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August 10, 2021

VIA ELECTRONIC FILING

Attention: Filing Center
Public Utility Commission of Oregon
P.O. Box 1088
Salem, Oregon 97308-108

Re: UM ____ - *Avion Water Company, Inc. For Authorization to Defer Certain Expenses or Revenues Pursuant to ORS 757.259.*

Attention Filing Center:

Attached for filing in the above-captioned docket is Avion Water Company Inc.'s Application to Defer Costs Associated with the COVID-19 Public Health Emergency.

Please contact this office with any questions.

Thank you,

Jennifer Miller
Legal Assistant

Attachments

**BEFORE THE PUBLIC UTILITY COMMISSION
OF OREGON**

UM _____

In the Matter of

AVION WATER COMPANY, INC

For Authorization to Defer Certain Expenses
or Revenues Pursuant to ORS 757.259.

**APPLICATION TO DEFER COSTS
ASSOCIATED WITH THE COVID-19
PUBLIC HEALTH EMERGENCY**

I. INTRODUCTION

1 Under ORS 757.259, OAR 860-027-0300 and OAR 860-036-2170, Avion Water
2 Company, Inc. (“Avion”) requests an order from the Public Utility Commission of Oregon
3 (“Commission”) authorizing Avion to defer for later ratemaking treatment costs from the COVID-
4 19 public health emergency (“COVID-19”). Avion seeks authorization to defer the recovery of
5 costs incurred from the date of this application for a 12-month period beginning August 10, 2021.¹
6 Avion will seek amortization of the deferred costs in a future Commission proceeding.

7 In support of this Application, Avion states:

II. NOTICE

8 Communications regarding this application should be addressed to:

Jason J. Wick
President
Avion Water Company, Inc.
60813 Parrell Road
Bend, OR 97702
Phone: (541) 382-5342
Email: jason@avionwater.com

Richard C. Bailey
Secretary-Treasurer
Avion Water Company, Inc.
60813 Parrell Road
Bend, OR 97702
Phone: (541) 382-5342
Email: rick@avionwater.com

¹ Avion previously filed an application for deferred accounting for COVID-19 related expenses, docketed as UM 2076, and which was approved in Order No. 20-400, for the 12-month period beginning on March 27, 2020 and ending on March 27, 2021. In light of the requirement in OAR 860-027-0300(4) that an application for reauthorization be filed no later than 60 days prior to the expiration of the previously authorized deferral, Avion is submitting this application as a “new” request for a deferral rather than a request for reauthorization.

Adam Jackson
Engineer
Avion Water Company, Inc.
60813 Parrell Road
Bend, OR 97702
Phone: (541) 382-5342
Email: adam@avionwater.com

III. OAR 860-027-0300(3) REQUIREMENTS

1 A. Description

2 Avion seeks authorization from the Commission to defer, for future amortization, costs
3 incurred to respond to the COVID-19 public health emergency. Avion previously applied for a
4 deferral for COVID-19-related expenses, which was docketed as UM 2076, and approved by the
5 Commission in Order No. 20-406. The deferral period was for the 12-month period beginning on
6 March 27, 2020 and came to an end on March 27, 2021. Avion did not seek reauthorization for
7 the deferral in March 2021 due to Avion's perception that the impacts of the pandemic were
8 beginning to ease and Avion's expectation that expenses associated with COVID-19 would begin
9 to decline. However, with the resurgence of COVID-19 and emergence of increasingly contagious
10 and dangerous variants, Avion believes that a deferral for COVID-19-related expenses is once
11 again appropriate and necessary.

12 On November 3, 2020, the Commission held a Public Meeting to consider a stipulation
13 incorporating the Water Term Sheet developed during the Commission's investigation in
14 Docket UM 2120; the Commission's approval of the Water Term Sheet is memorialized in
15 Order No. 20-400.² The Water Utility Term Sheet includes a non-exhaustive list of the types of
16 expenses that can be deferred related to COVID-19.³

² *In the Matter of Investigation into the Effects of COVID-19 Pandemic on Water Utility Customers*,
Docket UM 2120, Order No. 20-400 (Nov. 5, 2020).

³ Order No. 20-400, App. A at 12-13.

1 Avion expects that it will incur significant costs in its response to the public health
2 emergency, including above average bad debt expenses, personal protective equipment (such
3 as masks, etc.), and testing expenses. Avion also expects to incur additional costs that cannot
4 currently be predicted given the unprecedented nature and extended duration of this public health
5 emergency. Accordingly, Avion requests authorization to resume use of the deferral account
6 associated with the previous deferral for COVID-19 to record the costs associated with its
7 continued COVID-19 response.

