



**Avista Corp.**

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

October 31, 2023

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 461. 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 Joel Anderson at (509) 495-2811 or email [joel.anderson@avistacorp.com](mailto:joel.anderson@avistacorp.com).

Sincerely,

*/s/Joe Miller*

Joe Miller  
Sr. Manager of Rates & Tariffs  
Avista Utilities  
509-495-4546  
[joe.miller@avistacorp.com](mailto:joe.miller@avistacorp.com)

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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). In this Application for Reauthorization (Application), the Company is also requesting modification of the interest rate applicable to this deferral, as described herein. Avista respectfully requests that this deferral be effective for the 12-month period beginning January 1, 2024.

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 23, 2023, through Order No.  
6 23-053 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 disbursed to qualifying customers by Avista as well as by the four Community  
12 Action Agencies (CAAs or Agencies) within the Company’s Oregon service territory.<sup>1</sup>

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 July of each year along  
16 with the Company’s Purchased Gas Adjustment (PGA) filings. This meets the requirement under  
17 ORS 757.259(2)(e), specifically “identifiable utility expenses or revenues, the recovery or refund of  
18 which the commission finds should be deferred in order to minimize the frequency of rate changes  
19 or the fluctuation of rate levels or to match appropriately the costs borne by and benefits received  
20 by ratepayers.”

21 In 2022, as a result of the January 1, 2022 implementation of Oregon’s Energy Affordability

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<sup>1</sup> Historically, LIRAP was administered solely by Avista’s partner Agencies. See Docket No. ADV 1410 for further information regarding changes made to LIRAP effective October 1, 2022, including approval of joint administration by both the CAAs as well as Avista.

1 Act (House Bill 2475, or HB 2475)<sup>2</sup> and the Commission’s subsequent investigation into this  
2 legislation,<sup>3</sup> Avista filed for approval to defer all costs associated with offering differential rates to  
3 qualifying customers as a result of HB 2475.<sup>4</sup> This deferral was established to support the  
4 Company’s forthcoming changes to its LIRAP, as subsequently filed and approved in Docket No.  
5 ADV 1410, and essentially bifurcated the costs incurred by LIRAP into two separate deferrals: UM  
6 1978 and UM 2232. As noted in Docket No. ADV 1410, the Company specified that it would  
7 “request amortization of these [UM 2232 deferral] costs late in 2023, to become effective with the  
8 2023-2024 LIRAP program year. At that time, it is Avista’s intention that all LIRAP costs, inclusive  
9 of the Bill Discount, AMP, Arrearage Forgiveness, as well as associated administrative costs, be  
10 incorporated into LIRAP’s tariff Schedule 493, with future tracking utilizing the existing deferral  
11 mechanism in place for LIRAP (Docket No. UM 1978), with an annual true-up of tariff rider  
12 balances.”<sup>5</sup> Avista received approval from the Commission for this approach via Order No. 23-394  
13 in Docket No. UG 471. This Application is inclusive of the provisions of Order No. 23-394,  
14 including incorporation of the balances formerly contained within the UM 2232 deferral for  
15 amortization through LIRAP’s tariff Schedule 493, as well as a request for modification of the  
16 interest rate previously applicable to this UM 1978 deferral.

17 DESCRIPTION OF CURRENT DEFERRAL

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

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<sup>2</sup> HB 2475 amended ORS 756.610, ORS 757.230, and ORS 757.072, and enacted new provisions to address equity in rate setting and participating in Commission proceedings.

<sup>3</sup> See Docket No. UM 2211.

<sup>4</sup> Docket No. UM 2232.

<sup>5</sup> Docket No. ADV 1410/ Advice No. 22-03-G, Avista’s June 1, 2022 initial tariff revision filing, pg. 10.

<b>Transactions to Record LIRAP Revenues and Costs</b>			
<b><u>FERC</u></b>	<b><u>Account Description</u></b>	<b><u>DR</u></b>	<b><u>CR</u></b>
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

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

**PROPOSED ACCOUNTING**

In this Reauthorization application, Avista is proposing that the interest rate applicable to the balancing account described above is modified to instead utilize the current Modified Blended Treasury (MBT) rate, in accordance with Order No. 23-394 in Docket No. UG 471. Aside from the requested change in interest accrual, the Company is not requesting any additional adjustments to the current deferral accounting and would continue to record the funds collected through Schedule 493 as described above.

**CURRENT DEFERRAL BALANCES**

At December 31, 2022, the total unspent balance in the Low-Income Energy Assistance account, subject to deferral, was \$80,626. For illustrative purposes, since December 31, 2020, a 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, 2020 through December 31, 2022	
Balance at December 31, 2020	\$ (121,308)
2021 Tariff Collections	(221,153)
2021 LIRAP Costs	261,375
2021 Interest	(6,725)
Balance at December 31, 2021	\$ (87,811)
2022 Tariff Collections	(234,198)
2022 LIRAP Costs	247,065
2022 Interest	(5,682)
Balance at December 31, 2022	\$ (80,626)

At December 31, 2020, the Company's program-to-date collections exceeded its costs by \$121,308, with these funds subsequently spent in 2021. At December 31, 2021, the program costs exceeded the funds collected by \$40,222, thereby decreasing the total carryover balance to \$87,811, after accounting for \$6,725 in accumulated interest, with collections then exceeding costs by \$12,867 in 2022. At December 31, 2022, the carryover balance for 2023 was \$80,626.

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, 2024 through December 31, 2024. 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 31<sup>st</sup> day of October 2023.

Respectfully submitted,

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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 31, 2023

To All Parties Who Participated in UG 461:

Please be advised that on October 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 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 Provided 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 November 22, 2023. 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 31<sup>st</sup> day of October 2023.

By:           /s/David Meyer          

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