



Avista Corp.

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November 23, 2021

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

Re: Advice No. 21-09-G – Avista Utilities Schedule 469

Filing Center:

Pursuant to ORS 757.205 and OAR 860-022-0025, attached for filing with the Public Utility Commission of Oregon (Commission or PUC) is an electronic copy of Avista Corporation's, dba Avista Utilities (Avista or the Company), filing of its proposed revisions to the following tariff sheets, P.U.C. OR No. 5:

Fourth Revision Sheet 469

Revised
Canceling

Third Revision Sheet 469

New
Original Sheet 470
Original Sheet 470A
Original Sheet 470B
Original Sheet 470C

Canceled
Original Sheet 488
Original Sheet 488A
Original Sheet 488B
Original Sheet 488C
Original Sheet 488D

The purpose of these requested tariff revisions is to:

1. Adjust Schedule 469, "Public Purpose Funding Surcharge" (Public Purpose Charge or PPC), to reflect the rates required to fund the Company's 2022 energy efficiency programs.

Specifically, these funds support the delivery of energy efficiency programs administered by the Energy Trust of Oregon (ETO), the Avista Oregon Low-Income Energy Efficiency Program (AOLIEE), and Company energy efficiency program marketing and administrative costs.

2. Introduce Avista’s new tariff Schedule 470, “Voluntary On-Bill Repayment (OBR) Program”.
3. Remove, in its entirety, the Company’s tariff Schedule 488, “Promotional Concessions – Oregon”, as this tariff contains antiquated offerings that the Company has not utilized in many years.

As explained in further detail below, through this filing the Company is requesting a rate increase of \$2,048,727, or 1.7%, effective January 1, 2022.

I. PUBLIC PURPOSE FUNDING SURCHARGE RATE CHANGE REQUEST

The primary driver of the requested rate increase for Avista’s PPC is an increase in the ETO budget for the 2022 program year, from the \$2,443,292 budget for 2021 to approximately \$4,943,292 for 2022. As provided in its November 16, 2021 budget presentation to the Commission,¹ ETO’s budget increase is the result of savings targets increasing from approximately 453,277 therms to 659,313 therms. Additionally, the ETO is expanding its program offerings and continuing outreach efforts to support diversity, equity and inclusion goals in 2022. The remaining components funded through Avista’s Schedule 469 will remain relatively consistent for 2022, resulting in the following proposed budget:

Expenditure Type	Budget	%
ETO	\$4,943,292	81%
AOLIEE	\$874,023	14%
General Labor	\$167,652	3%
Marketing	\$100,000	2%
Admin/Travel	\$13,000	0%
Total	\$6,097,967	

Avista is estimating that it will have a year-end surplus of approximately \$817,821 related to the funds collected from January 2021 through December 2021, thus will need to recover a total of \$5,280,146 through rates during the 2022 program year to meet the needs of the Company’s Oregon energy efficiency programs. At its current rate, the Schedule 469 surcharge rate is set to

¹ https://oregonpuc.granicus.com/MinutesViewer.php?view_id=2&clip_id=856&doc_id=433ba86c-473c-11ec-a798-0050569183fa

collect approximately \$3,396,734 during the 2022 program year, resulting in a \$2,048,727 forecasted under-collection.

The Company is proposing that the collection of the revenue continue to be on a uniform percentage of revenue basis from Schedules 410, 420, 424, 425 and 444, consistent with present Schedule 469 funding. Pursuant to OAR 860-022-0025 and OAR 860-022-0030, the total number of customers affected by the filing, and the annual revenue before and after the impact of the proposed rate change, are as follows:

<u>Rate Schedule</u>	<u>Number of Customers</u>
Schedule 410	94,149
Schedule 420	11,916
Schedule 424	92
Schedule 425	0
Schedule 444	3

<u>Rate Schedule</u>	<u>Present Revenue</u>	<u>Change</u>	<u>Proposed Revenue</u>	<u>% Change</u>
Schedule 410	\$ 74,865,345	\$ 1,343,561	\$ 76,208,906	1.8%
Schedule 420	\$ 34,781,404	\$ 642,312	\$ 35,423,716	1.8%
Schedule 424/425	\$ 2,740,863	\$ 59,853	\$ 2,800,716	2.2%
Schedule 439/440	\$ 5,868,942	\$ -	\$ 5,868,942	0.0%
Schedule 444	\$ 140,110	\$ 3,001	\$ 143,111	2.1%
Schedule 456	\$ 2,796,239	\$ -	\$ 2,796,239	0.0%
Schedule 447	\$ 175,000	\$ -	\$ 175,000	0.0%
	\$ 121,367,903	\$ 2,048,727	\$ 123,416,630	1.7%

If approved, a residential customer using an average of 47 therms a month could expect their bill to *increase* by \$1.18, or 1.8 percent, for a revised monthly bill of \$66.97 effective January 1, 2022.

II. ON-BILL REPAYMENT PROGRAM

ORS 470.660 provides that “All investor-owned utilities, except those that have withheld consent under ORS 470.510(3), shall provide on-bill financing, except as described in subsection (4) of this section.” and that “(4) The commission may waive the requirement that an investor-owned utility provide on-bill financing for one or more loans if the commission determines that providing the on-bill financing is not practicable.” While in previous years such an offering has

not been practicable for Avista, the Company has recently launched an OBR Program in its Washington service territory² and will now be able to leverage these existing systems to support an OBR Program for its Oregon customers. The specific provisions of this program have been incorporated into Avista's new tariff Schedule 470.

