

ORDER NO. 20-361

ENTERED Oct 16 2020

**BEFORE THE PUBLIC UTILITY COMMISSION  
OF OREGON**

UG 392

In the Matter of

AVISTA CORPORATION, dba AVISTA  
UTILITIES,

Purchased Gas Cost Adjustment, Schedule  
461 and 462.

ORDER

DISPOSITION: STAFF'S RECOMMENDATION ADOPTED

At its Special Public Meeting on October 15, 2020, the Public Utility Commission of Oregon adopted Staff's recommendation in this matter. The Staff Report with the recommendation is attached as Appendix A.

BY THE COMMISSION:



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**Nolan Moser**  
Chief Administrative Law Judge



A party may request rehearing or reconsideration of this order under ORS 756.561. A request for rehearing or reconsideration must be filed with the Commission within 60 days of the date of service of this order. The request must comply with the requirements in OAR 860-001-0720. A copy of the request must also be served on each party to the proceedings as provided in OAR 860-001-0180(2). A party may appeal this order by filing a petition for review with the Circuit Court for Marion County in compliance with ORS 183.484.

**PUBLIC UTILITY COMMISSION OF OREGON  
STAFF REPORT  
PUBLIC MEETING DATE: October 15, 2020**

REGULAR  X  CONSENT \_\_\_\_\_ EFFECTIVE DATE  November 1, 2020

**DATE:** September 22, 2020

**TO:** Public Utility Commission

**FROM:** Brian Fjeldheim

**THROUGH:** Bryan Conway and John Crider **SIGNED**

**SUBJECT:** AVISTA UTILITIES:  
(Docket No. UG 392/Advice No. 20-06-G)  
Reflects changes in the cost of purchased gas and the amortization rate for the Purchased Gas Adjustment (PGA) balancing account.

**STAFF RECOMMENDATION:**

Staff recommends approval of Avista Corporation dba Avista Utilities' (Avista or Company) Advice No. 20-06-G, which updates the Company's 2020 annual Purchase Gas Adjustment (PGA) tariff sheets, for service rendered on and after November 1, 2020.

**DISCUSSION:**

Issue

Whether the Commission should approve Avista's 2020 annual PGA as reflected in its Advice No. 20-06-G.

Applicable Rule or Law

ORS 757.205 requires public utilities to file all rates, rules, and charges with the Commission. ORS 757.210 provides that the Commission may approve tariff changes if they are fair, just, and reasonable. Filings that make any change in rates, tolls, charges, rules, or regulations must be filed with the Commission at least 30 days before the effective date of the changes.

ORS 757.259(5) states that unless subject to an automatic adjustment clause, amounts deferred under ORS 757.259 shall be allowed in rates only to the extent authorized by the Commission in a proceeding under ORS 757.210 to change rates and upon review

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of the utility's earnings at the time of application to amortize the deferral. The Commission may require that amortization of deferred amounts be subject to refund. The Commission's final determination on the amount of deferrals allowable in the rates of the utility is subject to a finding by the Commission that the amount was prudently incurred by the utility.

ORS 757.259(6) states that the overall average rate impact of the amortizations authorized under this section in any one year may not exceed three percent of the utility's gross revenues for the preceding calendar year. ORS 757.259(7) allows the Commission to consider an overall average rate impact greater than that specified in subsection (6) for natural gas commodity and pipeline transportation costs incurred by a natural gas utility, if the Commission finds that allowing a higher amortization rate is reasonable under the circumstances.

OAR 860-022-0025 requires that revised tariff filings include statements showing the change in rates, the number of customers affected and resulting change in annual revenue, and the reasons for the tariff revision.

OAR 860-022-0030 requires that tariff filings which result in increased rates include statements showing the number of customers affected, the annual revenue under existing schedules, the annual revenue under proposed schedules, the average monthly bills under existing and proposed schedules, and the reasons supporting the proposed tariff.

