

1 BEFORE THE PUBLIC UTILITY COMMISSION

2 OF OREGON

3 DOCKET NO. UM 1978

4
5 IN THE MATTER OF THE APPLICATION OF) APPLICATION
6 AVISTA UTILITIES FOR AN ORDER) FOR REAUTHORIZATION
7 AUTHORIZING DEFERRAL OF LOW-INCOME) OF CERTAIN DEFERRAL
8 RATE ASSISTANCE PROGRAM EXPENSES) ACCOUNTS
9 COLLECTED THROUGH RATE SCHEDULE 493)
10

11 Pursuant to ORS 757.259 and OAR 860-027-0300(4), Avista Corporation, dba Avista
12 Utilities (“Avista” or “Company”), hereby applies to the Public Utility Commission of Oregon
13 (“Commission”) for an order reauthorizing the Company to utilize deferred accounting for its Low-
14 Income Rate Assistance Program (“LIRAP”). Avista respectfully requests that this deferral be
15 effective for the 12-month period beginning January 1, 2020.

16 In support of this Application, the Company states:

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

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

21 Patrick Ehrbar
22 Director of Regulatory Affairs
23 Avista Corporation
24 P.O. Box 3727
25 1411 E. Mission, MSC-27
26 Spokane, WA 99220-3727
27 (509) 495-8620
28 Pat.ehrbar@avistacorp.com
29

David J. Meyer
Vice President and Chief Counsel
for Regulatory and Governmental Affairs
Avista Corporation
P.O. Box 3727
1411 E. Mission, MSC-27
Spokane, WA 99220-3727
(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 rates.

3 BACKGROUND

4 Deferral of the revenues related to the Company’s natural gas Low-Income Rate Assistance
5 Program was previously authorized by the Commission on February 28, 2019, through Order No.
6 19-068 of Docket No. UM 1978. The authorization for deferred accounting treatment as described
7 above can be authorized pursuant to ORS 757.259(2)(e). Under the Company’s Tariff Schedule 493,
8 “Residential Low-Income Rate Assistance Program (LIRAP)-Oregon”, Avista collects funds
9 necessary to administer and deliver low income programs to its customers. The purpose of LIRAP
10 is to reduce the energy cost burden among those customers least able to pay energy bills, and the
11 revenue collected is provided to the four Community Action Agencies in Avista’s Oregon service
12 territory for disbursement to qualifying customers and for administration of the program.

13 Over a 12-month period, the Company records the funds collected through Schedule 493,
14 netted with the costs of LIRAP, in a balancing account; any unspent funds or uncollected costs are
15 held over to the following year, with any adjustments needed requested in January of each year.
16 This meets the requirement under ORS 757.259(2)(e), specifically “identifiable utility expenses or
17 revenues, the recovery or refund of which the commission finds should be deferred in order to
18 minimize the frequency of rate changes or the fluctuation of rate levels or to match appropriately
19 the costs borne by and benefits received by ratepayers.”

20 DESCRIPTION OF DEFERRAL

21 Presently, Avista records the funds collected with Schedule 493 and the costs of managing
22 LIRAP in FERC Account No. 242.7 (Low Income Energy Assistance). A summary of the
23 accounting entries recorded by Avista is as follows:

Transactions to Record LIRAP Revenues and Costs			
FERC	Account Description	DR	CR
142.1	Customer Accounts Receivable	\$XXX	
48X.X	Revenue from Customers To record revenue collected from Schedule 493.		\$XXX
908.6	Customer Service & Information Expense	\$XXX	
242.7	Low Income Energy Assistance To transfer funds collected from Schedule 493 to balancing account.		\$XXX
242.7	Low Income Energy Assistance	\$XXX	
232.1	Accounts Payable To record LIRAP costs.		\$XXX

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2 As funds are distributed for LIRAP activities, the balancing account is debited for the amount
3 of the expenditure disbursement. The balance in the account (either unspent funds or uncollected
4 costs) is deferred at December 31 each year, with the net amount in the account included in the
5 Company's filing when the LIRAP Surcharge is updated. In absence of a deferred accounting order
6 from the Commission, Avista would instead transfer the balance of the account at December 31,
7 into earnings. Interest accrues on this balancing account each month based on the average monthly
8 fund balance at the Company's currently authorized rate of return.

9 PROPOSED ACCOUNTING

10 In this Reauthorization application, Avista is not proposing any change to the current deferral
11 accounting. The Company would continue to record the funds collected through Schedule 493 as
12 described above.

13 CURRENT DEFERRAL BALANCES

14 At December 31, 2018, the total unspent balance in the Low Income Energy Assistance
15 account, subject to deferral, was \$95,501. For illustrative purposes, since December 31, 2016, a

1 summary of LIRAP funds collected and spent is as follows:

Avista's LIRAP Summary	
Transactions Recorded in Balancing Account (FERC Account No. 242.7)	
For December 31, 2016 through December 31, 2018	
Balance at December 31, 2016	\$ (48,354)
2017 Tariff Collections	(230,659)
2017 LIRAP Costs	219,809
2017 Interest	(3,082)
Balance at December 31, 2017	\$ (62,286)
2018 Tariff Collections	(212,616)
2018 LIRAP Costs	185,400
2018 Interest	(5,999)
Balance at December 31, 2018	\$ (95,501)

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3 At December 31, 2016, the Company's program-to-date collections exceeded its costs by
4 \$48,354, with these funds subsequently spent in 2017. At December 31, 2017, the funds collected
5 exceeded costs by an additional \$13,932, and the balance of \$62,286 was used in 2018. Similarly,
6 at December 31, 2018, the carryover balance for the 2019 program year was \$95,501.

7 WHEREFORE, Avista Utilities respectfully requests that the Commission reauthorize the
8 Company to defer the unspent funds or uncollected costs of its low-income programs for the 12-
9 month period, January 1, 2020 through December 31, 2020. The Company is not proposing an
10 adjustment to customers' retail rates through this Application. Pursuant to OAR 800-027-
11 0300(3)(e)(6), a copy of the Notice of Application and list of persons served with the Notice is
12 attached to this Application as Exhibit A.

13 DATED this 1st day of November 2019.

14 Respectfully submitted,

15 Avista Utilities

16 By: 

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

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

November 1, 2019

To All Parties Who Participated in UG 366:

Please be advised that on November 1, 2019, 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 its Low-Income Rate Assistance Program (“LIRAP”). 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 366, 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 November 25, 2019. 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 1st day of November 2019.

By: 

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

CERTIFICATE OF SERVICE

Docket No. UM 1978

I HEREBY CERTIFY that I have on this day, November 1, 2019, served by electronic mail the foregoing Notice of Application for Reauthorization of Certain Deferral Accounts, related to the deferral of funds collected for Avista's Low-Income Rate Assistance Program (LIRAP), to all parties of record for Avista's most recent general rate case, Docket No. UG 366, as indicated below:

Alliance of Western Energy Consumers (AWEC)
dockets@oregoncub.org

Edward Finklea, Director of Natural Gas
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Oregon Public Utilities Commission (OPUC)
Marianne Gardner, OPUC Staff
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Oregon Citizens Utility Board (CUB)
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Department of Justice
Johanna Riemenschneider
johanna.riemenschneider@doj.state.or.us

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

Dated at Spokane, Washington this 1st day of November, 2019.

/s/ Jaime Majure

Jaime Majure
Regulatory Policy Analyst
Avista Utilities
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509.495.7839