

1 **BEFORE THE PUBLIC UTILITY COMMISSION**

2 **OF OREGON**

3 **DOCKET NO. UM 2053(1)**

4
5 **IN THE MATTER OF THE APPLICATION OF)**
6 **AVISTA UTILITIES FOR AN ORDER)**
7 **REAUTHORIZING DEFERRAL OF COSTS) APPLICATION**
8 **ASSOCIATED WITH AN INCREASE IN ANNUAL)**
9 **REGULATORY FEE)**
10

11 Avista Corporation, dba Avista Utilities (“Avista” or “Company”), pursuant to ORS
12 757.259 and OAR 860-027-0300(4), 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, 2021 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

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 The Commission approved the Company's request for an accounting order for 2020 in this Docket
4 (UM 2053) on March 3, 2020 (see Order No. 20-059).

5
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. 20-052 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. By March 1, 2021, the Commission will issue an order establishing the
16 annual regulatory fee for gross operating revenue derived from natural gas utility operations in
17 Oregon during the calendar year 2020. Senate Bill 68 allows for a fee level increase up to 0.45
18 percent of gross operating revenue.

19
20 **B. Reasons for Deferral**

21 Pursuant to ORS 757.259(2)(e) and for the reasons discussed above, Avista seeks deferred
22 accounting treatment for costs associated with an expected increase in the annual regulatory fee,
23 effective January 1, 2021. As mentioned above, the imposition of this fee will occur in early 2021
24 and be applicable for the full year, thus Avista is unable to include it within a prior or existing rate

1 proceeding. Granting this Application will minimize the frequency of rate changes and match
2 appropriately the costs borne by and benefits received by customers.

3

4 C. Proposed Accounting for Recording Amounts Deferred.

5 Avista proposes to record the deferred amount as a regulatory asset in FERC account 182.3
6 (Other Regulatory Assets) with a credit to FERC account 407 (Regulatory Credits). Absent
7 Commission approval of this application, Avista will record the incremental cost in FERC account
8 928 (Regulatory Commission Expense).

9

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

11 Avista estimates that the amount to be deferred, above what is included in customer rates at
12 the current 0.35 percent allowable level, would be approximately \$150,000 dollars if the
13 Commission authorizes a regulatory fee increase up to the maximum 0.45 percent allowable by ORS
14 756.310. The Company included in its 2020 general rate case a Commission regulatory fee of 0.35
15 percent, and that was embedded in the Stipulations approved by the Commission in Order No. 20-
16 468.

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

20

21 E. Notice

22 A copy of the Notice of Application for Deferral of Costs Associated with an Increase in the
23 Annual Regulatory Fee and a list of persons served with the Notice are attached to this Application
24 as Attachment A.

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

2 **A. Entries in the Deferred Account to Date**

3 As of December 2020, the Company has deferred \$72,367 related to the fee increase from
4 0.3 percent to 0.35 percent in 2020.

5
6 **B. Reason for Continuation of Deferred Accounting**

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

9
10 **III. CONCLUSION**

11 For the reasons stated above, Avista respectfully requests that, consistent with ORS 757.259,
12 the Commission reauthorize the Company to record and defer incremental Oregon annual regulatory
13 fee expenses resulting from Senate Bill 68 for the January 1, 2021 through December 31, 2021 time
14 period. The Company is not proposing an adjustment to customer's retail rates through this
15 Application. Pursuant to OAR 800-027-0300(3)(e)(6), a copy of the Notice of Application and list
16 of persons served with the Notice is attached to this Application as Exhibit A.

17 DATED this 30th day of December 2020.

18 Respectfully submitted,

19 Avista Utilities

20 By: /s/ Patrick Ehrbar

21 Patrick Ehrbar
22 Director of Regulatory Affairs

CERTIFICATE OF SERVICE

Docket No. UM 2053

I HEREBY CERTIFY that I have on this day, December 30, 2020, 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

Chad M. Stokes
Cable Huston, LLP
cstokes@cablehuston.com

Tommy A. Brooks
Cable Huston, LLP
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Oregon Public Utilities Commission (OPUC)

Marianne Gardner, OPUC Staff
Marianne.gardner@state.or.us

Oregon Citizens Utility Board (CUB)

dockets@oregoncub.org

Mike Goetz, Staff Attorney
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William Gehrke
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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 30th day of December, 2020.

/s/ Patrick D Ehrbar

Patrick Ehrbar
Director of Regulatory Affairs
Avista Utilities



Docket No. UM 2053

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

December 30, 2020

To All Parties Who Participated in UG 389:

Please be advised that on December 31, 2020, 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 January 30, 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 30th day of December 2020.

By: /s/ Patrick Ehrbar

Patrick D. Ehrbar
Director of Regulatory Affairs