



Avista Corp.

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

February 22, 2022

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

RE: Docket No. UM 2069—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 associated with its response to the COVID-19 public health emergency.

As required by OAR 800-027-0300(3)(e)(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 433. 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 Liz Andrews at (509) 495-8601 or liz.andrews@avistacorp.com.

Sincerely,

/s/Elizabeth Andrews

Elizabeth Andrews
Sr. Manager, Revenue Requirements

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BEFORE THE PUBLIC UTILITY COMMISSION
OF OREGON
DOCKET NO. UM 2069

IN THE MATTER OF THE APPLICATION OF) APPLICATION
AVISTA CORPORATION FOR AN ORDER) FOR REAUTHORIZATION
REAUTHORIZING DEFERRAL OF COSTS) OF DEFERRAL OF
ASSOCIATED WITH THE COVID-19) CERTAIN COSTS
PUBLIC HEALTH EMERGENCY)

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 defer for later ratemaking treatment the recovery of costs from the COVID-19 public health emergency impacts in Avista’s service territory (the “Deferred Amount”). Avista respectfully requests that this deferral be effective for the 12-month period beginning March 25, 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
Patrick.Ehrbar@Avistacorp.com	(509) 495-4316
	David.Meyer@Avistacorp.com

This Application is filed pursuant to ORS 757.259, which empowers the Commission to

1 authorize the deferral of expenses or revenues of a public utility for later incorporation into rates.
2 As required by ORS 757.259(4), any amortization of the Deferred Amount will be subject to an
3 earnings review and a finding by the Commission that the costs were prudently incurred. Avista
4 does not expect that amortization of the Deferred Amount will cause Avista to meet or exceed its
5 most recently authorized return on equity.

6 **I. OAR 860-027-0300(3) Requirements**

7 The following is provided pursuant to OAR 860-027-0300(3):

8 **A. Background Description**

9 On March 8, 2020, Oregon Governor Kate Brown declared a state of emergency over the
10 COVID-19 outbreak. Since that time, Avista has incurred extraordinary costs in its response to
11 the public health emergency, including bad debt expense resulting from higher than average levels
12 of write-offs of uncollectible accounts associated with the suspension of disconnects and late
13 payment fees to assist customers facing unprecedented economic pressures. The Company has
14 also experienced increased costs associated with required equipment for employees to work
15 remotely and expenses to maintain the health and safety of those employees whose jobs do not
16 allow for remote work. In addition to the extraordinary costs, the Company has experienced a
17 reduction in employee travel and training expenses and a reduction in costs associated with
18 Company vehicle usage. The benefits experienced to date have been applied as an offset to
19 Avista's deferred COVID-19 expenses. These items and others, including the arrearage
20 management programs, are described in the Settlement Stipulation adopted by the Commission
21 in Order 20-401 in Docket UM 2114.

22 **B. Reason for Deferral**

23 The Commission initially authorized deferred accounting of Avista's costs related to
24 COVID-19 for the 12-month period beginning March 25, 2020, in Order No. 20-378;

1 reauthorization for the 12-month period beginning March 25, 2021 is still pending in this Docket
2 (UM 2069(1)). With this filing, the Company requests reauthorization to defer incremental costs
3 and benefits associated with the COVID-19 public health emergency, effective March 25, 2022.
4 Avista's deferral request in this case is filed pursuant to ORS 757.259(2)(e) and is intended to
5 minimize the frequency of rate changes or the fluctuation of rate levels.

6 **C. Proposed Accounting**

7 Avista proposes to continue recording the deferral as a regulatory asset/liability in FERC
8 Account 182.347 (Other Regulatory Assets) and FERC Account 254.347 (Other Regulatory
9 Liabilities), with offsetting entries recorded in FERC Account 407.347 (Regulatory Debits) and
10 FERC Account 407.437 (Regulatory Credits). In the absence of a deferred accounting order,
11 Avista would record the costs to a variety of accounts.

12 **D. Estimate of Amounts**

13 Given the unprecedented nature of the emergency, Avista cannot estimate the costs
14 associated with COVID-19 or the length of time in which the costs will be incurred. The Company
15 has deferred net costs of approximately \$778,000 as of December 31, 2021. As it relates to the
16 Arrearage Management Program described in the Settlement Stipulation (paragraph 18) adopted
17 in Order 20-401 in Docket UM 2114, that amount alone accounts for approximately \$890,000.
18 Interest accrues on this deferral at a rate equal to the Blended Treasury rate plus 100 basis points.

19 **E. Notice**

20 A copy of the Notice of Application for Reauthorization Deferral of Costs Associated with
21 the COVID-19 Emergency and a list of persons served with the Notice are attached to the
22 application as Exhibit A.

23 **II. Summary of Filing Conditions**

24 **A. Entries in the Deferral Account to Date**

1 A summary of the entries in this deferred account from March 25, 2020, through December
2 31, 2021 follows:

3	182347	GD	OR	REG ASSET COVID-19	\$ 2,162,672
4	254347	GD	OR	REG LIABILITY - COVID-19 DEFERRAL	\$(1,385,014)
					<u>\$ 777,658</u>

5 **B. Reason for Continuation of Deferred Accounting**

6 As discussed in detail above, this deferral is intended to capture incremental costs and
7 benefits associated with the COVID-19 public health emergency.

8 **III. Conclusion**

9 WHEREFORE, Avista Utilities respectfully requests that the Commission reauthorize the
10 Company to defer the incremental costs and savings associated with its COVID-19 response in
11 Avista's service territory for the March 25, 2022 through March 24, 2023 time period.

12 DATED this 22nd day of February 2022.

13 Respectfully submitted,

14 Avista Utilities

15 By: /s/ David J. Meyer

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



Docket No. UM 2069

NOTICE OF APPLICATION FOR REAUTHORIZATION OF CERTAIN DEFERRAL ACCOUNTS

February 22, 2022

To All Parties Who Participated in UG 433:

Please be advised that on February 22, 2022, 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 certain expenses associated with its response to the COVID-19 public health emergency. 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 433, 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 within 25 days of this filing. 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 22nd day of February 2022.

By: /s/David Meyer

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

CERTIFICATE OF SERVICE

Docket No. UM 2069

I HEREBY CERTIFY that I have on this day, February 22, 2022, served by electronic mail the foregoing Notice of Application for Reauthorization of Certain Deferral Accounts, related to the deferral of certain expenses associated with Avista's response to the COVID-19 public health emergency, to all parties of record for Avista's most recent general rate case, Docket No. UG 433, as indicated below:

Alliance of Western Energy Consumers (AWEC)

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

Oregon Citizens Utility Board (CUB)

dockets@oregoncub.org

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

Mike Goetz, Staff Attorney
mike@oregoncub.org

Oregon Public Utilities Commission (OPUC)

Matt Muldoon, OPUC Staff
matt.muldoon@puc.oregon.gov

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 22nd day of February 2022.

/s/ Jaime Majure

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