

Avista Corp.

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April 15, 2016

Public Utility Commission of Oregon Attn: Filing Center 201 High St SE, Suite 100 Salem, OR 97301

RE: Docket No. 1147 – Petition for Waiver of a Certain Provision in Order No. 10-279.

Attached for electronic filing with the Commission is Avista Corporation's, dba Avista Utilities, Petition for Waiver of a Certain Provision in Order No. 10-279 in Docket No. 1147.

Please direct any questions regarding this filing to me at (509) 495-8620.

Sincerely,

Patrick Ehrbar

Senior Manager, Rates & Tariffs

Enclosure

1 2 3	BEFORE THE PUBLIC UTILITY COMMISSION OF OREGON
4	Docket No. UM 1147
5 6 7 8 9	IN THE MATTER OF THE PUBLIC UTILITY COMMISSION OF OREGON STAFF REQUEST TO OPEN AN INVESTIGATION RELATED TO DEFERRED ACCOUNTING OPEN AN INVESTIGATION RELATED TO DEFERRED ACCOUNTING OPEN AN INVESTIGATION RELATED TO THE CREATION OF RESIDUAL DEFERRAL ACCOUNT
10	Pursuant to ORS 757.259, and OAR 860-027-0300, Avista Corporation, dba Avista Utilities
11	("Avista" or "Company"), applies to the Public Utility Commission of Oregon ("Commission")
12	for a limited waiver of a certain provision included in Order No. 10-279 in Docket No. UM 1147.
13	The Company requests approval to create a Residual Deferral Account that is in excess of the
14	0.05% of present operating revenue threshold approved by the Commission. As will be discussed
15	in more detail below, the present 0.05% limitation would allow Avista to establish a Residual
16	Deferral Account that could not exceed \$43,961.
17	The Company has four deferral accounts that it would like to include in a Residual Deferral
18	Account which amounts to \$68,156, or 0.08% of present operating revenues. Avista respectfully
19	requests a one-time waiver of the 0.05% limitation. Further, in order to allow for a tariff filing
20	related to this matter by August 1, 2016, the Company requests approval of this request by July 1,
21	2016.
22	In support of this Application, the Company states:
23	Avista provides natural gas service in the State of Oregon and is a public utility subject to
24	the Public Utility Commission of Oregon's jurisdiction under ORS 757.005(1)(a)(A). Avista
25	provides natural gas distribution service in southwestern and northeastern Oregon. The Company
26	also provides electric and natural gas service within a 30,000 square mile area of eastern
27	Washington and northern Idaho. As of February 29, 2016, Avista supplied retail electric service

- to 374,775 customers and retail natural gas service to 335,856 customers, including approximately
- 2 99,620 customers in Oregon who will be affected by the proposed rate revision. Avista's principal
- 3 place of business is located in Spokane, Washington.
- 4 Avista requests that all notices, pleadings and correspondence regarding this Application be
- 5 sent to the following:

6 Patrick Ehrbar	David J. Meyer
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7 Manager, Rates and Tariffs Vice President and Chief Counsel

8 Avista Corporation for Regulatory and 9 P.O. Box 3727 Governmental Affairs

10 Avista Corporation P.O. Box 3727

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BACKGROUND

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The Commission approved Order No. 10-279 on July 23, 2010. In its Order, the Commission allowed utilities to create a deferred account for the purpose of rolling any residual amount left at the end of the amortization period of any other deferred account that is subject to annual or biannual requests for amortization. The amount eligible for amortization must be equal to or less than 0.05% of the utility's retail operating revenues in the previous calendar year. The residual deferred account is subject to one Blended Treasury Rate that is updated in January of each year. Any amount remaining after the end of a designated amortization period in a balancing account may be rolled into, and combined with, the amount approved for amortization over the next period of time, at the updated Blended Treasury Rate.

For Avista, operating revenues for the period ended December 31, 2015 were \$87,921,752. The Commission allows the creation of deferred accounts with balances equal to or less than 0.05% of the utility's residential operating revenues. The maximum threshold for Avista is \$43,961. As shown in more detail below, Avista presently has four deferral accounts with residual balances that

- 1 are included on the Company's balance sheet that it would like to amortize. The total amount is
- 2 \$68,156, or 0.08% of the Company's present operating revenues. As of March 31, 2016, the
- 3 outstanding balances, shown in Table No. 1 below, are:

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Table No. 1: Residual Balance Accounts (+ surcharge, - rebate)

5	Account 254250, Senate Bill 408 Surcharge ¹	\$75,096
_	Account 251420, Oregon Commission Fees Surcharge ²	\$1,942
6	Account 182321, Roseburg/Medford Deferral Rebate ³	(\$8,729)
7	Account 191890, Margin Reduction Rebate ⁴	(\$279)
,	Total Surcharge	\$68,156

¹ Senate Bill 408 – The purpose of Schedule 408 was to implement the automatic adjustment clause required by Senate Bill 408 related to taxes collected from customers and taxed paid to the State of Oregon. The last rate adjustment under Schedule 408 was from June 1, 2011 through May 31, 2012 (Advice No. 11-04-G, Order No. 11-119). There were no further rate adjustments related to Schedule 408 because it was repealed by Senate Bill 967. The Company proposed to cancel Schedule 408 in Advice No. 12-02-G filed on June 8, 2012, which the Commission allowed to become effective July 9, 2012. The remaining balance in Account No. 254250 is a surcharge balance of \$75,096.

