

1 BEFORE THE PUBLIC UTILITY COMMISSION

2 OF OREGON

3 DOCKET NO. UM 1979

4			
5	IN THE MATTER OF THE APPLICATION OF)	APPLICATION
6	AVISTA UTILITIES FOR AN ORDER)	FOR REAUTHORIZATION
7	AUTHORIZING DEFERRAL OF ENERGY)	OF CERTAIN DEFERRAL
8	EFFICIENCY PROGRAM EXPENSES)	ACCOUNTS
9	COLLECTED THROUGH RATE SCHEDULE 469)	
10			

11 Pursuant to ORS 757.259 and OAR 860-027-0300(4), Avista Corporation, dba Avista
 12 Utilities (“Avista” or “Company”), hereby applies to the Public Utility Commission of Oregon
 13 (“Commission”) for an order reauthorizing the Company to utilize deferred accounting for revenues
 14 collected through its Tariff Schedule 469 – “Public Purpose Funding Surcharge-Oregon” (“Public
 15 Purpose Charge”). This schedule collects funds to be used for Avista’s energy efficiency programs,
 16 administered through the Energy Trust of Oregon (ETO) and the Company. Avista respectfully
 17 requests that this deferral be effective for the 12-month period beginning January 1, 2020.

18 In support of this Application, the Company states:

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

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

23 Patrick Ehrbar
 24 Director of Regulatory Affairs
 25 Avista Corporation
 26 P.O. Box 3727
 27 1411 E. Mission, MSC-27
 28 Spokane, WA 99220-3727
 29 (509) 495-8620
 30 Pat.ehrbar@avistacorp.com
 31

David J. Meyer
 Vice President and Chief Counsel
 for Regulatory and Governmental Affairs
 Avista Corporation
 P.O. Box 3727
 1411 E. Mission, MSC-27
 Spokane, WA 99220-3727
 (509) 495-4316
 David.meyer@avistacorp.com

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

3 BACKGROUND

4 Deferral of the revenues related to the Company's natural gas energy efficiency programs
5 was previously authorized by the Commission on December 19, 2018, through Order No. 18-480 in
6 Docket No. UM 1979. The authorization for deferred accounting treatment as described above can
7 be authorized pursuant to ORS 757.259(2)(e). Under the Company's Public Purpose Charge, Avista
8 collects funds necessary to administer and deliver energy efficiency programs to its customers. Over
9 a 12-month period, the Company records the funds collected through Schedule 469, netted with the
10 costs of the energy efficiency programs, in a balancing account; any unspent funds or uncollected
11 costs are held over to the following year, with any adjustments needed requested in January of each
12 year. This meets the requirement under ORS 757.259(2)(e), specifically "identifiable utility
13 expenses or revenues, the recovery or refund of which the commission finds should be deferred in
14 order to minimize the frequency of rate changes or the fluctuation of rate levels or to match
15 appropriately the costs borne by and benefits received by ratepayers."

16 Section 7 of the Partial Settlement Stipulation in Docket No. UG-288, approved by the
17 Commission in Order No. 16-109, sets forth the agreed-upon energy efficiency program, and
18 associated provisions for the Public Purpose Charge. The requirements of the energy efficiency
19 program approved by the Commission on March 1, 2016 are as follows:

- 20 • A new rate schedule, Schedule 469, was established to provide recovery
21 of the approved energy efficiency programs.
- 22 • The initial rate for Schedule 469 was set at the rate that was in effect for
23 Schedule 478, which provided for recovery of costs associated with

1 Commission-approved demand side management programs.

- 2 • The Public Purpose Funding Surcharge collected through Schedule 469,
3 would be used for the following programs: 1) Conservation Acquisition
4 Programs managed by the Energy Trust of Oregon (ETO), 2) Avista
5 Oregon Low Income Energy Efficiency Program (AOLIEE) managed by
6 Avista and Community Action Agencies, and 3) Company energy
7 efficiency program administrative costs.¹

8 DESCRIPTION OF DEFERRAL

9 Presently, Avista records the funds collected with Schedule 469 and the costs of managing
10 the energy efficiency programs in a regulatory liability account, FERC Account No. 242.6 (DSM
11 Tariff Rider). A summary of the accounting entries recorded by Avista is as follows:

Transactions to Record Energy Efficiency Revenues and Costs			
FERC	Account Description	DR	CR
142.1	Customer Accounts Receivable	\$XXX	
48X.X	Revenue from Customers		\$XXX
	To record revenue collected from Schedule 469.		
908.6	Customer Service & Information Expense	\$XXX	
242.6	DSM Tariff Rider		\$XXX
	To transfer funds collected from Schedule 469 to balancing account.		
242.6	DSM Tariff Rider	\$XXX	
232.1	Accounts Payable		\$XXX
	To record energy efficiency program costs.		