The PGA mechanism was originally established by Order No. 89-1046 to minimize the frequency of gas cost-related rate changes and the fluctuation of rate levels pursuant to ORS 757.259(2)(e). Since the mechanism's creation in 1989, the Commission has issued a series of orders concerning PGA filings through open-docket UM 1286.<sup>1</sup> Order No. 18-144 is the most recent of these orders, and revises the Commission's procedures and requirements of the Natural Gas Portfolio Development Guidelines in Docket No. UM 1286 by adding language concerning review and approval of long term hedging instruments in a local distribution company's (LDC) natural gas portfolio. No changes were made to the PGA Filing Guidelines previously established in Order No. 14-238.

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<sup>1</sup> PGA Guidelines were acknowledged by the Commission in Docket No. UM 1286, Order No. 09-248, on June 23, 2009. The Guidelines in Docket No. UM 1286 have been modified four different times since they were first acknowledged by the Commission, in Order No. 10-197, in Order No. 11-196, in Order No. 14-238, and in Order No. 18-144.

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### Analysis

On July 31, 2020, Avista submitted Advice 20-06-G, which constitutes its annual PGA filing (Initial 2020 PGA Filing). On September 14, 2020, Avista supplemented its initial filing (Supplemental 2020 PGA Filing), which updated its commodity costs to reflect index purchases based on 60-day basin-weighted average prices as of August 31, 2020. In aggregate, the filings are commonly referred to as the 2020 PGA Filing. The 2020 PGA Filing is comprised of two parts: a forward-looking part (Projected Purchased Gas Cost for the 2020-2021 Gas Year) and a backward-looking part (True-Up of the 2019-2020 Gas Year).

The Projected Purchased Gas Cost for the 2020-2021 Gas Year projects the costs of natural gas for the upcoming gas year (i.e., November 1, 2020 to October 31, 2021)<sup>2</sup> and results in the new rates set forth in Schedule 461.<sup>3</sup> The True-Up of the 2019-2020 Gas Year trues up the costs of natural gas in the previous gas year (November 1, 2019 to October 31, 2020) by comparing the amount collected from customers in that year with the actual costs incurred by the Company in the same year.<sup>4</sup> Any over- or under-collection from customers in the 2019-2020 Gas Year, together with any over- or under-collection from previous years,<sup>5</sup> is either given back (in the case of over-collection) or surcharged (in the case of under-collection) to customers in the upcoming gas year. The True-Up of the 2019-2020 Gas Year results in the new rates set forth in Schedule 462.<sup>6</sup>

#### *Projected Purchased Gas Cost for the 2020-2021 Gas Year (Rate Schedule 461)*

The Projected Purchased Gas Cost for the 2020-2021 Gas Year comprises two rate components: 1) the commodity component rate and 2) the capacity or demand component rate. The rates for these components are represented in Table 1 on a dollar per therm basis.

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<sup>2</sup> The 2020-2021 Gas Year begins on November 1, 2020, and ends on October 31, 2021.

<sup>3</sup> Schedule 461 is titled "Purchased Gas Cost Adjustment Provision - Oregon."

<sup>4</sup> The 2019-2020 Gas Year began November 1, 2019, and concludes October 31, 2020. However, per page 10 of Appendix A to Order No. 14-238 in Docket No. UM 1286 (See: <https://apps.puc.state.or.us/orders/2014ords/14-238.pdf>), all deferrals to be amortized into rates will be based on June deferral balances plus interest for July-October, and the deferrals that occur after June will be carried forward to the next PGA period.

<sup>5</sup> Any over-collection or under-collection from previous years is due to the fact that actual volumetric sales of natural gas will always be different from forecasted volumetric sales. Since amortizations are intended to be recovered in volumetric forecasted sales, a remaining balance will always be present.

<sup>6</sup> Schedule 462 is titled "Gas Cost Rate Adjustment - Oregon."

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**Table 1: Projected Purchased Gas Cost for 2020-2021**  
 (in \$/Therm or as noted otherwise)

| Item                  |                  | Current Rate<br>2019-20 Gas Year <sup>7</sup> | Proposed Rate<br>2020-21 Gas Year <sup>8</sup> | Change         |
|-----------------------|------------------|---|--|----------------|
| Commodity             | (A)              | 0.16806                                       | 0.20655  | 0.03849        |
| Demand                | (B)              | 0.16237                                       | 0.15787  | -0.00450       |
| <b>Total Gas Cost</b> | <b>(C = A+B)</b> | <b>0.33043</b>                                | <b>0.36442</b>                                 | <b>0.03399</b> |