Energy-Smart Loans

Avista's proposed OBR Program will enable customers to access low-interest financing to complete various energy efficiency projects by 1) collaborating with the ETO to give customers access to ETO's Savings Within Reach (SWR) Loan Program, which ensures that no loan issued via the OBR Program will exceed 6.49% APR; and 2) facilitating the repayment of such loans from a third-party lender through the customer's Avista bill. Loans established through the ETO that utilize the Company's OBR component will be deemed "Energy-Smart Loans".

Energy-Smart Loans (Loan[s]) will be offered as an extension of ETO's SWR Loan Program, with all applicable eligibility guidelines paralleled. ETO will establish a list of qualified potential projects or measures, with those projects meeting the efficiency standards outlined on the list able to be funded 100% by a Loan, subject to specified program maximums. Any Health, Safety and Repair (HSR) measures that are needed in order to move forward with the qualified project can be included in the Loan amount. While there is no cap on the Loan amount that may be utilized for HSR, the entire efficiency project may not exceed the program maximum limits as established by the ETO. Upon Loan approval, Avista's third-party lender, Puget Sound Cooperative Credit Union (PSCCU), requires that the borrower be the owner of the premise and will assess a \$5 membership deposit for all new customer accounts, which will remain in the customer's PSCCU savings account and bear interest. Due to restrictions regarding PSCCU's operation in states other than Washington, Loan customers will also need to become a member of the Northwest Energy Coalition (NWEC). The membership fee for NWEC is waived for income-qualified Energy-Smart Loan customers.

As described in further detail in Schedule 470, Avista's role in the OBR Program is solely as a billing agent for the OBR component of Loans; all additional elements of the Loan process or OBR program are the responsibility of ETO and PSCCU. Monthly billing for Loan participants will be billed according to the customer's standard billing cycle and payment will be required by

² Docket Nos. UE-210399 and UG-210400.

the due date assigned to the Avista natural gas service charges.³ While Avista will display the amount due for the customer's Loan on their bill each month, and it is the customer's responsibility to remit payment for both the billed amount due for their Avista natural gas service in addition to the agreed-upon Loan amount, the customer's Loan repayment behavior will have no impact on the customer's standing with Avista. Therefore, any default on the customer's Loan will not result in any collections activity or potential interruption of natural gas service on behalf of Avista. Delinquencies on Loan payments will be dealt with pursuant to the Loan Agreement between the participating customer and PSCCU. Recovery of the Loan amount and all interest and associated expenses are the sole responsibility of PSCCU.

As is the nature of any OBR Program, future program costs are highly dependent on customer throughput, as the number of customers that ultimately participate will inform the total costs incurred. The Company has worked with ETO to evaluate potential Loan volumes for its Oregon OBR Program, with the resulting estimates coming in at about 20 Loans per year. Preliminary estimates for total annual OBR Program costs, including incentives and administration costs, are \$55,000. These costs will be incorporated into ETO's annual budget and funded via Avista's Schedule 469 tariff rider, through which the Company already provides annual funds to support the delivery of energy efficiency programs administered by the ETO.

III. REMOVAL OF TARIFF SCHEDULE 488

As part of its filing, Avista is requesting to remove, in its entirety, the Company's tariff Schedule 488, "Promotional Concessions – Oregon". Established decades ago, this tariff provides a description of promotional concessions, per OAR 860-26-025, that customers simply do not use. Avista finds that the primary intent of these programs is better served via new programs such as the OBR Program being proposed herein. Should Avista offer any promotional concessions subject to OAR 860-26-025 in the future, additional explanation of these offerings will be filed with the Commission as required.

IV. CONCLUSION

Avista respectfully requests that the tariff changes proposed for Schedules 469 and 480, and cancellation of Schedule 488, be effective for service rendered on and after January 1, 2022.

³ Due to the complexity of the loan billing process, customers enrolled in the OBR Program may not select a preferred due date that falls outside of the Company's standards for natural gas service billing.

The Company will issue a notice to customers regarding its rate request in the November-December billing cycle; the form of customer notice is attached to this filing. In addition, information related to this filing has been included on the Company's website, www.myavista.com/rates.

Please direct any questions regarding this filing to Jaime Majure at (509) 495-7839 or jaime.majure@avistacorp.com or Lisa McGarity, Manager of Oregon Energy Efficiency, at (541) 858-4719 or lisa.mcgarity@avistacorp.com.

Sincerely,

/s/ Shawn Bonfield

Shawn Bonfield
Sr. Manager of Regulatory Policy & Strategy
(509) 495-2782
shawn.bonfield@avistacorp.com

Enclosure

AVISTA CORPORATION
dba Avista Utilities

SCHEDULE 469

PUBLIC PURPOSE FUNDING SURCHARGE - OREGON

APPLICABLE:

Adjustments under this schedule are applicable to all bills calculated under all schedules of this Tariff.

PURPOSE:

The purpose of this schedule is to collect funds to be used to fund energy efficiency programs administered through the Energy Trust of Oregon (ETO) and the Company.

MONTHLY RATE:

A public purpose charge, based on a percentage of revenues on an annualized basis, will be collected through monthly charges for the purpose described above. The Commodity Charge per therm of the individual rate schedules are to be adjusted by the following amounts:

<u>Rate Schedule</u>	<u>Rate</u>
Schedule 410	\$0.06765 per Therm
Schedule 420	\$0.05823 per Therm
Schedule 424/425	\$0.03003 per Therm
Schedule 444	\$0.03106 per Therm

(I)
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DETERMINATION OF RATE

The Company will annually determine if the Public Purpose Funding Surcharge for energy efficiency programs administered by the ETO and the Company needs to be adjusted so that forecasted collections, plus any unspent collections, are sufficient to meet all programming needs by the ETO and the Company. Any adjustments needed will take place on the 1st of each year.

