

1 **BEFORE THE PUBLIC UTILITY COMMISSION**

2 **OF OREGON**

3 **DOCKET NO. UM 2053(3)**

4
5 IN THE MATTER OF THE APPLICATION OF)
6 AVISTA UTILITIES FOR AN ORDER) APPLICATION FOR
7 REAUTHORIZING DEFERRAL OF COSTS) REAUTHORIZATION
8 ASSOCIATED WITH AN INCREASE IN ANNUAL) OF CERTAIN DEFERRAL
9 REGULATORY FEE) ACCOUNTS
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 Avista to defer, for later rate-making treatment, the costs
14 associated with an increase in the annual regulatory fee allowed by ORS 756.310 ("Deferred
15 Amount"). Avista requests this deferral to be effective January 1, 2023 and be subject to annual
16 renewals until the fee rate is incorporated into Avista's next general rate case.

17 In support of this Application, the Company states:

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

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

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

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
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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 Deferral of these costs associated with the change in regulatory fee were previously authorized by
4 the Commission on March 3, 2020, by Order No. 20-059 in Docket No. UM 2053, March 12, 2021,
5 by Order No. 21-080 in Docket No. UM 2053(1), and August 16, 2022, by Order No. 22-301 in
6 Docket No. UM 2053(2).

7 **I. OAR 860-027-0300(3) REQUIREMENTS**

8 The following is provided pursuant to OAR 860-027-0300(3):

9 **A. Background Description**

10 On May 24, 2019, Oregon Governor Kate Brown signed Senate Bill 68 (SB 68), which
11 revised ORS 756.310 to allow the annual regulatory fee that is imposed on public utilities and
12 telecommunications providers, for purpose of defraying costs of the Commission, to increase from
13 0.3 percent up to 0.45 percent. In accordance with ORS 756.310(3), on February 26, 2020, the
14 Commission issued Order No. 20-054 authorizing collection of the annual regulatory fee from the
15 public utilities operating in Oregon subject to regulation by the Commission at 0.35 percent of 2019
16 gross operating revenues (Docket No. UM 1012); On February 25, 2021, the Commission issued
17 Order No. 21-066 in the same Docket, authorizing collection of the annual regulatory fee at 0.375
18 percent of 2020 gross operating revenues. On February 24, 2022, the Commission issued Order No.
19 22-062 in the same Docket, authorizing collection of the annual regulatory fee at 0.43 percent of
20 2021 gross operating revenues. By March 1, 2023, the Commission will issue another Order in
21 Docket No. UM 1012 establishing the annual regulatory fee for gross operating revenue derived
22 from natural gas utility operations in Oregon during the calendar year 2022. Senate Bill 68 allows
23 for a fee level increase up to 0.45 percent of gross operating revenue.

1 The 2020 and 2021 amounts the Company deferred under UM 2053 were subsequently
2 allowed to be recovered through temporary tariff Schedule 482 in Docket No. UG-395 (Order No.
3 20-354) and Docket No. UG-415 (Order No. 21-359), respectively. The 2022 amounts the Company
4 deferred under UM 2053 are pending approval for recovery in Docket No. UG 441.

5 B. Reasons for Deferral

6 Pursuant to ORS 757.259(2)(e) and for the reasons discussed above, Avista seeks continued
7 deferred accounting treatment for costs associated with any potential increase in the annual
8 regulatory fee, effective January 1, 2023. As mentioned above, the imposition of this fee will occur
9 in early 2023 and be applicable for the full year, thus Avista is unable to include it within a prior or
10 existing rate proceeding. Granting this Application will minimize the frequency of rate changes and
11 match appropriately the costs borne by and benefits received by customers.

12 C. Proposed Accounting for Recording Amounts Deferred.

13 Avista proposes to record the deferred amount as a regulatory asset in FERC account 182.3
14 (Other Regulatory Assets) with a credit to FERC account 407 (Regulatory Credits). Absent
15 Commission approval of this application, Avista will record the incremental cost in FERC account
16 928 (Regulatory Commission Expense).

17 D. Estimate of Amounts to be Recorded for the Next 12 months.

18 The Company included in its 2021 general rate case (Docket No. UG 433) a Commission
19 regulatory fee of 0.375 percent, and that was embedded in the Stipulations approved by the
20 Commission in Order No. 22-291 for rates effective since August 22, 2022. If the 2023 fee rate
21 remains at the 2021 rate of 0.43 percent, Avista estimates a deferral of approximately \$101,000. If
22 the 2023 fee rate increases to the maximum 0.45 percent allowable by ORS 756.310, Avista
23 estimates a deferral of approximately \$137,000.

