

1 BEFORE THE PUBLIC UTILITY COMMISSION
2 OF OREGON

3 Docket No. UM 1356

4 IN THE MATTER OF THE APPLICATION OF) APPLICATION FOR
5 AVISTA UTILITIES FOR AN ORDER) REAUTHORIZATION
6 REAUTHORIZING DEFERRAL OF CERTAIN) OF CERTAIN
7 COSTS RELATED TO INTERVENOR) DEFERRAL ACCOUNTS
8 FUNDING GRANTS)
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10 Pursuant to ORS 757.259 and OAR 860-027-0300(4), Avista Corporation, dba Avista
11 Utilities (“Avista” or “Company”), applies to the Public Utility Commission of Oregon
12 (“Commission”) for an order reauthorizing it to utilize deferred accounting for Intervenor
13 Funding Grants provided to various qualifying organizations. Avista respectfully requests that
14 this reauthorization become effective November 1, 2023.

15 In support of this Application, the Company states:

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

18 Avista requests that all notices, pleadings and correspondence regarding this Application
19 be sent to the following:

20 Patrick D. Ehrbar	David J. Meyer
21 Director of Regulatory Affairs	Vice President and Chief Counsel
22 Avista Corporation	for Regulatory and Governmental Affairs
23 P.O. Box 3727	Avista Corporation
24 1411 E. Mission, MSC-27	P.O. Box 3727
25 Spokane, WA 99220-3727	1411 E. Mission, MSC-10
26 (509) 495-8620	Spokane, WA 99220-3727
27 Patrick.ehrbar@avistacorp.com	(509) 495-4316
28	David.meyer@avistacorp.com

29 This Application is filed pursuant to ORS 757.259, which empowers the Commission to
30 authorize the deferral of expenses or revenues of a public utility for later incorporation in rates.

1 BACKGROUND

2 The Intervenor Funding Agreement, Fourth Amended and Restated Intervenor Funding
3 Agreement Order No. 18-017 dated January 17, 2018 and later replaced with the Fifth
4 Amended and Restated Intervenor Funding Agreement Order No. 22-506 dated December 29,
5 2022, between the Company, Citizens’ Utility Board of Oregon (“CUB”) and Northwest
6 Industrial Gas Users (“NWIGU”) established three funds from which grants could be made
7 (CUB Fund, Preauthorized Matching Fund and an Issues Fund). The Interim Funding
8 Agreement (“Interim Agreement”), established consistent with House Bill 2475 (HB 2475) in
9 Order No. 22-043 dated February 10, 2022 (Docket No. UM 2211), established one fund from
10 which grants could be made and approved Rogue Climate, the Coalition of Communities of
11 Color (“CCC”), the Community Action Partnership of Oregon (“CAPO”), and Community
12 Energy Project (“CEP”) as the preliminary groups eligible for funding. The Interim Agreement
13 was later replaced with the Environmental Justice Communities Funding Agreement (“EJC
14 Agreement”) via Order No. 23-033 in Docket No. UM 2211, dated February 8, 2023; the EJC
15 Agreement was between the Company, Rogue Climate, Verde, and Community Energy Project
16 (“CEP”) and established two funds from which grants could be made (Pre-certification Fund
17 and Case Fund).

18 DESCRIPTION OF EXPENSES

19 The Intervenor Funding Agreement provides that pre-certified intervenors must submit a
20 proposed fund budget to the Commission that contains the following information:

- 21 1) A statement of the work to be performed by the applicant for which the applicant is
22 seeking an Issue Fund Grant;
- 23 2) A description of the areas to be investigated by the intervenor;

- 1 3) A description of the particular customer class(es) that will benefit from the
2 intervenor’s participation;
- 3 4) Identification of the specific account or accounts from which the intervenor is seeking
4 an Issue Fund Grant and an estimate of the amount of available funds in that account;
- 5 5) A budget showing estimated attorney fees, which may include the cost for appropriate
6 support staff and operational support;
- 7 6) A budget showing estimated consultant fees and expert witness fees, which may
8 include the cost for appropriate support staff and operational support; and
- 9 7) A representation that the intervenor will use matching funds from either in-house
10 resources or outside funding to account for or pay at least 20 percent of the “Eligible
11 Expenses” for the work to be performed for which the intervenor is seeking an Issue
12 Fund Grant.