SPECIAL TERMS AND CONDITIONS:

1. The annual budget funds collected to be transferred to the ETO will be calculated in partnership with the Company and the ETO.
2. The monies collected under this schedule for the purposes of funding energy efficiency program delivered by the ETO will be transferred to the ETO monthly.
3. The Company will retain a portion of the funding collected under this schedule to fund Schedule 485, Avista Oregon Low Income Energy Efficiency Program ("AOLIEE") as well as administrative and marketing expenses.

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Issued November 23, 2021

Effective For Service On & After
January 1, 2022

Issued by Avista Utilities
By



Patrick Ehrbar, Director of Regulatory Affairs

AVISTA CORPORATION
dba Avista Utilities

SCHEDULE 470

VOLUNTARY ON-BILL REPAYMENT (OBR) PROGRAM

PURPOSE:

The purpose of this schedule is to describe the On-Bill Repayment (OBR) service that Avista will provide to its Oregon customers, administered through the Energy Trust of Oregon (ETO) using and a third-party loan servicer. This program will enable Customers to access financing for energy efficiency measures through specific ETO Programs. These loans can be repaid using the Company's OBR service, which allows the monthly loan repayment amount to be included on the Customer's natural gas utility bill. Loans established through ETO that utilize the Company's OBR component are hereafter referred to as "Energy-Smart Loans".

AVAILABLE:

To all residential Customers in the State of Oregon where the Company has natural gas service available, who have obtained a loan offered through a program managed by the ETO or its designated representatives approved by the Company, subject to the specifications contained herein.

APPLICABLE:

This OBR Program is applicable to all residential Customers taking service under Schedule 410 that have obtained an Energy-Smart Loan and for whom natural gas is the primary heat source.

DESCRIPTION:

Customers who obtain an Energy-Smart Loan will receive a loan repayment charge as a separately itemized charge on their monthly bill for natural gas service. This charge will remain until such time as:

- a. the Customer has failed to make timely loan repayments and delinquency has exceeded program limitations; or
- b. the Customer's natural gas service account has been closed; or
- c. the loan servicer provides written notification to the Company to remove the billing; or
- d. the repayment timeframe is completed.

SPECIAL PROVISIONS:

1. A Customer's decision to obtain an Energy Smart Loan will not affect the Customer's ability to establish credit with the Company, nor will it have an effect on a Customer's ability to receive reliable natural gas service. Any default on the Customer's Energy-Smart Loan will not result in collections

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dba Avista Utilities

SCHEDULE 470 (Continued)

VOLUNTARY ON-BILL REPAYMENT (OBR) PROGRAM

- activity or potential interruption of natural gas service from the Company. The Company will communicate this in writing to Customers who participate in the OBR program.
2. The Company is not responsible for determining credit worthiness for the loan, assessing cost-effective improvements, measuring, or verifying the work performed, financing or determining the monthly loan repayment amount to be billed.
 3. The loan servicer is responsible for determining the monthly billing amount for each loan and the number of months each Customer should be billed. The monthly billing amount and billing duration will be communicated to the Company only for purposes of billing the Customer.
 4. By obtaining an Energy-Smart Loan, the Customer will be responsible to remit the monthly loan repayment amount to the Company with their monthly bill payment for natural gas services.
 5. ETO or the loan servicer must obtain written consent from the participating Customer that states that the Customer agrees to allow the Energy-Smart Loan to be billed through Avista.
 6. The specified loan repayment amount will be billed according to the Customer's standard billing cycle and payment will be required by the due date assigned to the natural gas service charges. The Customer may not select a preferred due date that falls outside of the Company's standards for natural gas service charges.
 7. Monthly payments received from Customers participating in the OBR program will be allocated in the following manner:
 - a. All payments received by the Company toward the Customer's account that are less than the total amount billed by the Company will first apply toward those charges related to the provision of natural gas service—including deposits, current charges, past due amounts and other services billed to the Customer by the Company for purposes of providing natural gas service. Any underpayment of the monthly loan amount will be added to the subsequent month's bill. Late payment fees and returned check charges will be charged in accordance with Rule No. 9 of this tariff.

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SCHEDULE 470 (Continued)

VOLUNTARY ON-BILL REPAYMENT (OBR) PROGRAM

- b. Any payment to the Customer's account that exceeds the full monthly amount due (overpayment) will remain on the Customer's account. The excess credit created by this overpayment will apply to future billing charges as designated above. The Customer may contact the Company to request refund of any overpayment. All intended payment(s) toward the loan amount in excess of the calculated monthly repayment amount due on the Customer's statement shall be paid directly by the Customer to the loan servicer.
8. The Company will not a) accept loan payoffs, b) issue refunds on loan payments (except as noted herein for overpayments), c) offer payment arrangements on loan amounts due, or d) allow energy assistance to be applied to loan balances. The Company will refer Customer disputes regarding such matters to the loan servicer.
 9. The Company is solely a billing agent for ETO and the loan servicer. Participating Customers shall hold Company harmless from any liability arising from or related to contractors' actions with regard to installation of energy efficiency measures resulting from this program.
 10. The Company is not responsible for any financial assurances given or guarantees as to the net financial benefit of dollars spent on energy efficiency upgrades as it relates to dollars saved on energy consumption that may be conveyed to participants in ETO-managed loan programs by the ETO, its contractors, or other parties.
 11. Recovery of the loan amount and all interest and associated expenses of administration are the sole responsibility of the loan servicer.
 12. Upon approval for an Energy-Smart Loan, the loan servicer will require the borrower be the owner of the premise receiving the applicable energy efficiency measures and will assess a \$5 membership deposit for all new Customer accounts. Such deposit will remain on the Customer's checking or savings account with the loan servicer and bear interest until such time the Customer and the loan servicer have terminated their relationship; this deposit, plus all accumulated interest, will then be returned to the Customer.
 13. Upon condition of the loan servicer, recipients of each Energy-Smart Loan are required to become a member of the Northwest Energy Coalition; any fees associated for such membership will be waived for income-qualified Energy-Smart Loan participants.
 14. The Company is not responsible for Customer questions and disputes related to the loan, or the Customer's perceived or real experience related to any portion of the loan or energy efficiency measures.