12
13 As funds are used for energy efficiency activities, the balancing account is debited for the
14 amount of the expenditure disbursement. As described in Schedule 469, the Company determines

¹ In Advice No. 16-14-G, dated November 7, 2016, costs of the Northwest Energy Efficiency Alliance (NEEA) natural gas programs was included in the proposed budget for energy efficiency programs covered by Schedule 469.

1 annually if the Public Purpose Funding Surcharge needs to be adjusted so that forecasted collections,
 2 plus any unspent collections, are sufficient to meet all programming needs by the ETO and the
 3 Company. The balance in the account (either unspent funds or uncollected costs) is deferred at
 4 December 31 each year. The net amount in the account is included in the Company's annual filing
 5 when the Public Purpose Funding Surcharge is updated in January for the upcoming year. In
 6 absence of a deferred accounting order from the Commission, Avista would instead transfer the
 7 balance of the account at December 31, into earnings. Interest does not accrue on this balancing
 8 account.

9 PROPOSED ACCOUNTING

10 In this Reauthorization application, Avista is not proposing any change to the current deferral
 11 accounting. The Company would continue to record the funds collected through Schedule 469 as
 12 described above.

13 CURRENT DEFERRAL BALANCES

14 At December 31, 2018, the total unspent balance in the DSM Tariff Rider account, subject
 15 to deferral, was \$49,952. For illustrative purposes, since May 1, 2016, when Schedule 469 became
 16 effective, a summary of energy efficiency funds collected and spent is as follows:

Avista's Energy Efficiency Program Summary	
Transactions Recorded in Balancing Account (FERC Account No. 242.6)	
For May 1, 2016 through December 31, 2018	
2016 Tariff Collections	\$ (1,159,985)
2016 Energy Efficiency Costs	949,014
Balance at December 31, 2016	(210,971)
2017 Tariff Collections	(1,986,488)
2017 Energy Efficiency Costs	1,898,039
Balance at December 31, 2017	\$ (299,420)
2018 Tariff Collections	(1,695,798)
2018 Energy Efficiency Costs	1,945,266
Balance at December 31, 2018	<u>\$ (49,952)</u>

17

1 At December 31, 2016, the Company's program-to-date collections exceeded its costs by
2 \$210,971, with these funds subsequently spent in 2017. At December 31, 2017, the funds collected
3 exceeded costs by an additional \$88,449, and the balance of \$299,420 were used in 2018. Similarly,
4 at December 31, 2018, the carryover balance for the 2019 program year was \$49,952. Avista
5 anticipates filing its annual Schedule 469 adjustment request in November 2019, in which the
6 Company will propose a decrease in the current Public Purpose Charge.

7 WHEREFORE, Avista Utilities respectfully requests that the Commission reauthorize the
8 Company to defer the unspent funds or uncollected costs of its energy efficiency programs for the
9 12-month period, January 1, 2020 through December 31, 2020. The Company is not proposing an
10 adjustment to customers' retail rates through this Application. Pursuant to OAR 800-027-
11 0300(3)(e)(6), a copy of the Notice of Application and list of persons served with the Notice is
12 attached to this Application as Exhibit A.

13 DATED this 1st day of November 2019.

14 Respectfully submitted,

15 Avista Utilities

16 By: 

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

Docket No. UM 1979

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

November 1, 2019

To All Parties Who Participated in UG 366:

Please be advised that on November 1, 2019, 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 revenues collected through its Tariff Schedule 469, "Public Purpose Funding Surcharge-Oregon", which funds Avista's energy efficiency programs, administered through the Energy Trust of Oregon (ETO) and the Company. 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 366, 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 November 25, 2019. 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 1st day of November 2019.

By: 

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

CERTIFICATE OF SERVICE

Docket No. UM 1979

I HEREBY CERTIFY that I have on this day, November 1, 2019, served by electronic mail the foregoing Notice of Application for Reauthorization of Certain Deferral Accounts, related to the deferral of funds collected for Avista's energy efficiency programs, to all parties of record for Avista's most recent general rate case, Docket No. UG 366, as indicated below:

Alliance of Western Energy Consumers (AWEC)
dockets@oregoncub.org

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Oregon Public Utilities Commission (OPUC)
Marianne Gardner, OPUC Staff
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Kaylie Klein, Assistant Attorney General
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Oregon Citizens Utility Board (CUB)
dockets@oregoncub.org

Mike Goetz, Staff Attorney
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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 1st day of November, 2019.

/s/ Jaime Majure

Jaime Majure
Regulatory Policy Analyst
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509.495.7839