



Avista Corp.

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

February 10, 2022

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

RE: Avista Utilities Application for 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 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

IN THE MATTER OF THE APPLICATION OF)
AVISTA UTILITIES FOR AN ORDER) APPLICATION FOR
APPROVING THE DEFERRAL OF COSTS) DEFERRED ACCOUNTING
RATE ASSISTANCE PROGRAM EXPENSES)
COLLECTED THROUGH RATE SCHEDULE 493)

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 authorizing 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 will make a filing later in 2022 detailing a rate discount (differential rates) program proposal in accordance with HB 2475, and requests authorization to defer the costs associated with implementation and administration of the rate discount provisions for the 12-month period commencing on February 10, 2022.

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
Pat.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.

1 In support of this Application, the Company states:

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

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 plans to file a proposal for providing a
11 low-income bill discount program to eligible residential customers later in 2022 and will track the
12 costs for operating and administering the bill discount program in the deferral account as described
13 herein upon Commission approval.

14 **REASONS FOR DEFERRAL**

15 Pursuant to ORS 757.259(2)(e) and for the reasons discussed above, Avista seeks
16 authorization to defer the costs to implement and administer HB 2475. ORS 757.259(2)(e) allows
17 the deferral of identifiable utility expenses in order to minimize the frequency of rate changes or the
18 fluctuation of rate levels or to match appropriately the costs borne and benefits received by
19 customers. Commission approval of Avista’s Application will support the use of a deferral account
20 to track the costs from the program separate from the Company’s other costs, thereby aligning with
21 the intent of ORS 757.259(2)(e). Avista’s application is consistent with the Commission’s previous
22 approval of deferred accounting applications.

23 **PROPOSED ACCOUNTING**

24 Costs to operate and administer the bill discount program will be recorded in FERC account

1 908 (Customer Assistance Expenses). If this Application is approved, Avista proposes to record
2 and track the deferred amounts to 182.3 (Other Regulatory Asset). The deferral account will accrue
3 interest at the Commission-authorized rate for deferred accounts. The Company is currently working
4 on the design of its low-income bill discount program and developing the associated administrative
5 budget; therefore, an estimate of the total expected deferral is not known at this time.

6 WHEREFORE, Avista Utilities respectfully requests that the Commission authorize the
7 Company to defer for later rate-making treatment any costs associated with HB 2475 for the 12-
8 month period, February 10, 2022 through February 9, 2023. The Company is not proposing an
9 adjustment to customers' retail rates through this Application, but rather will seek recovery of the
10 deferral and a proposed level of revenues to support the bill discount program in a future proceeding.
11 Pursuant to OAR 800-027-0300(3)(e)(6), a copy of the Notice of Application and list of persons
12 served with the Notice is attached to this Application as Exhibit A.

13 DATED this 10th day of February 2022.

14 Respectfully submitted,

15 Avista Utilities

16 By: /s/ David Meyer

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



EXHIBIT A
NOTICE OF APPLICATION FOR DEFERRED ACCOUNTING

February 10, 2022

To All Parties Who Participated in UG 433:

Please be advised that on February 10, 2022, Avista Corporation, dba Avista Utilities (Avista or Company), applied to the Public Utility Commission of Oregon (Commission) for an order authorizing 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 10th day of February 2022.

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 10, 2022, served by electronic mail the foregoing Notice of Application for Deferred Accounting, related to the deferral of all 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:

Alliance of Western Energy Consumers (AWEC)

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

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

Oregon Public Utilities Commission (OPUC)

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

Department of Justice

Johanna Riemenschneider
johanna.riemenschneider@doj.state.or.us

Oregon Citizens Utility Board (CUB)

dockets@oregoncub.org

Mike Goetz, Staff Attorney
mike@oregoncub.org

William Gehrke
will@oregoncub.org

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

Dated at Spokane, Washington this 10th day of February 2022.

/s/ Jaime Majure

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