

**AVISTA CORP.  
RESPONSE TO REQUEST FOR INFORMATION**

JURISDICTION:	Oregon	DATE PREPARED:	5/18/2023
CASE NO.:	UG 461	WITNESS:	Joe Miller
REQUESTER:	Bench	RESPONDER:	Marcus Garbarino
TYPE:	Bench Request	DEPT:	Regulatory Affairs
REQUEST NO.:	Bench Request No. 01	TELEPHONE:	(509) 495-2567
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**REQUEST:**

The following questions are intended to facilitate a comprehensive understanding of the changes to the company's rates occurring throughout the year, and to obtain more detail regarding the effects of the amortizations and adjustment mechanisms outside of base rates, including the status of the company's current authorized and requested deferrals and amortizations. Any requests for overall rate impact in percentage and dollar terms should be expressed as an impact on the total bill (*i.e.*, base plus commodity). Any workpapers must be provided in excel format with formulas intact.

- 1-1. Please identify all proposed and currently effective automatic adjustment clauses (AAC), amortizations, or other rate adjustments. For each, please identify any regular filing date and rate effective dates for changes/updates.
- 1-2. Please identify the overall proposed increase, expressed both in dollar and percentage terms that would result from approval of the rate elements proposed in this docket, inclusive of any AA Cs, amortizations, or other rate adjustments, both with and without cost of natural gas. Include in this response a breakdown identifying each separate element (*i.e.*, AAC, amortization, or other rate adjustment) proposed to change on January 1, 2024, change associated with each such rate element (expressed both in dollar and percentage terms), and the estimated bill impact on an average residential customer.
- 1-3. Please identify any other requests or applications not identified in the response to request 1-1 that could result in a rate adjustment during the test year. For any such requests, provide the overall rate impact, expressed both in dollar and percentage terms, both with and without the cost of natural gas, that would result from approval of the company's request in that docket as well as the requested effective date of any associated rate adjustment. Include as part of this response the estimated bill impact on an average residential customer.
- 1-4. Please provide a comprehensive list of all current authorized and requested deferrals. For each deferral, indicate the dates for: (a) the initial request (but if filed annually on a continual long-term basis, then provide the date of the most recent request only), (b) any renewal requests, (c) any Commission authorizations, (d) amounts deferred by year, (e) current deferral balance, and (t) any anticipated renewal requests. This response should also include the estimated bill impact on an average residential customer.
- 1-5. For any authorized deferrals not yet subject to amortization, please provide the current deferred balance, confirm when the company anticipates that total deferred costs will be known, and indicate when the company anticipates requesting amortization. Additionally,

for each authorized deferral not yet subject to amortization, confirm whether the company proposes amortization in this proceeding, and explain why or why not.

**RESPONSE:**

1-1 See the attachment labeled “BR-001 Attachment A”, tab “1-1” which details all currently effective automatic adjustment clauses, amortizations, or other rate adjustments including their regular filing date, if applicable, and rate effective periods. Other than the base rate request in this current general rate case filing, there are no proposed rate adjustment filings before the Commission at this time.

1-2 See the attachment labeled “BR-001 Attachment A”, tab “1-2” which details all forecasted rate adjustment filings, the overall rate impact with and without the costs of natural gas (Schedule 461), and the forecasted effective date. Please note the only rate change scheduled for January 1, 2024 is the base rate change from this general rate case.

In summary, the total estimated percentage change in total annual billed revenue (Column G, Row 19) is a 7.07% reduction. Removing the cost of natural gas (Schedule 461), the overall impact is a 1.73% increase, as shown in Column H, Row 19.<sup>1</sup>

The impact to an average residential customer using 47 therms per month, inclusive of the rate changes proposed in this docket and all projected rate changes identified, is decrease of \$5.17 per month, or 6.71%. All of these projected rate changes are based on the best available forecasted data available to the Company at this time.

1-3 There are no other anticipated requests or applications that are not identified in the response to request 1-1.

1-4 See the attachment labeled “BR-001 Attachment A”, tab “1-4” detailing all current authorized and requested deferrals at this time.