The commodity component of the weighted average cost of gas proposed for 2020-2021 is increasing by \$0.03849 per therm, an increase of 22.9 percent from the previous PGA gas year. The change in price results from reduced domestic natural gas production in 2020 and forecasted into 2021 due to the economic impacts of COVID-19, increased natural gas consumption during the summer of 2020 by the electric power generation sector, and forecasted increases in demand for international liquefied natural gas (LNG) exports heading into winter, as shown in Table 1.<sup>9</sup> The proposed demand component reflects a decrease of approximately \$0.00450 per therm, a decline of 2.8 percent from the prior PGA.<sup>10,11</sup> This decrease is largely due to reduction in rates charged by TC Energy – NOVA after resolving a multi-year revenue requirement negotiation settlement.<sup>12</sup>

#### *Filing and Portfolio Guidelines*

Avista's 2020 PGA Filing meets the PGA Filing Guidelines and the Natural Gas Portfolio Guidelines. Avista has demonstrated its adherence to these Guidelines with regard to natural gas supplies and financial hedges.<sup>13</sup> Staff's conclusions are supported by the

<sup>7</sup> See the Supplemental Thirteenth Revision Sheet 461A (7&8) issued on September 11, 2019, "Rate" section approved by the Public Utility Commission of Oregon in Order No. 19-376 of Docket No. UG 368.

<sup>8</sup> See the proposed Supplemental Fourteenth Revision Sheet 461A (7&8), in the Company's 2020 PGA September Gas Update filed September 14, 2020, for Docket No. UG 392/Advice No. 20-06-G.

<sup>9</sup> Per the EIA "Short-Term Energy Outlook" released September 9, 2020, accessed here: <https://www.eia.gov/outlooks/steo/marketreview/natgas.php>.

<sup>10</sup> Demand costs reflect the cost of pipeline transportation to the Company's system, as well as fixed costs associated with natural gas storage.

<sup>11</sup> This rate does not apply to Schedule 440 Interruptible Customers. This rate schedule applies to commercial and industrial customers who are subject to interruptions in capacity and supply. Avista does not secure firm interstate pipeline capacity for these customers. In turn, these customers do not pay transportation or demand charges.

<sup>12</sup> See Avista's proposed Schedule 461A tariff sheet, filed September 14, 2020, as part of Docket No. UG 392.

<sup>13</sup> Accepted "best practices" for the purchase of natural gas supply by local distribution companies (LDCs) is portfolio construction that balances the objectives of reliability, cost, and price volatility using the tools of diversity, flexibility, and balance. The Portfolio Guidelines implement these "best practices" for Oregon LDCs. The Portfolio Guidelines require gas utilities to include certain information related to their gas supply portfolio with their annual PGA filing. This information allows the Commission to determine the prudence of the utility's costs. Staff's analysis of and conclusions regarding Avista's natural gas supply



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Company's comprehensive work papers and by review and discussion as part of the quarterly PGA update meetings.

Staff reviewed Avista's forecasted commodity and demand costs to determine whether the Company complied with the Commission's Natural Gas Portfolio Development Guidelines (Portfolio Guidelines). Accepted "best practices" for the purchase of natural gas supply by a local distribution company (LDC) result in a portfolio that balances the objectives of reliability, cost control, and managing price volatility using diversity, flexibility, and balance in a LDC's gas portfolio. The Portfolio Guidelines implement these "best practices" for Oregon LDCs. The Portfolio Guidelines also require each gas utility to include certain information related to its gas supply portfolio with its annual PGA filing. This information assists the Commission in determining the prudence of the LDC's costs.

Avista's portfolio preparation and planning process meets the standards in Section III of the Portfolio Guidelines related to portfolio planning, as do Avista's physical gas contracts and financial transactions related to natural gas pricing. Avista has also demonstrated its adherence to the Portfolio Guidelines with regard to natural gas supplies and financial hedges. In addition, Avista has provided all the information called for in Section IV (Information and Workpapers), and Section V (Supporting Data and Analysis) of the Portfolio Guidelines.

