REAUTHORIZING DEFERRAL OF CERTAIN) OF CERTAIN DEFER COSTS RELATED TO PURCHASED GAS COSTS) ACCOUNTS DIFFERENCES) Avista Corporation, dba Avista Utilities ("Avista" or "Company"), pursuant to 757.259 and OAR 860-027-0300(4), applies to the Public Utility Commission of C ("Commission") for an order reauthorizing it to utilize deferred accounting for Purchase Cost differences. Avista respectfully requests that the reauthorization become ef November 1, 2021. In support of this Application, the Company states: Avista provides natural gas service in southwestern and northeastern Oregon and is a utility subject to the Commission's jurisdiction under ORS 757.005(1)(a)(A). Avista requests that all notices, pleadings and correspondence regarding this Appl be sent to the following: Patrick D. Ehrbar David J. Meyer Vice President and Chief Counsel for Regulatory and Governmental Affa Avista Corporation for Regulatory and Governmental Affa P.O. Box 3727 Avista Corporation P.O. Box 3727 Avista Corporation 1411 E. Mission, MSC-27 Spokane, WA 99220-3727 1411 E. Mission, MSC-10 Spokane, WA 99220-3727	1	BEFORE THE PUBLIC UTILITY COMMISSION		
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31 David meyer@avistacorp.com	24 25 26 27 28 29 30	Director of Regulatory Affairs Avista Corporation P.O. Box 3727 1411 E. Mission, MSC-27 Spokane, WA 99220-3727	Vice President and Chief Counsel for Regulatory and Governmental Affairs Avista Corporation P.O. Box 3727 1411 E. Mission, MSC-10 Spokane, WA 99220-3727 (509) 495-4316	

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.

BACKGROUND

Deferral of Purchased Gas Cost differences was previously authorized, effective November 1, 2020, by Order No. 20-355 dated October 16, 2020.

DESCRIPTION OF EXPENSES

Currently, the Company accumulates Purchased Gas Cost differences in two sub-accounts of FERC account number 191, namely account number 191909 and account number 191910. Account number 191909 is used to record the commodity portion of Purchased Gas Cost differences and account number 191910 is used to record the demand portion. After the Commission determines these costs were prudently incurred, these differences are included in the Company's annual Purchased Gas Cost Adjustment (PGA) filing for refund or surcharge to customers.

Due to the volatility of the price of natural gas purchased and transported for customer use, the associated costs are difficult to establish with any degree of certainty. This volatility makes the use of deferred accounting extremely important. It is appropriate that deferred accounting be reauthorized for the Purchased Gas Cost differences for the same reasons that originally established the PGA mechanism. Namely, deferred accounting minimizes both the frequency of rate changes and the fluctuation of rate levels pursuant to subsection (2)(C) of ORS 757.259.

PROPOSED ACCOUNTING

The commodity portion of Purchased Gas Cost differences includes the actual cost of purchasing natural gas, the variable cost of transporting the natural gas from the supply basins to the citygate, the benefits received from storage optimization, off-system sales and other miscellaneous costs or benefits. These costs are compared with the actual commodity costs collected from customers, with 90% of the difference recorded monthly to account number 191909.

The demand portion of the Purchased Gas Cost differences includes fixed pipeline costs, capacity releases and miscellaneous pipeline related refunds or surcharges. These costs are compared with the actual demand costs collected from customers and the difference is recorded monthly to account number 191910. Interest is calculated on the average net balance and included in the deferral accounts.

CURRENT DEFERRAL AND AMORTIZATION BALANCES

As of June 30, 2021, the outstanding balances for the Purchased Gas Cost deferral and amortization accounts are:

Account 191909, Commodity Deferrals	(\$1,502,205)
Account 191910, Demand Deferrals	\$819,037
Account 191911, Prior Commodity Amortization	(\$63,491)
Account 191912, Prior Demand Amortization	\$51,827
Total	(\$694,832)

Avista seeks with this application to receive reauthorization of the use of sub-accounts of FERC Account No. 191 to account for the Company's Purchased Gas Cost differences for the 12-month period, November 1, 2021 through October 31, 2022. This Application will have no effect on Company revenue or customer rates.

1	WHEREFORE, Avista respectfully requests that the Commission reauthorize the
2	Company to defer the costs described in this Application.
3	DATED this 28 th day of July 2021.
4	Respectfully submitted,
5	Avista Corporation
6	By:
7	Ву:
8	Patrick D. Ehrbar
9	Director of Regulatory Affairs



Docket No. UM 1497

NOTICE OF APPLICATION FOR REAUTHORIZATION OF CERTAIN DEFERRAL ACCOUNTS

July 28, 2021

To All Parties Who Participated in UG 389:

Please be advised that on July 28, 2021, 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 Purchased Gas Cost differences. 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 389, 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 27, 2021. 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 28th day of July 2021

By: ______/s/David Meyer

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



CERTIFICATE OF SERVICE

Docket No. UM 1497

I HEREBY CERTIFY that I have on this day, July 28, 2021, served by electronic mail the foregoing Notice of Application for Reauthorization of Certain Deferral Accounts, related to the deferral of Purchased Gas Cost differences, to all parties of record for Avista's most recent general rate case, Docket No. UG 389, 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

Tommy A. Brooks Cable Huston, LLP

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Oregon Public Utilities Commission (OPUC)

John Crider, OPUC Staff john.crider@puc.state.or.us

Oregon Citizens Utility Board (CUB)

Mike Goetz, Staff Attorney mike@oregoncub.org

William Gehrke will@oregoncub.org

dockets@oregoncub.org

Department of Justice

Johanna Riemenschneider

johanna.riemenschneider@doj.state.or.us

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

Dated at Spokane, Washington this 28th day of July 2021.

/s/ Paul Kimball

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