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January 1, 2022

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AVISTA CORPORATION
dba Avista Utilities

SCHEDULE 470 (Continued)

VOLUNTARY ON-BILL REPAYMENT (OBR) PROGRAM

- 15. ETO and the loan servicer must provide evidence to the Company's satisfaction of its compliance with the Federal Trade Commission's FACTA Identity Theft Prevention Program (16 C.F. R. § 681) upon request.
- 16. The provision of OBR services will not affect the Company's compliance with all Division 21, Utility Regulation, Oregon Administrative Rules (OARs).

RULES AND REGULATIONS:

Service under this schedule is subject to the General Rules and Regulations contained in the tariff of which this schedule is a part, and to those prescribed by regulatory authorities.

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Effective For Service On & After
January 1, 2022

Issued by Avista Utilities
By

Patrick Ehrbar, Director of Regulatory Affairs



AVISTA CORPORATION
dba Avista Utilities

SCHEDULE 488

PROMOTIONAL CONCESSIONS - OREGON

PURPOSE:

The purpose of this schedule is to summarize the major features of promotional concessions offered by the Company. The terms and conditions of the concessions are specified in greater detail in the descriptions of the Company's promotional programs subject to OAR 860-26-025, which are available for public review in the Company's main and district offices in Oregon, and at the Commission office in Salem.

TERRITORY:

This schedule is applicable to the entire territory in the State of Oregon served by the Company.

PROMOTIONAL CONCESSIONS:

1. Equipment Financing Program

A. APPLICABILITY

Applicable to residential dwelling units.

B. DESCRIPTION

Financing is available from the Company for the purchase and installation of new natural gas fueled equipment. Upon approval of credit, a loan will be granted requiring no down payment and no penalty for early repayment. The maximum loan term is 5 years (60 months). The interest rate fluctuates with the natural gas equipment installed. The minimum monthly payment, per loan type, is \$20. The interest rate is fixed for the term of the loan. A security agreement is required on loans over \$750. Loan fees for a credit check and for lien filings are charged at the Company's current cost. Electric air conditioners, electronic air filters and thermostats will be financed within loan limits when installed at the same time. The maximum loanable amount is \$400 for air filters and \$250 for thermostats. Bid sheets are required and must be itemized with the cost per each item.

(continued)

Advice No. 08-02-G
Issued March 31, 2008

Effective For Service On & After
April 1, 2008

AVISTA CORPORATION
dba Avista Utilities

SCHEDULE 488 (continued)

PROMOTIONAL CONCESSIONS - OREGON

C. LOAN TERMS

	INTEREST	
<u>MAXIMUM EQUIPMENT</u>	<u>RATE</u>	<u>LOAN</u>
WATER HEATERS	As may be charged by the Company	\$ 750
FORCED AIR FURNACES NEW OR REPLACEMENT WITH OR WITHOUT A/C WITH WATER HEATER	As may be charged by the Company	\$4,000 \$4,750
WALL FURNACES/SPACE HEATERS WITH WATER HEATER	As may be charged by the Company	\$1,500 \$2,250

2. Water Heater Program

A. APPLICABILITY

Applicable to residential dwelling units and commercial buildings.

B. DESCRIPTION

The Company will provide funding, toward the purchase of a gas water heater, to new or existing customers that meet all of the following criteria:

- (1) A natural gas line on the premises.
- (2) At application, use an energy source other than natural gas for heating water.
- (3) The Company will verify that a gas water heater has been installed, prior to payment of any grant.

Buildings considered "new construction" do not qualify for this program.

Pool and spa heaters do not qualify for this program.

C. EXPIRATION / REVIEW DATE

This program will be offered, as necessary, in response to competitive pressures.

(continued)

Advice No. 08-02-G
Issued March 31, 2008

Effective For Service On & After
April 1, 2008

AVISTA CORPORATION
dba Avista Utilities

SCHEDULE 488 (continued)

PROMOTIONAL CONCESSIONS - OREGON

3. Co-op Advertising

A. APPLICABILITY

Applicable to dealers who bid, sell, and install natural gas equipment and major developers who have built a minimum of 10 homes with natural gas heat and natural gas water heat during the previous two years or committed to build 5 natural gas homes in the next 12 months.

B. DESCRIPTION

The Company will contribute 50% of the cost of an advertisement featuring natural gas space and/or water heating equipment that includes the theme "THE NATURAL GAS ADVANTAGE - ASK FOR IT!" and contains the Company's logo. The Company's contribution will not exceed \$250 per month per dealer/developer. Advertising must be pre-approved by the Company.

4. Builder Advertising Credit Program

A. APPLICABILITY

Applicable to builders who install natural gas equipment in new residential construction.

B. DESCRIPTION

The Company will give builders credit for homes built incorporating natural gas space and water heating. Furnaces installed under this program must feature automatic ignition as a minimum requirement.