*True-Up of the 2019-2020 Gas Year (Schedule 462)*

**Table 2: True-Up of the 2019-2020 Gas Year** <sup>14</sup>  
 (in \$/Therm or as noted otherwise)

| Item                                 |                | Current Rate <sup>15</sup> | Proposed Rate <sup>16</sup> | Change          |
|--------------------------------------|----------------|----------------------------|-----------------------------|-----------------|
| Commodity Amortization <sup>17</sup> | (D)            | -0.01004                   | -0.02026                    | -0.01022        |
| Demand Amortization <sup>18</sup>    | (E)            | 0.00009                    | 0.00477                     | 0.00468         |
| <b>Total Amortization</b>            | <b>(F=D+E)</b> | <b>-0.00995</b>            | <b>-0.01549</b>             | <b>-0.00554</b> |

portfolio and related purchasing strategies and actions are based on the Portfolio Guidelines in Docket No. UM 1286.

<sup>14</sup> Positive numbers represent surcharges; negative numbers or numbers in parentheses represent refunds.

<sup>15</sup> Supplemental Tenth Revision Sheet 462 issued on July 31, 2019, "Rate" section, approved by the Public Utility Commission of Oregon in Order No. 19-376 of Docket No. UG 368.

<sup>16</sup> Supplemental Eleventh Revision Sheet 462 attached to Avista's 2020 PGA Filing.

<sup>17</sup> These figures are for Weighted Average Cost of Gas (WACOG) Deferral only.

<sup>18</sup> These figures are for Firm Demand Deferral only.

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Amortization of residual gas costs from the current and previous PGA periods results in a ratepayer rebate of approximately \$1.89 million, due to approximately \$3.36 million<sup>19</sup> of over-collections in the period from November 2019 to June 2020 and approximately \$1.47 million of under-collections from prior years.<sup>20</sup> This rebate reduces the gas commodity price by \$0.01022 per therm, after accounting for the commodity cost variance sharing between the Company and customers as required by Order No. 08-504 in Docket No. UM 1286.<sup>21</sup> For the reasons mentioned previously in this memo, especially reduced economic activity and curtailed oil and gas production associated with the effects of the COVID-19 pandemic, actual wholesale natural gas prices were somewhat lower than the price point approved in the Company's 2019 PGA.

As for the Demand Amortization portion, there is currently a surcharge of \$0.00009 per therm to customers (except Rate Schedule 440).<sup>22</sup> The Company proposes to increase the surcharge to \$0.00477 per therm. This new rate would collect approximately \$398 thousand in total, and is comprised of approximately \$239 thousand<sup>23</sup> of under-collection in the November 2019 to June 2020 period and under-collection of \$158 thousand<sup>24</sup> from previous years.

### *Three Percent Test*

Pursuant to ORS 757.259(6), ORS 757.259(7), and OAR 860-027-0300, the annual average rate impact of the amortizations authorized under the statutes may not exceed three percent of the natural gas utility's gross revenues for the preceding calendar year unless the Commission finds that allowing a higher amortization rate is reasonable under the circumstances. As shown on Attachment C of this public meeting memo, the resulting annual average rate impact from the proposed PGA amortization and four other filings<sup>25</sup> is a 3.3 percent decrease in rates when compared to the Company's 2019

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<sup>19</sup> See page 28 of 28 in Avista's workpapers filed with its Supplemental 2020 PGA Filing (i.e., row "61", Column "L").

<sup>20</sup> See page 28 of 28 in Avista's workpapers filed with its Supplemental 2020 PGA Filing (i.e., row "60" Column "L").

<sup>21</sup> For the 2019-2020 Gas Year, the Company elected a 90/10 variance sharing on May 30, 2019.

<sup>22</sup> Schedule 440 refers to Interruptible Service Customer. This rate schedule is applicable to commercial and industrial customers who are subject to interruptions in capacity and supply. By choosing to be interruptible, the Company does not secure firm interstate pipeline capacity for these customers. As a result, customers served on this rate schedule do not pay transportation or demand charges.

<sup>23</sup> See page 28 of 28 in Avista's work papers filed with its Supplemental 2020 PGA Filing (i.e., row "65" Column "L").

<sup>24</sup> See page 28 of 28 in Avista's work papers filed with its Supplemental 2020 PGA Filing (i.e., row "64" Column "L").

