



Avista Corp.

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

November 14, 2022

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

RE: Docket No. UM ____ — Avista Utilities Application for Deferred Accounting

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 Authorization to Defer the Costs Associated with Declared Emergencies.

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 most recent 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 me at (509) 495-2782 or email shawn.bonfield@avistacorp.com.

Sincerely,

/s/ Shawn Bonfield

Shawn Bonfield
Sr. Manager of Regulatory Policy & Strategy
Avista Utilities

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BEFORE THE PUBLIC UTILITY COMMISSION

OF OREGON

DOCKET NO. UM _____

)
IN THE MATTER OF THE APPLICATION OF) APPLICATION
AVISTA CORPORATION FOR AN ORDER) FOR AUTHORIZATION
AUTHORIZING DEFERRAL OF COSTS) OF DEFERRAL OF
ASSOCIATED WITH DECLARED EMERGENCIES) CERTAIN COSTS
_____)

Avista Corporation, dba Avista Utilities (“Avista” or “Company”), pursuant to ORS 757.259 and OAR 860-027-0300, applies to the Public Utility Commission of Oregon ("Commission") for an order authorizing Avista to defer for later ratemaking treatment the recovery of costs (the "Deferral Account") associated with declared emergencies. The Deferral Account will track expenses proximately caused by a declared emergency that is the subject of a state or federal declaration. After establishment of the Deferral Account, within 30-days following an actual state of declared emergency, Avista would file a letter notifying the Commission that it is activating the Deferral Account by describing the emergency event, the general impacts to utility systems as a result of the event, and any estimate of expenses, if available. Avista will seeks authorization to amortize the Deferral Account for recovery in a future Commission proceeding.

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:

1 Patrick Ehrbar
2 Director of Regulatory Affairs
3 Avista Corporation
4 P.O. Box 3727
5 Avista Corporation
6 1411 E. Mission, MSC-27
7 Spokane, WA 99220-3727
8 (509) 495-8620
9 patrick.ehrbar@avistacorp.com

David J. Meyer
Vice President and Chief Counsel
for Regulatory and Governmental Affairs
P.O. Box 3727
Avista Corporation
1411 E. Mission, MSC-27
Spokane, WA 99220-3727
(509) 495-4316
david.meyer@avistacorp.com

10 This Application is filed pursuant to ORS 757.259, which empowers the Commission to
11 authorize the deferral of expenses or revenues of a public utility for later incorporation into rates.
12 As required by ORS 757.259(4), any amortization of the Deferral Amount will be subject to an
13 earnings review and a finding by the Commission that the costs were prudently incurred. Avista
14 does not expect that amortization of the Deferral Amount will cause Avista to meet or exceed its
15 most recently authorized return on equity.

16

17 **I. OAR 860-027-0300(3) REQUIREMENTS**

18

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

20

21 **A. Background Description**

22

23 Avista seeks authorization from the Commission to defer, for future amortization, actual
24 costs related to declared emergencies in Oregon. In Order No. 21-259, the Commission
25 approved the recommendation of the Administrative Hearings Division in Docket UM 2181,
26 inviting utilities to file applications to establish pre-filed emergency deferral accounts to
27 streamline recovery efforts after emergency events, natural disasters, and extreme weather that
28 may create significant impacts to utility systems.

29 Avista’s Emergency Deferral Account will only track expenses proximately caused by an
30 emergency that is the subject of a state or federal declaration.

1 Once the Deferral Account is authorized in accordance with Order No. 21-259, the
2 account would not have to be reauthorized. However, once Avista files a notice indicating it is
3 recording amounts in the Deferral Account, the authority to record amounts related to the
4 declared emergency expires 12 months from the date of the emergency unless reauthorized
5 under the procedures of OAR 860-027-0300(4).

6
7 **B. Reason for Deferral**

8 Under ORS 757.259(2)(e), deferral of utility expenses or revenues is allowed when it will
9 appropriately match the costs borne and benefits received by customers. Deferral of these costs
10 will align the costs of Avista’s service with the benefits Avista customers receive from such
11 service.

12
13 **C. Proposed Accounting**

14 Avista proposes to record the deferral as a regulatory asset in FERC Account 182.3 (Other
15 Regulatory Assets), crediting FERC Account 407.4 (Regulatory Credits). In the absence of a
16 deferred accounting order, Avista would record the costs to a variety of accounts. Interest does
17 not accrue on this balancing account.

18
19 **D. Estimate of Amounts**

20 Avista cannot estimate the costs associated with a declared emergency at this time. To the
21 extent it is available, an estimate of the amounts associated with a particular declared emergency
22 would be provided with the letter notifying the Commission that it is activating the Deferral
23 Account filed within 30 days of the declaration.

1 **E. Notice**

2 A copy of the Notice of Application for Deferral of Costs Associated with Declared
3 Emergencies and a list of persons served with the Notice are attached to the application as
4 Attachment A.

5
6 **II. SUMMARY OF FILING CONDITIONS**

7 **A. Earnings Review**

8 Cost recovery for costs associated with the with declared emergencies will be subject to
9 an earnings review in accordance with ORS 757.259(5).

10 **B. Prudence Review**

11 A prudence review will be performed by the OPUC Staff no later than the proceeding to
12 authorize amortization of the costs associated with the declared emergencies.

13 **C. Sharing Percentages**

14 All prudently incurred costs are to be recoverable by Avista with no sharing mechanism.

15 **D. Rate Spread / Rate Design**

16 The rate spread/rate design will be determined during the proceeding to authorize
17 amortization of the costs associated with the deferral.

18 **E. Three or Six Percent Tests (ORS 757.259(6)(7)(8))**

19 Amortization of the deferred costs will be subject to a three percent test in accordance
20 with ORS 757.259(7) or possible six percent test in accordance with ORS 757.259(8) and with
21 Commission authorization. These tests limit aggregated deferral amortizations during a 12-
22 month period to no more than three or six percent of the utility’s gross revenues for the preceding
23 year.

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III. CONCLUSION

WHEREFORE, Avista Utilities respectfully requests that the Commission authorize the Company to defer the costs associated with declared emergencies.

DATED this 14th day of November 2022.

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



Docket No. UM _____

**NOTICE OF APPLICATION FOR AUTHORIZATION TO DEFER COSTS
ASSOCIATED WITH DECLARED EMERGENCIES**

November 14, 2022

To All Parties Who Participated in Docket UG 433:

Please be advised that on November 14, 2022, Avista Corporation, dba Avista Utilities (Avista” or “Company), applied to the Public Utility Commission of Oregon (Commission) for an order authorizing Avista to defer for later ratemaking treatment the recovery of costs associated with declared emergencies. Avista will seek amortization of any deferred amounts in a future Commission proceeding. 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 are participating in Avista’s most recent general rate case, Docket No. UG 433, to inform them that an Application for Authorization 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
(503) 378-6678**

Any person may submit to the Commission written comments on this matter within 25 days of the service of this Notice. 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 14th day of November 2022.

By: /s/ David Meyer

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



CERTIFICATE OF SERVICE

Docket No. UM _____

I HEREBY CERTIFY that I have on this day, November 14, 2022, served by electronic mail the foregoing Notice of Application for Authorization to Defer Costs Associated with Declared Emergencies, 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 Chad M. Stokes cstokes@cablehuston.com</p>	<p><u>Oregon Citizens Utility Board (CUB)</u> dockets@oregoncub.org Mike Goetz mike@oregoncub.org 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 14th day of November, 2022.

/s/ Shawn Bonfield

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