The credit may be used for 1) any bonafide promotion of the builder's projects which feature natural gas space and water heating, 2) a discount when a builder is purchasing merchandise from the Company, or 3) offsetting the extra expenditures that the builder experiences when installing natural gas equipment.

(continued)

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AVISTA CORPORATION
dba Avista Utilities

SCHEDULE 488 (continued)

PROMOTIONAL CONCESSIONS - OREGON

5. Unregulated Fuel Switching Program

A. APPLICABILITY

Applicable to Schools and Governmental entities and related buildings served by Avista Utilities that are classified under the following Standard Industrial Classifications (SIC) Codes:

<u>Educational Services</u>	<u>SIC Code</u>
Elementary & secondary schools	8211
Colleges & universities	8221
Junior Colleges	8222
Vocational schools	8249
<u>Executive, Legislative & General</u>	
Executive Offices	9111
Legislative bodies	9121
Executive and legislative combined	9131
General government	9199
<u>Justice, Public Order & Safety</u>	
Courts	9211
Police protection	9221
Legal Counsel & Prosecution	9222
Correctional institutions	9223
Fire protection	9224
Public Order and Safety	9229
<u>Other</u>	
US Postal Service	4311

(continued)

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AVISTA CORPORATION
dba Avista Utilities

SCHEDULE 488 (continued)

PROMOTIONAL CONCESSIONS - OREGON

B. DESCRIPTION

The Company will assist our customers, with a conversion from an unregulated fuel to natural gas, by financing (through a surcharge mechanism as described below) the installation of HVAC equipment, water heating/conditioning equipment, energy management control systems, motor vehicle fuel conversion equipment, and motor vehicle fueling equipment.

The Customer shall enter into a financing contract that will repay, to the Company, the full cost of the installed equipment (principle and interest) within a period of up to sixty months from the contract date. The contract repayment shall occur through a surcharge mechanism which calculates a surcharge for each therm of natural gas used by the customer during the period of the contract. The financing contract will have an "Annual Minimum Usage" clause that provides for repayment upon demand, if the customer uses less natural gas than estimated.

The surcharge per therm will be determined, using the following formula:

$$\text{Surcharge per Therm} = \frac{\text{Customer's Contract Payment}^*}{\text{Customer's Estimated Therm Consumption}^{**}}$$

*Customer's Contract Payment = $(P \times r \times t)$ where:

P = Cost of Customer Equipment (Vendor bid price)

r = Avista Utilities currently authorized rate of return.

t = Term of customer repayment contract with Avista Utilities.

**Estimated Therm Consumption =

Customer's current BTU usage converted to equivalent BTU's of Natural Gas.

RULES AND REGULATIONS:

Service under this schedule is subject to the General Rules and Regulations contained in the tariff of which this schedule is a part, and to those prescribed by regulatory authorities.

Advice No. 08-02-G
Issued March 31, 2008

Effective For Service On & After
April 1, 2008

DRAFT

**Important Notice for Oregon Natural Gas Customers
November-December 2021**

On November 23, 2021, Avista filed a rate change proposal with the Public Utility Commission of Oregon (PUC) asking for an overall increase of 1.7 % in natural gas rates, effective January 1, 2022. If this rate change is approved, Avista's natural gas revenues would increase by approximately \$2.0 million. This filing has no impact on Avista's earnings.

The purpose of this filing is to adjust the Schedule 469 "Public Purpose Funding Surcharge" tariff to reflect the rates required to fund Avista's 2022 energy efficiency programs. Specifically, the money collected through Schedule 469 supports the delivery of energy efficiency programs administered by the Energy Trust of Oregon (ETO), Avista's Oregon Low Income Energy Efficiency Program (AOLIEE), and other administrative costs.

The bottom line

If Avista's natural gas rate request is approved, an Avista natural gas customer using an average of 47 therms per month could expect to see a bill increase of \$1.18, or 1.8 %, for a revised monthly bill of \$66.97 beginning January 1, 2022. Several other non-residential customer groups receiving firm natural gas service from Avista would also see similar rate changes.

For more information

Due to the COVID-19 pandemic, we are unable to provide copies at our office locations as we usually do. However, copies of our filings are available at www.myavista.com/rates or you can call us at 1-800-227-9187.

This announcement is to provide you with general information about Avista's rate request and its effect on customers. The calculations and statements in this announcement are not binding on the PUC. For more information about the filing or for information about the time and place of any hearing, contact the PUC at:

Public Utility Commission of Oregon
201 High Street SE, Ste. 100
Salem, OR 97301
(800) 522-2404, www.puc.state.or.us

**Avista
 Oregon - Schedule 469**

Billed Revenue Under Present Rates \$ 121,367,903 2022 Forecasted Billed Revenue
 Proposed 2022 Public Purpose Funding \$ 5,445,461 Funding Required to get to Zero Balance
 Public Purpose Funding Percentage 4.49% Annual Public Purpose Revenue as a % of Billed Revenue

