall Effect of Three Rate Adjustments

Table 1 below shows the customer rate schedules and the average number of customers in each of the schedules impacted by the revisions proposed in this filing.

Table 1

Rate Schedule	Average Number of Customers
Schedule 410	89,839
Schedule 420	11,779
Schedule 424	86
Schedule 440	35
Schedule 444	4
Schedule 456	38

Table 2 below shows the customer rate impact for each of the schedules impacted by the revisions proposed in this filing, setting Schedules 477, 478, and 479 to \$0.00000/therm.

Table 2

Sch. No.	Sch. Des.	Present Revenues	Proposed Revenues	Revenue Incr. (Decr.)	Percent Incr. (Decr.)	Use (Therms)	Present Monthly Cost	Proposed Monthly Cost	Change To Monthly Cost	Percent Change Monthly Cost
410	Res.	\$ 60,479,089	\$59,464,885	\$ (1,014,202)	-1.7%	47	\$ 56.10	\$ 55.16	\$ (0.94)	-1.7%
420	Gen.	\$ 27,258,404	\$26,706,840	\$ (551,564)	-2.0%	197	\$ 192.78	\$ 188.87	\$ (3.91)	-2.0%
424	Lg. Gen.	\$ 2,419,566	\$ 2,335,140	\$ (84,426)	-3.5%	4,240	\$2,347.66	\$2,265.74	\$(81.92)	-3.5%
440	Interrupt.e	\$ 1,259,259	\$ 1,258,540	\$ (719)	-0.1%	10,592	\$2,969.70	\$2,968.00	\$ (1.70)	-0.1%
444	Seas.	\$ 139,285	\$ 134,604	\$ (4,681)	-3.4%	5,155	\$2,963.52	\$2,863.92	\$(99.60)	-3.4%
456	Trans.	\$ 3,382,370	\$ 3,378,375	\$ (3,995)	-0.1%	87,626	\$7,408.81	\$7,408.81	\$ (8.76)	-0.1%

³ The Commission approved recovery of approximately \$80,000 on October 18, 2016, in Order No. 16-390 in Docket No. UG 318.

⁴ Senate Bill 408, enacted in 2005, created an automatic adjustment meant to correct for any discrepancy between taxes collected from customers and taxes paid to the State of Oregon. Those provisions were repealed in 2011. (Oregon Laws 2011 ch. 137).

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Conclusion

Staff has reviewed the Company's proposed revisions to Schedules 477, 478, and 479 and recommends approval of Avista's filing as submitted to the Commission on July 28, 2017.

PROPOSED COMMISSION MOTION:

Approve Avista's request to revise rates in Docket No. UG 341 and allow the resulting tariff sheets in Advice No. 17-04-G to go into effect on November 1, 2017.

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