1-5 See the attachment labeled “BR-001 Attachment A”, tab “1-5” detailing authorized deferrals not yet subject to amortization. Please also see the attachment labeled “BR-001 Attachment A”, tab “1-4” which has the annual, reoccurring amortizations. For the amortizations included on Tab 1-4, all of those items will be proposed to be amortized on their existing, reoccurring timeframe shown in Tab 1-1, and not in this proceeding. The Company does not believe it is appropriate to deviate from the normal cadence of our annual adjustment filings, but would be amenable if the Commission desired to match proposed decreases in certain amortizations with the increase in this general rate case, to mitigate the bill impact to customers.

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<sup>1</sup> Please note that the increase of 1.73% includes the forecasted amortization of the prior year’s natural gas cost deferral, effective November 1, 2023.

**R: 1-1 Please identify all proposed and currently effective automatic adjustment clauses (AAC), amortizations, or other rate adjustments. For each, please identify any regular filing date and rate effective dates for changes/updates.**

Adder Rate Schedule	Description	Status	Regular Annual Filing Date	Regular Effective Period	Current Effective Period
461	PGA	Current Deferral in Effect	July 31	November - October	11/1/2022 - 10/31/2023
462	PGA Amortization	Current Amortization in Effect	July 31	November - October	11/1/2022 - 10/31/2023
467	COVID Deferred Costs	Current Amortization in Effect	(1)	(1)	11/1/2022 - 10/31/2023
469	Public Purpose Funding	Current Deferral and Amortization in Effect	Mid- November	January - December	1/1/2023 - 12/31/2023
475	Decoupling Mechanism	Current Deferral and Amortization in Effect	July 31	November - October	11/1/2022 - 10/31/2023
476	Intervenor Funding	Current Deferral and Amortization in Effect	July 31	November - October	11/1/2022 - 10/31/2023
482	Regulatory Fee Amortization	Current Deferral and Amortization in Effect	July 31	November - October	11/1/2022 - 10/31/2023
486	Tax Customer Credit	Current Deferral and Amortization in Effect	(2)	(2)	8/22/2022 - 8/21/2032
487	Deferred Tax Credit	Current Amortization in Effect	(3)	(3)	8/22/2022 - 8/21/2024
493	LIRAP	Current Deferral and Amortization in Effect	(4)	(4)	2/1/2014+
TBD	Climate Protection Plan		(5)	(5)	n/a

(1) Schedule 467 is a non-recurring amortization adder schedule that had an effective period of 11/1/2022 - 10/31/2023. The balance is expected to fully amortize during that period and the rate is expected to go to \$0 effective November 1, 2023

(2) Schedule 486 is a non-recurring amortization adder schedule that became effective with the Company's General Rate Case, Docket UG-433, effective 8/22/2022 and has an amortization period of 10 years (8/22/2022 - 8/21/2032). There continues to be deferred benefits associated with this schedule that are being tracked and will be addressed in future proceedings. See further discussion in response to Part 1-5 of this bench request.

(3) Schedule 486 is a non-recurring amortization adder schedule that became effective with the Company's General Rate Case, Docket UG-433, effective 8/22/2022 and has an amortization period of 2 years (8/22/2022 - 8/21/2024). Continued deferred benefits associated with this schedule are not expected and therefore there is no deferral authorization associated with this schedule.

(4) The deferral for Schedule 93 (LIRAP) is monitored and changed as needed depending on funding/spending activity. The rate last changed in 2014 but is expected to increase in 2023 due to increased spending. The Company currently plans on filing a revision to the tariff rate in Q3 2023 with an effective date in Q4 2023.

(5) The Company is currently authorized to defer costs related to Climate Protection Plan costs under Docket No. UM 2254. The Company plans to file a tariff reflecting the deferred costs in Q3 2023 with an effective date in Q4 2023. See further discussion in responses to 1-2, 1-4, and 1-5.

**R: 1-2** Please identify the overall proposed increase, expressed both in dollar and percentage terms that would result from approval of the rate elements proposed in this docket, inclusive of any AA Cs, amortizations, or other rate adjustments, both with and without cost of natural gas. Include in this response a breakdown identifying each separate element (i.e., AAC, amortization, or other rate adjustment) proposed to change on January 1, 2024, change associated with each such rate element ( expressed both in dollar and percentage terms), and the estimated bill impact on an average residential customer.