13 After Commission approval of the proposed budget, the intervenor must file a Request
14 for Payment with the Commission. If the request meets the Intervenor Funding Agreement
15 requirements, the Commission will order payment and specify which customer class will be
16 responsible for the grant.

17 Sub-accounts of FERC account number 191 is used to record the grant payments,
18 specifically account numbers 191720, 191721 and 191722.

19 The Interim Agreement provides that eligible recipients must submit a proposed budget to the
20 Commission that contains the following information:

- 21 1) A statement of the work to be performed by the recipient for which the recipient is
22 seeking funding;
- 23 2) A description of the areas to be investigated and addressed by the recipient;

- 1 3) A budget showing estimated attorney fees, which may include the cost for appropriate
2 support staff and operational support; and
- 3 4) A budget showing estimated consultant fees and expert witness fees, which may
4 include the cost for appropriate support staff and operational support.

5 After Commission approval of the proposed budget, the intervenor must file a Request
6 for Payment with the Commission. If the request meets the Intervenor Funding Agreement
7 requirements, the Commission will order payment.

8 Sub-accounts of FERC account number 191 is used to record the grant payments,
9 specifically account number 191725.

10 The EJC Agreement provides that eligible recipients must submit a proposed budget to the
11 Commission that contains the following information:

- 12 1) A statement of the work to be performed by the recipient for which the recipient is
13 seeking funding;
- 14 2) A description of the areas to be investigated and addressed by the recipient;
- 15 3) A budget showing estimated attorney fees, which may include the cost for appropriate
16 support staff and operational support;
- 17 4) A budget showing estimated consultant fees and expert witness fees, which may
18 include the cost for appropriate support staff and operational support;
- 19 5) A description of the low-income customers or Environmental Justice Communities
20 that will benefit from the recipient's participation; and
- 21 6) A description of the Participating Public Utility account or accounts from which the
22 applicant seeks funds and how the initial payment should be apportioned.

23 After Commission approval of the proposed budget, the intervenor must file a Request

1 for Payment with the Commission. If the request meets the Intervenor Funding Agreement
2 requirements, the Commission will order payment.

3 Sub-accounts of FERC account number 191 is used to record the grant payments,
4 specifically account number 191725.

5 GRANTS APPROVED THIS PERIOD

6 On October 27, 2022, by Order No. 22-396, the Commission approved continued
7 deferred accounting treatment for the Intervenor Funding Agreement. In accordance with that
8 Order the Company deferred the following:

9 **Table 1 Current Deferrals:**

	CUB Fund <u>(191720)</u>	Preauthorized Matching Fund <u>(191721)</u>	Issues Fund <u>(191722)</u>
Per Order No. 22-355			\$32,668
Per Order No. 22-417		\$1,958	
Per Order No. 22-449			\$8,572
Per Order No. 23-090	\$51,175		
Per Order No. 23-091			\$13,960
Interest	\$1,793	\$372	\$2,542
Balance at 06-30-2023	<u>\$52,968</u>	<u>\$2,330</u>	<u>\$57,742</u>

10 On February 10, 2022, by Order No. 22-043, the Commission approved deferred
11 accounting treatment for the Interim Agreement, and on February 8, 2023, by Order No. 23-
12 033 the Commission approved deferred accounting treatment for the EJC Agreement. In
13 accordance with those Orders, the Company deferred the following:

1 **Table 2 Current Deferrals:**

	HB 2475 Fund
	<u>(191725)</u>
Per Order No. 23-018	\$359
Per Order No. 23-019	\$1,140
Per Order No. 23-102	\$345
Per Order No. 23-135	\$704
Interest	<u>\$64</u>
Balance at 06-30-2023	<u><u>\$2,612</u></u>

2 **RECOVERY OF INTERVENOR FUNDING GRANTS**

3 On November 22, 2011, in accordance with Commission Order No. 11-470, the
 4 Company began amortizing the Intervenor Funding deferrals through Schedule 476. Effective
 5 October 31, 2023, balances for the Residential and Industrial accounts are estimated to be:

6 **Table 3 Unamortized Residual Balances:**

	Residential	Industrial
	<u>Acct</u>	<u>Acct</u>
	<u>191723</u>	<u>191724</u>
Balance at June 30, 2023	\$6,483	\$5,872
Less: Amortization	\$(7,719)	\$(3,766)
Add: Interest	\$21	\$25
Balance at October 31, 2023	<u><u>\$(1,215)</u></u>	<u><u>\$2,131</u></u>

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8 **SCHEDULE 476 TARIFF FILING**

9 In conjunction with its annual PGA filing in July 2023, Avista will request to recover the
 10 current deferral balances (Table 1 and Table 2), and the remaining unamortized residual
 11 balances (Table 3), over the upcoming traditional PGA period (November 1, 2023 – October
 12 31, 2024).

13 If approved, the funds in general ledger account 191720 (CUB Fund) in the amount of
 14 \$52,968 will be transferred to Account 191723 (Residential); the funds in general ledger
 15 account 191721 (Preauthorized Matching Fund) in the amount of \$2,330 will be transferred to

1 191724 (Industrial); the balance of \$57,742 in general ledger account 191722 (Issues Fund)
2 will be transferred to 191723 (Residential); and the funds in general ledger account 191725
3 (HB 2475 Fund) in the amount of \$2,612 will be transferred to Account 191723 (Residential)
4 for amortization. These amounts do not include interest that will be accrued from July 1, 2023
5 through October 31, 2023 in accordance with the Intervenor Funding Agreement, Interim
6 Agreement, and E J C Agreement, all previously approved by the Commission.

7 FUTURE ESTIMATED DEFERRALS

8 The Company estimates that the following amounts may be deferred during the 12-month
9 period subsequent to this Application (November 1, 2023 through October 31, 2024):

10 CUB Fund	\$44,500
11 Preauthorized Matching Fund ¹	\$43,780
12 Issues Fund	\$70,000
13 Interim Agreement Fund	\$ 0
14 E J C Agreement Fund	\$ 0

15 Absent Commission’s reauthorization of deferred accounting, the Company would incur
16 the cost of Intervenor Funding Grants.

17 Avista seeks with this application to receive reauthorization of the use of sub-accounts
18 of FERC Account No. 191 to account for the Intervenor Funding Grants awarded over the
19 twelve month period beginning November 1, 2023 and ending October 31, 2024.

20 DATED this 31st day of July 2023.

¹ As s stated in the Fourth Amended Intervenor Funding Agreement, the amount for 2018 is \$37,950 increased by 3% each year thereafter. The pro-rated amount approved for the period November 1, 2021 through October 31, 2022 was \$42,505. The updated amount for November 1, 2022 through October 31, 2023 is \$43,780 (\$42,505 x 1.03).

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Respectfully submitted,

Avista Corporation



By: _____

Patrick D. Ehrbar
Director of Regulatory Affairs



Docket No. UM 1356

**NOTICE OF APPLICATION FOR REAUTHORIZATION OF CERTAIN
DEFERRAL ACCOUNTS**

July 31, 2023

To All Parties Who Participated in UG 461:

Please be advised that on July 31, 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 Intervenor Funding Grants provided to various qualifying organizations. 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 participated in Avista’s most recent general rate case, Docket No. UG 461, to inform them that an Application for Reauthorization 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 by August 31, 2023. 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 31st day of July, 2023.

By: */s/ David Meyer*

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

CERTIFICATE OF SERVICE

Docket No. UM 1356

I HEREBY CERTIFY that I have on this day, July 31, 2023 served by electronic mail the foregoing Notice of Application for Reauthorization of Certain Deferral Accounts, related to the deferral of costs for Intervenor Funding Grants provided to various qualifying organizations, to all parties of record for Avista's most recent general rate case, Docket No. UG 461, as indicated below:

Alliance of Western Energy Consumers (AWEC)

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

Chad M. Stokes
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Oregon Public Utilities Commission (OPUC)

Matt Muldoon, OPUC Staff
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Oregon Citizens Utility Board (CUB)

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Mike Goetz, Staff Attorney
mike@oregoncub.org

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

Dated at Spokane, Washington this 31st day of July, 2023.

/s/ Paul Kimball

Paul Kimball
Manager of Compliance & Discovery
Avista Utilities
Paul.Kimball@avistacorp.com
(509) 495-4584