



Avista Corp.

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

February 1, 2023

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

**RE: Avista Utilities Application for Reauthorization of Deferred Accounting of Costs
Associated with House Bill 2475 (HB 2475) Energy Affordability Act**

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 of Deferred Accounting for all costs associated with offering differential rates to qualifying customers pursuant to Oregon House Bill 2475, the Energy Affordability Act.

As required by OAR 860-027-0300(3)(e), 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 Exhibit A 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/ Shawn Bonfield

Shawn Bonfield
Sr. Manager of Regulatory Policy & Strategy
509-495-2782
shawn.bonfield@avistacorp.com

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BEFORE THE PUBLIC UTILITY COMMISSION
OF OREGON
DOCKET NO. UM 2232

IN THE MATTER OF THE APPLICATION OF)
AVISTA UTILITIES FOR AN ORDER) APPLICATION FOR
AUTHORIZING DEFERRAL OF COSTS) REAUTHORIZATION OF
ASSOCIATED WITH OFFERING DIFFERENTIAL) CERTAIN DEFERRAL
RATES IN ACCORDANCE WITH OREGON HOUSE) ACCOUNTS
BILL 2475 (HB 2475))

Pursuant to Oregon Revised Statute (ORS) 757.259(2)(e) and Oregon Administrative Rule (OAR) 860-027-0300, Avista Corporation, dba Avista Utilities (Avista or Company), hereby applies to the Public Utility Commission of Oregon (Commission) for an order reauthorizing deferred accounting treatment for all costs associated with offering differential rates to qualifying customers pursuant to Oregon House Bill 2475 (HB 2475), the Energy Affordability Act. Avista respectfully requests that this deferral be effective for the 12-month period commencing on February 10, 2023.

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 authorize the deferral of expenses or revenues of a public utility for later incorporation into rates.

In support of this Application, the Company states:

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

3
4 **BACKGROUND**

5 In May 2021, the Governor of Oregon signed into law HB 2475, the Energy Affordability
6 Act. Among other provisions, this bill amends ORS 757.230(1) to provide that utilities may take
7 into account the “differential energy burdens on low-income customers and other economic, social
8 equity or environmental justice factors that affect affordability for certain classes of utility
9 customers” when designing rates, and provides utilities with the opportunity to offer a bill discount
10 to income-qualified eligible residential customers. Avista’s proposal for providing a low-income
11 bill discount program to eligible residential customers, in alignment with HB 2475, was approved
12 by the Commission on July 26, 2022 in Docket No. ADV 1410/Advice No. 22-03-G. With that
13 approval, Avista received support “to defer all costs associated with the proposal in its existing
14 deferral authorization, as approved by the Commission on March 22, 2022, in Docket No. UM 2232,
15 Order No. 22-099.”¹

16 Accordingly, the Company has tracked and recorded all costs associated with the
17 implementation and administration of all modifications made to its Low-Income Rate Assistance
18 Program (LIRAP) as a result of ADV 1410, with such costs deferred effective February 10, 2022,
19 pursuant to the Commission’s previous authorization of this deferral in Order No. 22-099 of Docket
20 No. UM 2232. The authorization for deferred accounting treatment as described herein can be
21 authorized by the Commission pursuant to ORS 757.259(2)(e).

22

¹ Docket No. ADV 1410/Advice No. 22-03-G, Allowed (Approved) Utility Filing, Staff Report at pg. 8.

1 **DESCRIPTION OF DEFERRAL**

2 Presently, Avista records the costs to operate and administer the LIRAP Bill Discount and
3 associated LIRAP modifications approved in ADV 1410 in FERC account 908 (Customer
4 Assistance Expenses), with recording and tracking of the deferred amounts in FERC account 182.3
5 (Other Regulatory Asset). Pursuant to Order No. 22-099 in this docket, the deferral account accrues
6 interest at the Modified Blended Treasury rate (MBT), even without contemporaneous cost
7 recovery. A summary of the accounting entries recorded by Avista is as follows:

