



Avista Corp.

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

March 22, 2021

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 or revenues 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 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 call Liz Andrews at (509) 495-8601 or email liz.andrews@avistacorp.com.

Sincerely,

/s/Elizabeth Andrews

Elizabeth Andrews
Sr. Manager, Revenue Requirements

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
31

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)

Avista Corporation, dba Avista Utilities (“Avista” or “Company”), pursuant to ORS 757.259 and OAR 860-027-0300(4), applies to the Public Utility Commission of Oregon ("Commission") for an order reauthorizing Avista 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, 2021.

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
P.O. Box 3727	Governmental Affairs
Avista Corporation	P.O. Box 3727
1411 E. Mission, MSC-27	1411 E. Mission, MSC-27
Spokane, WA 99220-3727	Spokane, WA 99220-3727
(509) 495-8620	(509) 495-4316
Pat.ehrbar@Avistacorp.com	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
8 The following is provided pursuant to OAR 860-027-0300(3):

9
10 **A. Background Description**

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

25 **B. Reason for Deferral**

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

1 Company requests reauthorization to defer incremental costs and benefits associated with the
2 COVID-19 public health emergency, effective March 25, 2021. Avista’s deferral request in this
3 case is filed pursuant to ORS 757.259(2)(e) and is intended to minimize the frequency of rate
4 changes or the fluctuation of rate levels.

5 **C. Proposed Accounting**

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

11 **D. Estimate of Amounts**

12 Given the unprecedented nature of the emergency, Avista cannot estimate the costs
13 associated with COVID-19 or the length of time in which the costs will be incurred. The
14 Company has deferred net benefits of approximately \$425,000 as of December 31, 2020. As it
15 relates to the Arrearage Management Program described in the Settlement Stipulation (paragraph
16 18) adopted in Order 20-401 in Docket UM 2114, that amount alone is estimated to be \$0.9
17 million. Interest accrues on this deferral at a rate equal to the Blended Treasury rate plus 100
18 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, 2020 follows:

3

4

182347	GD	OR	REG ASSET COVID-19	\$	798,874
254347	GD	OR	REG LIABILITY - COVID-19 DEFERRAL	\$	(1,223,907)

5

6

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

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

10 **III. Conclusion**

11 WHEREFORE, Avista Utilities respectfully requests that the Commission reauthorize the
12 Company to defer the incremental costs and savings associated with its COVID-19 response in
13 Avista’s service territory for the March 25, 2021 through March 24, 2022 time period.

14 DATED this 22nd day of March 2021.

15 Respectfully submitted,

16 Avista Utilities

17 By: /s/ David J. Meyer

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



Docket No. UM 2069

NOTICE OF APPLICATION FOR REAUTHORIZATION OF CERTAIN DEFERRAL ACCOUNTS

March 22, 2021

To All Parties Who Participated in UG 389:

Please be advised that on March 22, 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 certain expenses or revenues 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 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 April 14, 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 22nd day of March 2021.

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, March 22, 2021, served by electronic mail the foregoing Notice of Application for Reauthorization of Certain Deferral Accounts, related to the deferral of certain expenses or revenues associated with its response to the COVID-19 public health emergency, 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)

Mike Dougherty, OPUC Staff
Michael.Dougherty@state.or.us

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 22nd day of March 2021.

/s/ Paul Kimball

Paul Kimball
Manager of Regulatory Compliance & Discovery
Avista Utilities
paul.kimball@avistacorp.com
509.495.4584