



Avista Corp.

1411 East Mission P.O. Box 3727
Spokane, Washington 99220-0500
Telephone 509-489-0500
Toll Free 800-727-9170

October 29, 2021

Public Utilities Commission of Oregon
Attn: Filing Center
201 High Street SE, Suite 100
Salem, OR 97301-3612

RE: Docket No. UM 1978—Avista Utilities Application for Reauthorization

Filing Center:

In accordance with ORS 757.259 and OAR 860-027-0300, Avista Corporation, dba Avista Utilities (Avista or Company), hereby submits for electronic filing an Application for Reauthorization to defer certain expenses or revenues related to its Low-Income Rate Assistance Program (LIRAP).

As required by OAR 860-027-0300(3)(e) and (6), a Notice of Application and list of persons served with the Notice has been sent to all parties in the Company's current general rate case, Docket No. UG 389. A copy of the Notice and the Certificate of Service are attached as an Exhibit to the Application.

If you have any questions regarding this filing, please contact Jaime Majure at (509) 495-7839 or email jaime.majure@avistacorp.com.

Sincerely,

/s/Joe Miller

Joe Miller
Sr. Manager of Rates & Tariffs
Avista Utilities
509-495-4546
joe.miller@avistacorp.com

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28
29
30

BEFORE THE PUBLIC UTILITY COMMISSION
OF OREGON
DOCKET NO. UM 1978

IN THE MATTER OF THE APPLICATION OF) APPLICATION
AVISTA UTILITIES FOR AN ORDER) FOR REAUTHORIZATION
AUTHORIZING DEFERRAL OF LOW-INCOME) OF CERTAIN DEFERRAL
RATE ASSISTANCE PROGRAM EXPENSES) ACCOUNTS
COLLECTED THROUGH RATE SCHEDULE 493)

Pursuant to ORS 757.259 and OAR 860-027-0300(4), Avista Corporation, dba Avista Utilities (Avista or Company), hereby applies 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). Avista respectfully requests that this deferral be effective for the 12-month period beginning January 1, 2022.

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 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-27
(509) 495-8620	Spokane, WA 99220-3727
Pat.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 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 25, 2021, through Order No.
6 21-063 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			
<u>FERC</u>	<u>Account Description</u>	<u>DR</u>	<u>CR</u>
142.1	Customer Accounts Receivable	\$XXX	
48X.X	Revenue from Customers		\$XXX
	To record revenue collected from Schedule 493.		
908.6	Customer Service & Information Expense	\$XXX	
242.7	Low Income Energy Assistance		\$XXX
	To transfer funds collected from Schedule 493 to balancing account.		
242.7	Low Income Energy Assistance	\$XXX	
232.1	Accounts Payable		\$XXX
	To record LIRAP costs.		

1
2
3
4
5
6
7
8
9

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

17 **PROPOSED ACCOUNTING**

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

21 **CURRENT DEFERRAL BALANCES**

22 At December 31, 2020, the total unspent balance in the Low-Income Energy Assistance
23 account, subject to deferral, was \$121,308. For illustrative purposes, since December 31, 2018, a
24 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, 2018 through December 31, 2020

Balance at December 31, 2018	\$ (95,501)
2019 Tariff Collections	(232,728)
2019 LIRAP Costs	268,172
2019 Interest	<u>(7,240)</u>
Balance at December 31, 2019	\$ (67,297)
2020 Tariff Collections	(219,363)
2020 LIRAP Costs	172,307
2020 Interest	<u>(6,955)</u>
Balance at December 31, 2020	<u>\$ (121,308)</u>

At December 31, 2018, the Company's program-to-date collections exceeded its costs by \$95,501, with these funds subsequently spent in 2019. At December 31, 2019, the program costs exceeded the funds collected by \$35,444, thereby decreasing the total carryover balance to \$67,297, after accounting for \$7,240 in accumulated interest. With collections then exceeding costs by \$47,056 in 2020, at December 31, 2020, the carryover balance for 2021 was \$121,308.

WHEREFORE, Avista Utilities respectfully requests that the Commission reauthorize the Company to defer the unspent funds or uncollected costs of its low-income programs for the 12-month period, January 1, 2022 through December 31, 2022. The Company is not proposing an adjustment to customers' retail rates through this Application. Pursuant to OAR 800-027-0300(3)(e)(6), a copy of the Notice of Application and list of persons served with the Notice is attached to this Application as Exhibit A.

DATED this 29th day of October 2021.

Respectfully submitted,

 Avista Utilities
 By: /s/ David Meyer
 David J. Meyer, Vice President and Chief
 Counsel for Regulatory and Governmental Affairs



Docket No. UM 1978

NOTICE OF APPLICATION FOR REAUTHORIZATION OF CERTAIN DEFERRAL ACCOUNTS

October 29, 2021

To All Parties Who Participated in UG 389:

Please be advised that on October 29, 2021, 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 389, 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 23, 2021. 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 29th day of October 2021.

By: /s/David Meyer

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, October 29, 2021, 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 389, as indicated below:

Alliance of Western Energy Consumers (AWEC)

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

Chad M. Stokes
Cable Huston, LLP
cstokes@cablehuston.com

Tommy A. Brooks
Cable Huston, LLP
tbrooks@cablehuston.com

Oregon Public Utilities Commission (OPUC)

John Crider, OPUC Staff
john.crider@puc.oregon.gov

Oregon Citizens Utility Board (CUB)

dockets@oregoncub.org

Mike Goetz, Staff Attorney
mike@oregoncub.org

William Gehrke
will@oregoncub.org

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 29th day of October 2021.

/s/ Jaime Majure

Jaime Majure
Regulatory Policy Analyst
Avista Utilities
jaime.majure@avistacorp.com
509.495.7839