	<u>Present Billed Revenue</u>	<u>Present Annualized Funding</u>	<u>Proposed Annualized Funding</u>	<u>Change in Funding</u>	<u>Proposed Billed Revenue</u>	<u>Billing % Change</u>	<u>Funding as % of Revenue</u>	
Schedule 410 Residential	\$ 74,865,345	\$ 2,279,336	\$ 3,622,897	\$ 1,343,561	\$ 76,208,906	1.8%	4.84%	
Schedule 420 General Service	\$ 34,781,404	\$ 1,040,836	\$ 1,683,148	\$ 642,312	\$ 35,423,716	1.8%	4.84%	
Schedule 424 Lg General Service	\$ 2,740,863	\$ 72,783	\$ 132,636	\$ 59,853	\$ 2,800,716	2.2%	4.84%	
Schedule 425 Lg General Transportation Service	\$ -	\$ -	\$ -	\$ -	\$ -	n/a	n/a	(A)
Schedule 439 Interruptible Transportation Lg Gn Service	\$ -	\$ -	\$ -	\$ -	\$ -	0.0%	0.00%	(B)
Schedule 440 Interruptible	\$ 5,868,942	\$ -	\$ -	\$ -	\$ 5,868,942	0.0%	0.00%	
Schedule 444 Seasonal	\$ 140,110	\$ 3,779	\$ 6,780	\$ 3,001	\$ 143,111	2.1%	4.84%	
Schedule 456 Transportation	\$ 2,796,239	\$ -	\$ -	\$ -	\$ 2,796,239	0.0%	0.00%	
Schedule 447 Special Contracts	\$ 175,000	\$ -	\$ -	\$ -	\$ 175,000	0.0%	0.00%	
	\$121,367,903	\$ 3,396,734	\$ 5,445,461	\$ 2,048,727	\$ 123,416,630	1.7%	4.84%	

Rate Calculation

	<u>Therms</u>	<u>Funding</u>	<u>Per Therm Rate</u>	<u>Avg Bill Impact</u>	<u>% Bill Impact</u>	<u>Avg Monthly Therms</u>	
Schedule 410 Residential	53,555,827	\$ 3,622,897	\$ 0.06765	\$ 1.18	1.8%	47	
Schedule 420 General Service	28,904,085	\$ 1,683,148	\$ 0.05823	\$ 4.49	1.8%	202	
Schedule 424 Lg General Service	4,416,447	\$ 132,636	\$ 0.03003	\$ 54.32	2.2%	4,008	
Schedule 425 Lg General Transportation Service	-	\$ -	\$ 0.03003	n/a	n/a	n/a	(A)
Schedule 444 Seasonal	218,308	\$ 6,780	\$ 0.03106	\$ 90.94	2.1%	6,615	
	87,094,667	\$ 5,445,461					

(A) - Schedule 425 is a new schedules effective 1/16/2021 and there have been no customers on this schedule to date. Schedule 425 receives the same Schedule 469 adder rate as Schedule 424.
 (B) - Schedule 439 is a new schedules effective 1/16/2021 and there have been no customers on this schedule to date. This Schedule is not subject to Schedule 469.

Schedule 410 Residential

Present Bill \$ 65.79
 Proposed Bill \$ 66.97
 Bill Impact \$ 1.18
 Percentage Change 1.8%

Avista Public Purpose Budget from January 1, 2022 - December 31, 2022

Expenditure Type	2022 Budget	%
Total ETO Budget	\$ 4,943,292	81%
AOLIEE	\$ 874,023	14%
General Labor	\$ 167,652	3%
Marketing	\$ 100,000	2%
Admin/Travel	\$ 13,000	0%
Total 2022 Annual Budget	\$ 6,097,967	
Total 2022 Monthly Budget	\$ 508,164	

Avista Public Purpose Budget from January 1, 2021 - December 31, 2021

Expenditure Type	2021 Budget	%
Total ETO Budget	\$ 2,443,292	68%
AOLIEE	\$ 874,023	24%
General Labor	\$ 149,417	4%
Marketing	\$ 100,000	3%
Admin/Travel	\$ 11,000	0%
Total 2022 Annual Budget	\$ 3,577,732	
Total 2021 Monthly Budget	\$ 298,144	

	2021			2022											
	End October	End November	End December	End January	End February	End March	End April	End May	End June	End July	End August	End September	End October	End November	End December
Expected gas tariff rider revenue		\$ (399,567)	\$ (561,385)	\$ (868,876)	\$ (707,121)	\$ (594,120)	\$ (407,070)	\$ (245,928)	\$ (161,991)	\$ (123,897)	\$ (136,596)	\$ (150,441)	\$ (341,156)	\$ (643,729)	\$ (899,221)
Expected expenditures	\$ 298,144	\$ 298,144	\$ 298,144	\$ 508,164	\$ 508,164	\$ 508,164	\$ 508,164	\$ 508,164	\$ 508,164	\$ 508,164	\$ 508,164	\$ 508,164	\$ 508,164	\$ 508,164	\$ 508,164
Net change in balance		\$ (101,423)	\$ (263,241)	\$ (360,712)	\$ (198,957)	\$ (85,956)	\$ 101,094	\$ 262,235	\$ 346,173	\$ 384,267	\$ 371,568	\$ 357,723	\$ 167,008	\$ (135,565)	\$ (391,057)
Gas Tariff rider balance	\$ (453,157)	\$ (554,580)	\$ (817,821)	\$(1,178,534)	\$(1,377,490)	\$(1,463,447)	\$(1,362,353)	\$(1,100,117)	\$(753,944)	\$(369,677)	\$ 1,891	\$ 359,614	\$ 526,622	\$ 391,057	\$ 0
December 2021 Projected Balance	\$ (817,821)	Underfunded (Overfunded)													
Jan 2022- Dec 2022 Expenditure Budget	\$ 6,097,967														
Total Projected Public Purpose Balance + Expenditures	\$ 5,280,146														
Net Revenue Projected to be Recovered	\$ (5,280,146)	Jan 2022 - Dec 2022													
Total Projected Public Purpose Balance December 2022	\$ -	Underfunded (Overfunded)													

