



**Avista Corp.**

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

October 29, 2021

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 389. 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](mailto:joe.miller@avistacorp.com)

1 **BEFORE THE PUBLIC UTILITY COMMISSION**

2 **OF OREGON**

3 **DOCKET NO. UM 2053(2)**

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, 2022 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  
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 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, and March 12,  
5 2021, through Order No. 21-080 in Docket No. UM 2053(1).

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

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

8 **A. Background Description**

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

21 The 2020 amounts the Company deferred under UM 2053 were subsequently allowed to be  
22 recovered through temporary tariff Schedule 482 in Docket No. UG-395 (Order No. 20-354). The

1 2021 amounts the Company deferred under UM 2053 are pending approval for recovery in Docket  
2 No. UG 415.

3 B. Reasons for Deferral

4 Pursuant to ORS 757.259(2)(e) and for the reasons discussed above, Avista seeks continued  
5 deferred accounting treatment for costs associated with any potential increase in the annual  
6 regulatory fee, effective January 1, 2022. As mentioned above, the imposition of this fee will occur  
7 in early 2022 and be applicable for the full year, thus Avista is unable to include it within a prior or  
8 existing rate proceeding. Granting this Application will minimize the frequency of rate changes and  
9 match appropriately the costs borne by and benefits received by customers.

10 C. Proposed Accounting for Recording Amounts Deferred.

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

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

16 The Company included in its 2020 general rate case (Docket No. UG 389) a Commission  
17 regulatory fee of 0.35 percent, and that was embedded in the Stipulations approved by the  
18 Commission in Order No. 20-468 for rates effective since January 16, 2021. If the 2022 fee rate  
19 remains at the 2021 rate of 0.375 percent, Avista estimates a deferral of approximately \$40,000. If  
20 the 2022 fee rate increases to the maximum 0.45 percent allowable by ORS 756.310, Avista  
21 estimates a deferral of approximately \$160,000.

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

1 E. Notice

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

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

6 A. Entries in the Deferred Account to Date

7 As of December 2020, the Company deferred \$72,367 related to the fee increase from 0.3  
8 percent to 0.35 percent in 2020 that has subsequently been fully amortized as it was recovered from  
9 customers from November 1, 2020 through October 31, 2021. By December 2021, the Company  
10 will have deferred \$34,557 related to the fee increase from 0.35 percent (embedded in rates effective  
11 January 16, 2021) to 0.375 percent in 2021, with recovery commencing November 1, 2021 in  
12 accordance with Docket No. UG 415.

13 B. Reason for Continuation of Deferred Accounting

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

16 **III. CONCLUSION**

17 For the reasons stated above, Avista respectfully requests that, consistent with ORS 757.259,  
18 the Commission reauthorize the Company to record and defer incremental Oregon annual regulatory  
19 fee expenses resulting from Senate Bill 68 for the January 1, 2022 through December 31, 2022 time  
20 period. The Company is not proposing an adjustment to customer's retail rates through this  
21 Application. Pursuant to OAR 800-027-0300(3)(e)(6), a copy of the Notice of Application and list  
22 of persons served with the Notice is attached to this Application as Exhibit A.

23 DATED this 29th day of October 2021.

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Respectfully submitted,

Avista Utilities

By:           /s/ David Meyer          

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

## **Docket No. UM 2053**

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

October 29, 2021

To All Parties Who Participated in UG 389:

Please be advised that on October 29, 2021, 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 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 November 23, 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 29<sup>th</sup> day of October 2021.

By:                   /s/David Meyer                  

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

## **CERTIFICATE OF SERVICE**

**Docket No. UM 2053**

**I HEREBY CERTIFY** that I have on this day, October 29, 2021, 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 389, as indicated below:

**Alliance of Western Energy Consumers (AWEC)**

Edward Finklea, Director of Natural Gas  
[efinklea@awec.solutions](mailto:efinklea@awec.solutions)

Chad M. Stokes  
Cable Huston, LLP  
[cstokes@cablehuston.com](mailto:cstokes@cablehuston.com)

Tommy A. Brooks  
Cable Huston, LLP  
[tbrooks@cablehuston.com](mailto:tbrooks@cablehuston.com)

**Oregon Public Utilities Commission (OPUC)**

John Crider, OPUC Staff  
[john.crider@puc.oregon.gov](mailto:john.crider@puc.oregon.gov)

**Oregon Citizens Utility Board (CUB)**

[dockets@oregoncub.org](mailto:dockets@oregoncub.org)

Mike Goetz, Staff Attorney  
[mike@oregoncub.org](mailto:mike@oregoncub.org)

William Gehrke  
[will@oregoncub.org](mailto:will@oregoncub.org)

**Department of Justice**

Johanna Riemenschneider  
[johanna.riemenschneider@doj.state.or.us](mailto:johanna.riemenschneider@doj.state.or.us)

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

Dated at Spokane, Washington this 29<sup>th</sup> day of October 2021.

*/s/ Jaime Majure*

Jaime Majure  
Regulatory Policy Analyst  
Avista Utilities  
[jaime.majure@avistacorp.com](mailto:jaime.majure@avistacorp.com)  
509.495.7839