



**Avista Corp.**

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

October 31, 2023

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 461. A copy of the Notice is 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(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, 2024 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, March 12, 2021,  
5 by Order No. 21-080 in Docket No. UM 2053(1), August 16, 2022, by Order No. 22-301 in Docket  
6 No. UM 2053(2), and February 23, 2023, by Order No. 23-054 in Docket No. UM2053(3).

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. On February 23, 2023, the Commission issued Order No. 23-057 in  
21 the same Docket, authorizing collection of the annual regulatory fee at 0.43 percent of 2022 gross  
22 operating revenues. By March 1, 2024, the Commission will issue another Order in Docket No. UM  
23 1012 establishing the annual regulatory fee for gross operating revenue derived from natural gas

1 utility operations in Oregon during the calendar year 2023. Senate Bill 68 allows for a fee level  
2 increase up to 0.45 percent of gross operating revenue.

3 The 2021 and 2022 amounts the Company deferred under UM 2053 were subsequently  
4 allowed to be recovered through temporary tariff Schedule 482 in Docket No. UG-415 (Order No.  
5 21-359) and Docket No. UG-441 (Order No. 22-413), respectively. The 2023 amounts the Company  
6 deferred under UM 2053 were allowed to be recovered in Docket No. UG 470 (Order No. 23-393).

7 B. Reasons for Deferral

8 Pursuant to ORS 757.259(2)(e) and for the reasons discussed above, Avista seeks continued  
9 deferred accounting treatment for costs associated with any potential increase in the annual  
10 regulatory fee, effective January 1, 2024. As mentioned above, the imposition of this fee will occur  
11 in early 2024 and be applicable for the full year, thus Avista is unable to include it within a prior or  
12 existing rate proceeding. Granting this Application will minimize the frequency of rate changes and  
13 match appropriately the costs borne by and benefits received by customers.

14 C. Proposed Accounting for Recording Amounts Deferred.

15 Avista proposes to record the deferred amount as a regulatory asset in FERC account 182.3  
16 (Other Regulatory Assets) with a credit to FERC account 407 (Regulatory Credits). Absent  
17 Commission approval of this application, Avista will record the incremental cost in FERC account  
18 928 (Regulatory Commission Expense).

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

20 The Company included in its 2021 general rate case (Docket No. UG 433) a Commission  
21 regulatory fee of 0.375 percent, and that was embedded in the Stipulations approved by the  
22 Commission in Order No. 22-291 for rates effective since August 22, 2022. The Company included  
23 in its 2023 general rate case (Docket No. UG 461) a Commission regulatory fee of 0.430 percent,  
24 and that was embedded in the Stipulations approved by the Commission in Order No. 23-384 for

1 rates effective since January 1, 2024. If the 2024 fee rate remains at the 2023 rate of 0.43 percent,  
2 Avista estimates a deferral of approximately \$0. If the 2024 fee rate increases to the maximum 0.45  
3 percent allowable by ORS 756.310, Avista estimates a deferral of approximately \$36,000.

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

7 E. Notice

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

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

12 A. Entries in the Deferred Account to Date

13 As of December 2020, the Company deferred \$72,367 related to the fee increase from 0.3  
14 percent to 0.35 percent in 2020 that has subsequently been fully amortized as it was recovered from  
15 customers from November 1, 2020 through October 31, 2021. As of December 2021, the Company  
16 deferred \$35,463 related to the fee increase from 0.35 percent to 0.375 percent in 2021 that has  
17 subsequently been fully amortized as it was recovered from customers from November 1, 2021  
18 through October 31, 2022. As of December 2022, the Company deferred \$117,863 related to the fee  
19 increase from 0.375 percent to 0.430 percent in 2022 that has subsequently been fully amortized as  
20 it was recovered from customers from November 1, 2022 through October 31, 2023. By December  
21 2023, the Company will have deferred \$101,295 related to the fee of 0.43 percent compared to the  
22 0.375 percent embedded in rates, (effective August 22, 2022 through UG 433), with recovery  
23 commencing November 1, 2023 in accordance with Docket No. UG 470.

1 B. Reason for Continuation of Deferred Accounting

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

4

5 **III. CONCLUSION**

6 For the reasons stated above, Avista respectfully requests that, consistent with ORS 757.259,  
7 the Commission reauthorize the Company to record and defer incremental Oregon annual regulatory  
8 fee expenses resulting from Senate Bill 68 for the January 1, 2024 through December 31, 2024 time  
9 period. The Company is not proposing an adjustment to customer’s retail rates through this  
10 Application. Pursuant to OAR 800-027-0300(3)(e)(6), a copy of the Notice of Application and list  
11 of persons served with the Notice is attached to this Application as Exhibit A.

12 DATED this 31<sup>st</sup> day of October 2023.

13 Respectfully submitted,

14 Avista Utilities

15 By:           /s/ David Meyer          

16 David J. Meyer, Vice President and Chief  
17 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 31, 2023

To All Parties Who Participated in UG 461:

Please be advised that on October 31, 2023, 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 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 November 28, 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 31<sup>st</sup> day of October 2023.

By:                     /s/David Meyer                    

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