Forecasted Usage

Therms

	Nov-21	Dec-21	Total
Schedule 410	6,669,937	9,402,179	16,072,117
Schedule 420	3,325,520	4,730,651	8,056,171
Schedule 424	501,664	511,292	1,012,956
Schedule 444	11,399	2,992	14,391
Total	10,508,519	14,647,115	25,155,635

Therms

	Jan-22	Feb-22	Mar-22	Apr-22	May-22	Jun-22	Jul-22	Aug-22	Sep-22	Oct-22	Nov-22	Dec-22	Total
Schedule 410	9,027,465	7,305,197	6,088,201	4,167,462	2,429,970	1,537,218	1,098,082	1,181,138	1,334,652	3,327,556	6,689,395	9,369,492	53,555,827
Schedule 420	4,649,782	3,817,707	3,247,614	2,202,895	1,394,145	954,136	793,433	900,900	926,332	1,924,344	3,343,646	4,749,150	28,904,085
Schedule 424	482,248	425,221	391,460	320,092	263,828	239,342	221,645	264,619	255,143	446,988	542,851	563,011	4,416,447
Schedule 444	4,737	2	3	175	4,523	10,462	20,430	18,164	105,020	40,402	11,399	2,992	218,308
Total	14,164,232	11,548,128	9,727,278	6,690,624	4,092,465	2,741,157	2,133,590	2,364,821	2,621,146	5,739,290	10,587,290	14,684,645	87,094,667

**AVISTA UTILITIES
 OREGON NATURAL GAS
 CONVERSION FACTOR EXHIBIT
 UG-389**

Line		
No.	Description	Factor
1	Revenues	1.000000
2	Expenses:	
3	Uncollectibles	0.003401
4	Commission Fees	0.003500
5	Energy Resource Supplier Assessment	0.001174
6	Franchise Fees	0.022311
		<u>0.030386</u>

Calculation of Revenue Adjustment Factor
 (1 /1- 0.030386) = 1.03134

2022 Loads

	410 <u>Residential</u>	420 <u>General</u>	424 <u>Large General</u>	440 <u>Interruptible</u>	444 <u>Seasonal</u>	456 <u>Transportation</u>	447 <u>Sp. Contract</u>	<u>Total</u>
Forecast Calendar Therms								
Block 1	53,555,827	28,904,085	4,416,447	14,565,316	218,308	3,656,049		
Block 2						6,456,766		
Block 3						5,055,897	2,510,277	
Block 4						17,240,723	3,612,349	
Block 5						533,786		
Total Therms Billed	53,555,827	28,904,085	4,416,447	14,565,316	218,308	32,943,221	6,122,626	140,725,831
Weather Normalization Adj.								-
Unbilled Revenue Adj.								-
Pro Forma Therms	53,555,827	28,904,085	4,416,447	14,565,316	218,308	32,943,221	6,122,626	140,725,831
Rate per Therm (1)								
Block 1	\$ 1.17639	\$ 1.11924	\$ 0.60688	\$ 0.40054	\$ 0.64180	\$ 0.15925		
Block 2						\$ 0.09598		
Block 3						\$ 0.07895	\$ 0.02750	
Block 4						\$ 0.06187	\$ 0.02500	
Block 5						\$ 0.03156		
Pro Forma Revenue/Therm	\$ 63,002,540	\$ 32,350,608	\$ 2,680,253	\$ 5,833,992	\$ 140,110	\$ 2,684,639	\$ 159,340	\$ 106,851,482
Forecast No. of Billings	1,129,791	142,988	1,102	466	33	372	24	1,274,776
Customer Charge	\$ 10.50	\$ 17.00	\$ 55.00	\$ 75.00		\$ 300.00		
Annual Minimum Charge							\$ 15,659	
Customer Charge Revenue	\$ 11,862,806	\$ 2,430,796	\$ 60,610	\$ 34,950	\$ -	\$ 111,600	\$ 15,659	\$ 14,516,420
Pro Forma Revenue under Present Rates	\$ 74,865,345	\$ 34,781,404	\$ 2,740,863	\$ 5,868,942	\$ 140,110	\$ 2,796,239	\$ 175,000	\$ 121,367,903

(1) Billing rates effective November 1, 2021

Monthly Use Per Custom	47	202	4,008	6,615
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Forecasted Usage	Oct 21	Nov 21	Dec 21	Jan 22	Feb 22	Mar 22	Apr 22	May 22	Jun 22	Jul 22	Aug 22	Sep 22	Oct 22	Nov 22	Dec 22
Schedule 410	-	6,669,937	9,402,179	9,027,465	7,305,197	6,088,201	4,167,462	2,429,970	1,537,218	1,098,082	1,181,138	1,334,652	3,327,556	6,689,395	9,369,492
Schedule 420	-	3,325,520	4,730,651	4,649,782	3,817,707	3,247,614	2,202,895	1,394,145	954,136	793,433	900,900	926,332	1,924,344	3,343,646	4,749,150
Schedule 424	-	501,664	511,292	482,248	425,221	391,460	320,092	263,828	239,342	221,645	264,619	255,143	446,988	542,851	563,011
Schedule 444	-	11,399	2,992	4,737	2	3	175	4,523	10,462	20,430	18,164	105,020	40,402	11,399	2,992
Total Forecasted Usage	-	10,508,519	14,647,115	14,164,232	11,548,128	9,727,278	6,690,624	4,092,465	2,741,157	2,133,590	2,364,821	2,621,146	5,739,290	10,587,290	14,684,645