Adder Rate Schedule	Description	Current Total Annual Revenue/(Rebate) being Collected through Rates	Forecasted Total Annual Revenue/(Rebate) to be Collected through Rates as of 1/1/2024*	Change in Annualized Revenue Effective 1/1/2024	Percentage Change in Total Annual Billed Revenue	Percentage Change in Total Annual Billed Revenue, excluding PGA Schedule 461 (Gas Costs)
<b>Base Revenue - Proposed in this Docket</b>						
		\$ 76,506,000	\$ 87,497,000	\$ 10,991,000	7.52%	12.69%
<b>Other Amortizations and Rate Adjustments Forecasted to be Effective 11/1/2023</b>						
461	PGA	\$ 59,538,000	\$ 47,700,000	\$ (11,838,000)	-8.10%	
462	PGA Amortization	\$ 5,191,000	\$ (5,531,000)	\$ (10,722,000)	-7.34%	-12.38%
467	COVID Deferred Costs	\$ 772,000	\$ -	\$ (772,000)	-0.53%	-0.89%
469	Public Purpose Funding	\$ 3,288,000	\$ 3,288,000	\$ -	0.00%	0.00%
475	Decoupling Mechanism	\$ 3,383,000	\$ 311,000	\$ (3,072,000)	-2.10%	-3.55%
476	Intervenor Funding	\$ 75,000	\$ 75,000	\$ -	0.00%	0.00%
482	Regulatory Fee Amortization	\$ 123,000	\$ 123,000	\$ -	0.00%	0.00%
486	Tax Customer Credit	\$ (2,230,000)	\$ (2,230,000)	\$ -	0.00%	0.00%
487	Deferred Tax Credit	\$ (755,000)	\$ (755,000)	\$ -	0.00%	0.00%
493	LIRAP	\$ 243,000	\$ 1,319,180	\$ 1,076,180	0.74%	1.24%
TBD	Climate Protection Plan	\$ -	\$ 4,000,000	\$ 4,000,000	2.74%	4.62%
	<b>Total</b>	\$ 146,134,000	\$ 135,797,180	\$ (10,336,820)	<b>-7.07%</b>	1.73%

\*The annual revenue/(rebates) associated with Schedules 469, 476, 482, 486, and 487 are not forecasted to materially change effective 1/1/2024 compared to rates currently in effect and are therefore set to be equal to their current amounts.

Adder Rate Schedule	Current Residential Rate Per Therm	Forecasted Residential Rate Per Therm Effective 1/1/2024**	Change (\$)	Percentage Change Impact to Average Customer Bill
461	\$ 0.60498	\$ 0.48889	\$ (0.11609)	-7.09%
462	\$ 0.05233	\$ (0.05837)	\$ (0.11070)	-6.76%
467	\$ 0.01435	\$ -	\$ (0.01435)	-0.88%
469	\$ 0.04012	\$ 0.04012	\$ -	0.00%
475	\$ 0.04002	\$ 0.01108	\$ (0.02894)	-1.77%
476	\$ 0.00113	\$ 0.00113	\$ -	0.00%
482	\$ 0.00116	\$ 0.00116	\$ -	0.00%
486	\$ (0.03007)	\$ (0.03007)	\$ -	0.00%
487	\$ (0.00902)	\$ (0.00902)	\$ -	0.00%
493	\$ 0.00451	\$ 0.00451	\$ -	0.00%
TBD (CPP)	\$ -	\$ 0.02809	\$ 0.02809	1.71%
Base Rate	\$ 0.69549	\$ 0.79559	\$ 0.10010	6.11%
<b>Total</b>	\$ 1.41500	\$ 1.27311	\$ (0.14189)	<b>-8.66%</b>
Monthly Basic Charge	\$ 10.50	\$ 12.00	\$ 1.50	1.95%
<b>Total Average Monthly Residential Bill (@ 47 therms/Mo)</b>	\$ 77.01	\$ 71.84	\$ (5.17)	<b>-6.71%</b>

**R: 1-4** Please provide a comprehensive list of all current authorized and requested deferrals. For each deferral, indicate the dates for: (a) the initial request (but if filed annually on a continual long-term basis, then provide the date of the most recent request only), (b) any renewal requests, (c) any Commission authorizations, (d) amounts deferred by year, (e) current deferral balance, and (f) any anticipated renewal requests. This response should also include the estimated bill impact on an average residential customer.