<sup>25</sup> Schedule 476, Intervenor Funding, Docket No. UG 391/Advice No. 20-05-G; and Schedule 478, DSM, Docket No. UG 394/Advice No. 20-08-G; and Schedule 475, Decoupling Mechanism, Docket No. UG 393/Advice No. 20-07-G; and Schedule 482, Regulatory Fee Amortization, Docket No. UG 395/Advice No. 20-09-G.

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total gross revenues and falls within statutory requirements. The percentage changes in Table 3 below reflect the change in revenues related to the gas commodity portion of the Company's gross revenues for the 2020-21 gas year based on projected customer usage and differs from the three percent calculation.<sup>26</sup>

**Table 3: Overall Revenue and Rate Impact**  
 (in \$ or as noted otherwise)

| Customer Schedule | Description         | Total PGA and Temporary Revenues at Current Rates <sup>28</sup> | Proposed Revenue Increase / (Decrease) <sup>29</sup> | Change (%) <sup>30</sup> |
|-------------------|---------------------|---|--|--------------------------|
| 410               | Residential         | 18,023,144  | (207,275)  | -1.2%                    |
| 420               | General             | 9,048,660   | (154,500)  | -1.7%                    |
| 424               | Large General       | 1,292,624   | (21,445)   | -1.7%                    |
| 440               | Interruptible       | 1,801,647   | (65,346)   | -3.6%                    |
| 444               | Seasonal            | 64,250  | (1,067)  | -1.7%                    |
| 456               | Int. Transportation | (85,913)  | (11,782)   | -13.7%                   |
| <b>Overall</b>    |                     | <b>30,144,412</b>   | <b>(461,415)</b>                                     | <b>-1.5%</b>             |

### Conclusion

Avista's 2020 PGA Filing reflects a revenue increase of \$2.7 million,<sup>27</sup> or approximately 2.8 percent<sup>28</sup> effective November 1, 2020, due to gas costs (Purchased Gas Cost Adjustment Provision; Schedule 461) and amortization of previous deferrals (Gas Cost Rate Adjustment; Schedule 462). Combining the impact of this filing with the four other regulatory filings filed on and after July 31, 2020, results in a revenue decrease of \$461 thousand,<sup>29</sup> a 1.5 percent decrease,<sup>30</sup> as represented in Table 3.

<sup>26</sup> The amounts shown in Table 3 exclude base rates.

<sup>27</sup> \$2.7 million is the difference *between* the revenues at proposed rates *and* the revenues at current rates only for gas revenues (Purchased Gas Cost Adjustment Provision; Schedule 461) and amortizations (Gas Cost Rate Adjustment; Schedule 462). See Attachment B of this public meeting memo.

<sup>28</sup> See Attachment A of the Company's Supplemental 2020 PGA Filing, row "Total," column "Gas Cost & Adjustment Schedule Revenue at Current."

<sup>29</sup> See Attachment A of the Company's Supplemental 2020 PGA Filing, row "Total," column "Total Incremental Change in revenue."

<sup>30</sup> See page 20 of 28 in Avista's work papers filed with its Supplemental 2020 PGA Filing (i.e., row "Total Annual Revenues." Column "Proposed Annual Change."



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With these changes, effective November 1, 2020, the monthly bill of a residential customer using an average of 47 therms per month will decrease by \$0.19, or negative 0.3 percent, from \$56.40 to \$56.21.<sup>31</sup>

**PROPOSED COMMISSION MOTION:**

Approve Avista's Advice No. 20-06-G, which updates the Company's 2020 annual PGA tariff sheets, for service rendered on and after November 1, 2020.