8 **B. Reasons for Deferral**

9 Avion requests this deferral under ORS 757.259(2)(e). This deferral will match
10 appropriately the costs borne by and benefits received by customers. Avion is also seeking
11 authorization for the deferral because of the potential magnitude, extended duration, and
12 unprecedented nature of the COVID-19 public health emergency. The associated risks of the
13 COVID-19 public health emergency are well outside reasonable business risk for the Company.

14 This deferral will minimize the frequency of rate changes or the fluctuation of rate levels
15 or match appropriately the costs borne by and benefits received by customers.

16 **C. Proposed Accounting**

17 Avion proposes to record the deferral as a regulatory asset in NARUC Account 186.2
18 (Other Miscellaneous Deferred Debits) and credit the appropriate NARUC accounts associated
19 with the expense or waived fee, such as NARUC Account 670 (Bad Debt Expense).

20 **D. Estimate of Amounts**

21 Given the unprecedented nature of this public health emergency, Avion cannot estimate
22 the costs associated with its COVID-19 response, or the length of time in which the costs will be
23 incurred.

1 **E. Notice**

2 A Notice of Application and copy of the Application have been sent electronically to each
3 person on the service list of Docket UW 181, Avion's last rate case. A copy of the Notice of
4 Application and a list of persons served with the notice are included with this filing as Exhibit A.

IV. CONCLUSION

5 Authorization of deferred accounting treatment is appropriate, just, and reasonable. For
6 the reasons stated above, Avion requests authorization to defer costs associated with the COVID-
7 19 public health emergency for the 12-month period beginning August 10, 2021.

8 DATED this 10th day of August 2021.

MCDOWELL RACKNER GIBSON PC



Jocelyn Pease
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Portland, OR 97205
503-595-3925
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Attorney for Avion Water Company, Inc.

UM_____

Exhibit A

to

Application to Defer Costs Associated with the COVID-19 Public Health Emergency

**BEFORE THE PUBLIC UTILITY COMMISSION
OF OREGON**

UM _____

In the Matter of

AVION WATER COMPANY, INC.

For Authorization to Defer Certain Expenses
or Revenues Pursuant to ORS 757.259.

**NOTICE OF APPLICATION TO DEFER
COSTS ASSOCIATED WITH
THE COVID-19 PUBLIC HEALTH
EMERGENCY**

1 On August 10, 2021, Avion Water Company, Inc. (“Avion”) filed an application with the
2 Public Utility Commission of Oregon (“Commission”) for an order authorizing deferral of the costs
3 associated with its response to the COVID-19 public health emergency. Approval of Avion’s
4 application will not authorize a change in Avion’s rates, but will permit the Commission to consider
5 allowing such deferred amounts in rates in a subsequent proceeding.

6 This application is available on the Commission’s website. Persons who wish to obtain a
7 copy of Avion’s application will be able to access it on the Commission’s website or by contacting
8 Avion directly:


Jason J. Wick
President
Avion Water Company, Inc.
60813 Parrell Road
Bend, OR 97702
Phone: (541) 382-5342
Email: jason@avionwater.com

Richard C. Bailey
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Adam Jackson
Engineer
Avion Water Company, Inc.
60813 Parrell Road
Bend, OR 97702
Phone: (541) 382-5342
Email: adam@avionwater.com

1 Any person may submit written comments to the Commission regarding the application
2 within 25 days of the date of this filing.

3 DATED this 10th day of August 2021.

By:  _____

Jocelyn Pease
McDowell Rackner Gibson PC
419 SW 11th Ave., Suite 400
Portland, OR 97205
503-595-3925
dockets@mrg-law.com

Attorney for Avion Water Company, Inc.

CERTIFICATE OF SERVICE

I hereby certify that on August 10, 2021, I have served by electronic mail the foregoing Avion Water Company, Inc.'s Notice of Application to Defer Costs Associated with the COVID-19 Public Health Emergency upon the service list for Docket UW 181.

NW NATURAL
efiling@nwnatural.com

SOMMER MOSER
PUC STAFF--DEPARTMENT OF
JUSTICE
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STEPHANIE YAMADA
PUBLIC UTILITY COMMISSION OF
OREGON
stephanie.yamada@state.or.us

RICHARD BAILEY
AVION WATER COMPANY
rick@avionwater.com

JASON JACOBI
jjacobi1@gmail.com

DATED: August 10, 2021



Jennifer Miller
Legal Assistant