Schedule 469 Public Purpose Rates

Schedule 410	\$ 0.04256	\$ 0.04256	\$ 0.06765	\$ 0.06765	\$ 0.06765	\$ 0.06765	\$ 0.06765	\$ 0.06765	\$ 0.06765	\$ 0.06765	\$ 0.06765	\$ 0.06765	\$ 0.06765	\$ 0.06765	\$ 0.06765
Schedule 420	\$ 0.03601	\$ 0.03601	\$ 0.05823	\$ 0.05823	\$ 0.05823	\$ 0.05823	\$ 0.05823	\$ 0.05823	\$ 0.05823	\$ 0.05823	\$ 0.05823	\$ 0.05823	\$ 0.05823	\$ 0.05823	\$ 0.05823
Schedule 424	\$ 0.01648	\$ 0.01648	\$ 0.03003	\$ 0.03003	\$ 0.03003	\$ 0.03003	\$ 0.03003	\$ 0.03003	\$ 0.03003	\$ 0.03003	\$ 0.03003	\$ 0.03003	\$ 0.03003	\$ 0.03003	\$ 0.03003
Schedule 444	\$ 0.01731	\$ 0.01731	\$ 0.03106	\$ 0.03106	\$ 0.03106	\$ 0.03106	\$ 0.03106	\$ 0.03106	\$ 0.03106	\$ 0.03106	\$ 0.03106	\$ 0.03106	\$ 0.03106	\$ 0.03106	\$ 0.03106
Total															

Gross Schedule 469 Revenue

	Oct 21	Nov 21	Dec 21	Jan 22	Feb 22	Mar 22	Apr 22	May 22	Jun 22	Jul 22	Aug 22	Sep 22	Oct 22	Nov 22	Dec 22
Schedule 410	\$ -	\$ 283,873	\$ 400,157	\$ 610,708	\$ 494,197	\$ 411,867	\$ 281,929	\$ 164,387	\$ 103,993	\$ 74,285	\$ 79,904	\$ 90,289	\$ 225,109	\$ 452,538	\$ 633,846
Schedule 420	\$ -	\$ 119,752	\$ 170,343	\$ 270,767	\$ 222,313	\$ 189,116	\$ 128,279	\$ 81,184	\$ 55,561	\$ 46,203	\$ 52,461	\$ 53,942	\$ 112,059	\$ 194,708	\$ 276,553
Schedule 424	\$ -	\$ 8,267	\$ 8,426	\$ 14,483	\$ 12,770	\$ 11,756	\$ 9,613	\$ 7,923	\$ 7,188	\$ 6,657	\$ 7,947	\$ 7,663	\$ 13,424	\$ 16,303	\$ 16,909
Schedule 444	\$ -	\$ 197	\$ 52	\$ 147	\$ 0	\$ 0	\$ 5	\$ 140	\$ 325	\$ 635	\$ 564	\$ 3,262	\$ 1,255	\$ 354	\$ 93
Total	\$ -	\$ 412,089	\$ 578,978	\$ 896,105	\$ 729,280	\$ 612,739	\$ 419,827	\$ 253,635	\$ 167,067	\$ 127,780	\$ 140,877	\$ 155,156	\$ 351,847	\$ 663,902	\$ 927,401

Net Revenue 0.969614

	Oct 21	Nov 21	Dec 21	Jan 22	Feb 22	Mar 22	Apr 22	May 22	Jun 22	Jul 22	Aug 22	Sep 22	Oct 22	Nov 22	Dec 22
Schedule 410	\$ -	\$ 275,247	\$ 387,998	\$ 592,151	\$ 479,180	\$ 399,352	\$ 273,362	\$ 159,392	\$ 100,833	\$ 72,028	\$ 77,476	\$ 87,546	\$ 218,269	\$ 438,787	\$ 614,586
Schedule 420	\$ -	\$ 116,113	\$ 165,167	\$ 262,539	\$ 215,558	\$ 183,369	\$ 124,381	\$ 78,717	\$ 53,873	\$ 44,799	\$ 50,867	\$ 52,303	\$ 108,654	\$ 188,791	\$ 268,150
Schedule 424	\$ -	\$ 8,016	\$ 8,170	\$ 14,043	\$ 12,382	\$ 11,399	\$ 9,321	\$ 7,683	\$ 6,970	\$ 6,454	\$ 7,706	\$ 7,430	\$ 13,016	\$ 15,808	\$ 16,395
Schedule 444	\$ -	\$ 191	\$ 50	\$ 143	\$ 0	\$ 0	\$ 5	\$ 136	\$ 315	\$ 615	\$ 547	\$ 3,163	\$ 1,217	\$ 343	\$ 90
Total	\$ -	\$ 399,567	\$ 561,385	\$ 868,876	\$ 707,121	\$ 594,120	\$ 407,070	\$ 245,928	\$ 161,991	\$ 123,897	\$ 136,596	\$ 150,441	\$ 341,156	\$ 643,729	\$ 899,221

ETO Payment Schedule

<u>Month</u>	<u>Percentage</u>	<u>ETO Payment</u>
January-22	16.5%	\$ 813,445
February-22	13.4%	\$ 662,009
March-22	11.3%	\$ 556,218
April-22	7.7%	\$ 381,100
May-22	4.7%	\$ 230,239
June-22	3.1%	\$ 151,656
July-22	2.3%	\$ 115,993
August-22	2.6%	\$ 127,882
September-22	2.8%	\$ 140,844
October-22	6.5%	\$ 319,391
November-22	12.2%	\$ 602,662
December-22	<u>17.0%</u>	<u>\$ 841,854</u>
Total	100.0%	\$ 4,943,292

* Based on percentage of forecasted total Schedule 469 revenue by month