Avista Docket No. UG 392/Advice No. 20-06-G 2020 PGA

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<sup>31</sup> See Attachment D of this public meeting memo.

| Avista Corporation                                   |   |  |  |  |  |
|--|---|--|--|--|--|
| 2020 PGA   |   |  |  |  |  |
| Incremental Revenue Change by Customer Rate Schedule |   |  |  |  |  |
| Attachment A   |   |  |  |  |  |
| Adjustment Schedule No. & Description                |   | Gas Cost & Adjustment<br>Schedule Revenue at<br>Current <sup>1</sup> | Gas Cost & Adjustment<br>Revenue at Proposed | Total Incremental Change in<br>Revenue | % Contribution to<br>Total Incremental<br>Change |
| 410  | Residential                                       | \$ 18,023,144  | \$ 17,815,869                                | \$ (207,275)                           | 44.92%   |
| 420  | Small Commercial & Industrial                     | \$ 9,048,660   | \$ 8,894,160                                 | \$ (154,500)                           | 33.48%   |
| 424  | Large Commercial & Industrial                     | \$ 1,292,624   | \$ 1,271,179                                 | \$ (21,445)                            | 4.65%  |
| 440  | Interruptible for Large Commercial and Industrial | \$ 1,801,647   | \$ 1,736,301                                 | \$ (65,346)                            | 14.16%   |
| 444  | Seasonal  | \$ 64,250  | \$ 63,183                                    | \$ (1,067)                             | 0.23%  |
| 456  | Transportation                                    | \$ (85,913)  | \$ (97,695)                                  | \$ (11,782)                            | 2.55%  |
| Total  |   | \$ 30,144,412  | \$ 29,682,997                                | \$ (461,415)                           | 100.00%  |
| <b>Note:</b>   |   |  |  |  |  |

<sup>1</sup> Revenue at "Current" does not reflect current revenues, but rather what the revenues would be if existing rates continued to be in effect during the upcoming year (i.e. current rates times forecasted therms). There will be small differences with the Advice filings.

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| Avista Corporation   |                                |  |  |                                     |  |  |
|--|--------------------------------|--|--|-------------------------------------|--|--|
| 2020 PGA   |                                |  |  |                                     |  |  |
| Incremental Revenue Change by Adjustment Schedule  |                                |  |  |                                     |  |  |
| Attachment B   |                                |  |  |                                     |  |  |
| Customer Rate Schedule   | Description                    | Gas Cost & Adjustment Schedule Total Revenue at Current <sup>1</sup> | Gas Cost & Adjustment Schedule Total Revenue at Proposed | Total Incremental Change in Revenue | Incremental Percentage Change by Rate Schedule | Percent Contribution to Total Incremental Change |
| 461  | Purchase Gas Adjustment        | \$ 29,883,696  | \$ 33,208,708  | \$ 3,325,012                        | 11.1%  | -720.61%   |
| 462  | Purchase Gas Cost Amortization | \$ (958,811)   | \$ (1,547,470)   | \$ (588,659)                        | -61.4%   | 127.58%  |
| 469  | Public Purposes                | \$ 3,298,496   | \$ 3,298,496   | \$ -                                | 0.0%   | 0.00%  |
| 474  | Temporary Federal Tax Reform   | \$ (3,824,152)   | \$ (3,824,152)   | \$ -                                | 0.0%   | 0.00%  |
| 475  | Decoupling                     | \$ 1,387,105   | \$ (1,837,999)   | \$ (3,225,104)                      | -232.5%  | 698.96%  |
| 476  | Intervenor Funding             | \$ 124,375   | \$ 125,221   | \$ 846                              | 0.7%   | -0.18%   |
| 477  | Residual Deferral Account      | \$ -   | \$ -   | \$ -                                | 0.0%   | 0.00%  |
| 478  | Demand Side Management         | \$ -   | \$ (48,963)  | \$ (48,963)                         | -100.0%  | 10.61%   |
| 489  | Regulatory Fees                | \$ -   | \$ 75,453  | \$ 75,453                           | 100.0%   | -16.35%  |
| 493  | LIRAP                          | \$ 233,703   | \$ 233,703   | \$ -                                | 0.0%   | 0.00%  |
| 495  | Capital Projects               | \$ -   | \$ -   | \$ -                                | 0.0%   | 0.00%  |
|  |                                | \$ 30,144,412  | \$ 29,682,997  | \$ (461,415)                        |  | 100.0%   |
| <b>Notes:</b>  |                                |  |  |                                     |  |  |
| <sup>1</sup> Revenue at "Current" does not reflect current revenues, but rather what the revenues would be if existing rates continued to be in effect during the upcoming year (i.e. current rates times forecasted therms). There will be small differences with the Advice filings. |                                |  |  |                                     |  |  |