² Oregon Commission Fees – Schedule 477 was established in Docket No. UG-194, Order No. 10-436 with a November 1, 2010 effective date and was designed to rebate to customers approximately \$160,000 related to a reduction in Commission fees from 0.25% to 0.15% for 2010. The reduction in Commission fees for 2010 was approved in Order No. 10-083 in Docket No. UM-1012. The Commission on p. 3 of that order requested that each "electric and natural gas public utility must defer the difference between the fees payable under ORS 756.310 in 2010 calculated at .25 percent and at .15 percent. By July 1, 2010, each electric and natural gas utility must submit a proposal and request to amortize all or a portion of the deferral." The Company amortized the majority of the deferral between November 1, 2010 and October 31, 2011. As a result, the Commission approved the Company's request effective November 1, 2011 to set the rates for Schedule 477 at \$0.00000 per therm in Docket No. UG-211, Order No. 11-471. Avista filed to cancel Schedule 477 on February 8, 2013, and the Commission allowed Avista's filing to become effective on February 26, 2013. The remaining balance in Account No. 254120 is a surcharge balance of \$1,942.

³ Roseburg/Medford Deferrals – Schedule 499 was established in Docket No. UG-222, Order No. 12-187. The purpose of Schedule 499 was to surcharge customers for the recovery of the deferred revenue requirement (\$465,133) for the Roseburg Reinforcement Project Phase II and the Medford Integrity Management Pipe Replacement Project as provided for in Order No. 11-080 in Docket No. UG-201. The revenue requirement for the November 1, 2011 through May 31, 2012 was deferred for later recovery in Schedule 499. Schedule 499 was created with an effective date of June 1, 2012 and expired on May 31, 2013. On May 10, 2013, Avista filed to cancel Schedule 499 effective June 10, 2013 (Advice No. 13-02-G). The Commission allowed the filing to go into effect on June 4, 2013. The remaining balance in Account No. 182321 is a rebate balance of \$8,729.

⁴ Margin Reduction – The purpose of Schedule 496 was to recover deferred revenue in compliance with Commission Order No. 03-570 in Docket No. UG-153. The deferred revenue resulted from a reduction in Schedule 440 and 456 rates. The Company filed on October 12, 2012 to move the rate per therm to \$0.00000 because the residual balance in the account was too small to create a rate. That request was approved in Docket No. UG-225, Order No. 12-432. Avista filed to cancel Schedule 496 on February 8, 2013, and the Commission allowed Avista's filing to become effective on February 26, 2013. The remaining balance in Account No. 191890 is a rebate balance of \$279.

1	If the Company's request is approved, it would seek recovery of the residual balance in a
2	tariff filing on or before August 1, 2016. The residual balance in Account 254250, Senate Bill
3	408, would be spread to customer schedules 410, 420, 424, 440, 444 and 456 on a percentage of
4	current margin basis. Account 182321, Roseburg/Medford Deferrals, would be spread to customer
5	schedules 410, 420, 424, 440 and 444 also on a percentage of current margin basis. Account
6	254120, Oregon Commission Fees, would be spread to customer schedules 410, 420, 424, 440 and
7	444 on a uniform cents per therm basis, as would Account 191890, Margin Reduction, to Schedules
8	410 and 420.
9	In conjunction with its annual PGA filing in July 2016, Avista will request to recover the
10	remaining residual balances over the upcoming PGA period (November 1, 2016 - October 31,
11	2017).
12	REQUEST
13	The Company respectfully requests that the Commission issue an order allowing Avista to
14	create a Residual Deferral Account, in 2016 for the four accounts provided above. If approved by
15	the Commission, Avista would transfer those balances to a new Residual Deferral Account, and
16	file a request with the Commission prior to August 1, 2016 to amortize that balance in the
17	November 2016 through October 2017 time period, consistent with other filings made coincident
18	with the Company's annual Purchased Gas Cost Adjustment Filing.
19	DATED this 15 th day of April 2016.
20	Respectfully submitted,
21	Avista Utilities
22	By:
23 24	David J. Meyer, Vice President and Chief Counsel for Regulatory and Governmental Affairs