Adder Rate Schedule	Description	Part (a)	Part (b)	Part (c)	Part (d)		Part (e)	
		Most Recent Approved Deferral Authorization Request Date	Next Actual/Planned Deferral Reauthorization Request Date	Most Recent Approved Deferral Authorization Order	Deferral net of amortization, if applicable, from 2022	Deferral net of amortization, if applicable, from 2023	Net Deferral Balance as of 3/31/2023	
461	PGA	7/29/2022	7/28/2023	22-385	\$ -	\$ (634,687)	\$ (4,140,480)	\$ (4,775,167)
462	PGA Amortization	n/a	n/a	22-420	\$ -	\$ 3,811,210	\$ (2,681,182)	\$ 1,130,028
467	COVID Deferred Costs	2/22/2022	n/a	22-103	\$ 777,658	\$ (354,750)	\$ (385,247)	\$ 37,661
469	Public Purpose Funding	10/29/2021	10/28/2022	21-450	\$ -	\$ (109,524)	\$ (1,076,645)	\$ (1,186,169)
475	Decoupling Mechanism	10/28/2022	10/27/2023	23-127	\$ 976,000	\$ 417,000	\$ (5,800,000)	\$ (4,407,000)
476	Intervenor Funding	7/29/2022	7/28/2023	22-396	\$ -	\$ 92,071	\$ (10,925)	\$ 81,146
482	Regulatory Fee Amortization	10/28/2022	10/27/2023	23-054	\$ -	\$ 98,369	\$ (20,157)	\$ 78,212
486	Tax Customer Credit	9/24/2021	10/28/2022	21-477	\$ (22,326,000)	\$ (673,000)	\$ 905,000	\$ (22,094,000)
487	Deferred Tax Credit	9/24/2021	n/a	21-477	\$ (1,322,007)	\$ 39,001	\$ 347,429	\$ (935,577)
493	LIRAP	10/28/2022	10/27/2023	23-053	\$ -	\$ 219,732	\$ 547,267	\$ 766,999
TBD	Climate Protection Plan	2/1/2023	10/27/2023	23-145	\$ -	\$ -	\$ 87,000	\$ 87,000

**Part (f)** Please refer to the Company's response to request 1-2 to see the estimated bill impact to an average residential customer based on the forecasted deferral balance for the above items that will be used to calculate rates to be in effect on, or before, 1/1/2024

**R: 1-5** For any authorized deferrals not yet subject to amortization, please provide the current deferred balance, confirm when the company anticipates that total deferred costs will be known, and indicate when the company anticipates requesting amortization. Additionally, for each authorized deferral not yet subject to amortization, confirm whether the company proposes amortization in this proceeding, and explain why or why not.

Adder Rate Schedule	Description	Net Deferral Pre-2022	Deferral net of amortization, if applicable, from 2022	Deferral net of amortization, if applicable, from 2023	Net Deferral Balance as of 3/31/2023
486	Tax Customer Credit	\$ (22,326,000)	\$ (673,000)	\$ 905,000	\$ (22,094,000) (1)
TBD	Climate Protection Plan	\$ -	\$ -	\$ 87,000	\$ 87,000 (2)

(1) Schedule 486 is a non-recurring amortization adder schedule that became effective with the Company's General Rate Case, UG-433, effective 8/22/2022 and has an amortization period of 10 years (8/22/2022 - 8/21/2032). The Company is currently amortizing a credit of ~\$2.2 million per year to customers under this Schedule designed to rebate approximately \$22 million over the 10 year period. There continue to be benefits deferred associated with this schedule that are being tracked and if they were to become material, which has not occurred yet, will be addressed by filing a request with the Commission to adjust the rate and/or effective period of Schedule 486.

(2) The Company is currently authorized to defer costs related to Climate Protection Plan costs under Docket No. UM 2254. These deferred costs are not addressed in this rate case as they are specific to CPP and will be addressed when the Company files a tariff with the commission to amortize these costs, which is planned for Q3 2023 with an effective date in Q4 2023.