8

Transactions to Record and Defer HB 2475 Costs			
<u>FERC</u>	<u>Account Description</u>	<u>DR</u>	<u>CR</u>
908.X	Customer Service & Information Expense	\$XX	
232.X	Accounts Payable		\$XX
	<i>To record costs associated with implementation and administration of modifications to LIRAP as a result of ADV 1410</i>		
182.3	Regulatory Asset - Energy Afordability Act	\$XX	
908.X	Customer Service & Information Expense		\$XX
	<i>To transfer costs associated with implementation and administration of modifications to LIRAP as a result of ADV 1410 from expense to balancing account.</i>		

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16 **PROPOSED ACCOUNTING**

17 In this Application for reauthorization, Avista is not proposing any change to the current
18 deferral accounting. The Company would like to continue to record and track the funds as described
19 above and expects to further address cost recovery of these deferred balances with a rate adjustment
20 proposal in Q3 of 2023.

21
22 **CURRENT DEFERRAL BALANCES**

23 At December 31, 2022, the total balance in the Regulatory Asset for Energy Affordability
24 Act implementation account (FERC account 182.3), was \$219,732. For illustrative purposes, since

1 February 10, 2022, as summary of the costs incurred and deferred is as follows:

Avista's Energy Affordability Act Deferral Summary		
Transactions Recorded in Balancing Account (FERC Account No. 182.3)		
For February 10, 2022 through December 31, 2022		
Balance at February 10, 2022	\$	-
Deferred Costs		218,982
Interest		750
Balance at December 31, 2022	\$	219,732

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8 WHEREFORE, Avista Utilities respectfully requests that the Commission reauthorize the
9 Company to defer for later rate-making treatment any costs associated with HB 2475 for the 12-
10 month period, February 10, 2023 through February 9, 2024. The Company is not proposing an
11 adjustment to customers' retail rates through this Application, but rather will seek recovery of the
12 deferral and a proposed level of revenues to support the LIRAP Bill Discount and associated LIRAP
13 modifications in a future proceeding. Pursuant to OAR 800-027-0300(3)(e)(6), a copy of the Notice
14 of Application and list of persons served with the Notice is attached to this Application as Exhibit
15 A.

16 DATED this 1st day of February 2023.

17 Respectfully submitted,
18 Avista Utilities
19 By: /s/ David Meyer
20 David J. Meyer, Vice President and Chief
21 Counsel for Regulatory and Governmental Affairs



EXHIBIT A
NOTICE OF APPLICATION FOR REAUTHORIZATION OF CERTAIN
DEFERRAL ACCOUNTS

February 1, 2023

To All Parties Who Participated in UG 433:

Please be advised that on February 1, 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 all costs associated with House Bill 2475 (HB 2475), the Energy Affordability Act. This filing has been made pursuant to ORS 757.259 and OAR 860-027-0300.

This Notice is being sent to all parties participating in Avista's most recent general rate case, Docket No. UG 433, to inform them that an Application for Deferred Accounting 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 the date 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 1st day of February 2023.

By: /s/David Meyer

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

CERTIFICATE OF SERVICE

I **HEREBY CERTIFY** that I have on this day, February 1, 2023, served by electronic mail the foregoing Notice of Application for Reauthorization of Certain Deferral Accounts, related to the deferral of costs associated with House Bill 2475 (HB 2475), to all parties of record for Avista's most recent general rate case, Docket No. UG 433, as indicated below:

<p><u>Alliance of Western Energy Consumers (AWEC)</u> Edward Finklea efinklea@awec.solutions</p> <p>Chad M. Stokes cstokes@cablehouston.com</p>	<p><u>Oregon Citizens Utility Board (CUB)</u> dockets@oregoncub.org</p> <p>Mike Goetz mike@oregoncub.org</p> <p>William Gehrke will@oregoncub.org</p>
<p><u>Oregon Public Utilities Commission (OPUC)</u> Matthew Muldoon matt.muldoon@puc.oregon.gov</p>	<p><u>Oregon Department of Justice</u> Johanna Reimenschneider joahanna.reimenschneider@doj.state.or.us</p>

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

Dated at Spokane, Washington this 1st day of February 2023.

/s/ Jaime Majure

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