1 In accordance with Order No. 05-1070, Avista will accrue interest on the unamortized
2 balance at a rate equal to its authorized weighted average cost of capital most recently approved by
3 the Commission.

4 E. Notice

5 A copy of the Notice of Application for Deferral of Costs Associated with an Increase in the
6 Annual Regulatory Fee and a list of persons served with the Notice are attached to this Application
7 as Exhibit A.

8 **II. OAR 860-027-0300(4) REQUIREMENTS**

9 A. Entries in the Deferred Account to Date

10 As of December 2020, the Company deferred \$72,367 related to the fee increase from 0.3
11 percent to 0.35 percent in 2020 that has subsequently been fully amortized as it was recovered from
12 customers from November 1, 2020 through October 31, 2021. As of December 2021, the Company
13 deferred \$35,463 related to the fee increase from 0.35 percent to 0.375 percent in 2021 that has
14 subsequently been fully amortized as it was recovered from customers from November 1, 2021
15 through October 31, 2022. By December 2022, the Company will have deferred \$114,523 related
16 to the fee increase from 0.375 percent (embedded in rates effective August 22, 2022) to 0.43 percent
17 in 2022, with recovery commencing November 1, 2022 in accordance with Docket No. UG 441.

18 B. Reason for Continuation of Deferred Accounting

19 As discussed earlier, this deferral is intended to capture incremental annual regulatory fee
20 expenses resulting from Senate Bill 68, should the Commission adjust the regulatory fee percentage.

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22

1 **III. CONCLUSION**

2 For the reasons stated above, Avista respectfully requests that, consistent with ORS 757.259,
3 the Commission reauthorize the Company to record and defer incremental Oregon annual regulatory
4 fee expenses resulting from Senate Bill 68 for the January 1, 2023 through December 31, 2023 time
5 period. The Company is not proposing an adjustment to customer’s retail rates through this
6 Application. Pursuant to OAR 800-027-0300(3)(e)(6), a copy of the Notice of Application and list
7 of persons served with the Notice is attached to this Application as Exhibit A.

8 DATED this 28th day of October 2022.

9 Respectfully submitted,

10 Avista Utilities

11 By: /s/ David Meyer

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



Avista Corp.

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

October 28, 2022

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

RE: Docket No. UM 2053—Avista Utilities Application for Reauthorization

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 Reauthorization to defer, for later rate-making treatment, the differences associated with an increase in the annual regulatory fee allowed by ORS 756.310.

As required by OAR 860-027-0300(3)(e) and (6), 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 an Exhibit to the Application.

If you have any questions regarding this filing, please contact me at (509) 495-4546.

Sincerely,

/s/Joe Miller

Joe Miller
Sr. Manager of Rates & Tariffs
Avista Utilities
509-495-4546
joe.miller@avistacorp.com



CERTIFICATE OF SERVICE

Docket No. UM 2053

I HEREBY CERTIFY that I have on this day, October 28, 2022, served by electronic mail the foregoing Notice of Application for Deferral of Costs Associated with an Increase in Annual Regulatory Fee, to all parties of record for Avista’s most recent general rate case, Docket No. UG 433, as indicated below:

<p><u>Alliance of Western Energy Consumers (AWEC)</u> Edward Finklea efinklea@awec.solutions</p> <p>Chad M. Stokes cstokes@cablehuston.com</p>	<p><u>Oregon Citizens Utility Board (CUB)</u> dockets@oregoncub.org</p> <p>Mike Goetz mike@oregoncub.org</p> <p>William Gehrke will@oregoncub.org</p>
<p><u>Oregon Public Utilities Commission (OPUC)</u> Matthew Muldoon matt.muldoon@puc.oregon.gov</p>	<p><u>Oregon Department of Justice</u> Johanna Reimenschneider joahanna.reimenschneider@doj.state.or.us</p>

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

Dated at Spokane, Washington this 28th day of October 2022.

/s/ Jaime Majure

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



Docket No. UM 2053

NOTICE OF APPLICATION FOR DEFERRAL OF COSTS ASSOCIATED WITH AN INCREASE IN ANNUAL REGULATORY FEE

October 28, 2022

To All Parties Who Participated in UG 433:

Please be advised that on October 28, 2022, Avista Corporation, dba Avista Utilities (Avista or Company), applied to the Public Utility Commission of Oregon (Commission) for an order reauthorizing Avista to defer, for later rate-making treatment, the costs associated with an increase in the annual regulatory fee allowed by ORS 756.310 ("Deferred Amount"). 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 433, 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, 2022. 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 October 2022.

By: /s/David Meyer

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