| Avista Corporation  |    |                  |               |                |
|---|----|------------------|---------------|----------------|
| 2020 PGA  |    |                  |               |                |
| Three Percent Test  |    |                  |               |                |
| Attachment C  |    |                  |               |                |
|   |    |                  |               |                |
| <i>(includes revenue conversion)</i>  |    |                  |               |                |
|   |    | <b>Surcharge</b> | <b>Rebate</b> |                |
| <b>Prior Period Gas Cost Deferral True-Up</b>   |    |                  | \$ 1,548,086  | 1.0696%        |
| <b><u>Non-Gas Cost Amortization</u></b>   |    |                  |               |                |
| Intervenor Funding (Advice No. 20-05-G)   | \$ | 124,838          |               | 0.0863%        |
| Decoupling (Advice No. 20-06-G)   |    |                  | \$ 3,252,655  | 2.2473%        |
| DSM Amortization (Advice No 20-08-G)  |    |                  | \$ 48,962     | 0.0338%        |
| Regulatory Fees (Advice No 20-09-G)   | \$ | 75,454           |               | 0.0521%        |
|   |    |                  |               |                |
| Total   | \$ | 200,292          | \$ 4,849,703  | 0.1384%        |
| <b>Total Proposed Amortization</b>  |    |                  |               |                |
| (Surcharge Less Credits)  |    |                  |               | \$ (4,649,411) |
| Less intervenor Funding <sup>1</sup>  |    |                  |               | \$ (124,838)   |
| <b>Net Proposed Amortization</b>  |    |                  |               |                |
| (subject to the 3% test)  |    |                  |               | \$ (4,774,249) |
| <b>Utility Gross Revenue 2019<sup>2</sup></b>   |    |                  |               | \$ 144,734,103 |
| <b>3% of Utility Gross Revenue</b>  |    |                  |               | \$ 4,342,023   |
| Allowed Amortization  |    |                  |               | \$ (4,774,249) |
| <b>Allowed Amortization as % of Gross Revenues</b>  |    |                  |               | 0.0000%        |
|   |    |                  |               |                |
| <sup>1</sup> Intervenor Funding is excluded from the result of the 3% test pursuant to ORS 757.259(4).  |    |                  |               |                |
| <sup>2</sup> Total Gas Revenues as shown in YE 2019 Results of Operations.  |    |                  |               |                |
| Per 757.259 (6) "Except as provided in subsections (7), (8), and (10,) of this section, the overall average rate impact of the <u>amortizations authorized</u> under this section in any one year may not exceed three percent of the utility's gross revenues for the proceeding calendar year." |    |                  |               |                |

**Attachment D**

**Comparison of Proposed Rate and Bill Increases for Oregon Local Distribution Companies by Class of Service (November 2020 PGA)**

Source: Tab - Input Tariff

Note: Inclusive of all Filings

| Class of Service     | Rate Schedule | RATE IMPACTS           |                         |                       |                         | Average January Therms | Customer Charge | Current January Bill | Proposed January Bill | Change January Bill | % |
|----------------------|---------------|------------------------|-------------------------|-----------------------|-------------------------|------------------------|-----------------|----------------------|-----------------------|---------------------|---|
|                      |               | Current Rate per Therm | Proposed Rate per Therm | Change Rate per Therm | %-Change Rate per Therm |                        |                 |                      |                       |                     |   |
| <b>Residential</b>   |               |                        |                         |                       |                         |                        |                 |                      |                       |                     |   |
| Avista               | 410           | \$0.98724              | \$0.98324               | -0.00400              | -0.4%                   | 92                     | \$10.00         | \$100.83             | \$100.46              | -\$0.37             |   |
| Cascade              | 101           |                        |                         |                       |                         |                        |                 |                      |                       |                     |   |
| NW Natural           | 2             |                        |                         |                       |                         |                        |                 |                      |                       |                     |   |
| <b>Commercial</b>    |               |                        |                         |                       |                         |                        |                 |                      |                       |                     |   |
| Avista               | 420           | \$0.90184              | \$0.89641               | -0.00543              | -0.6%                   | 378                    | \$17.00         | \$357.90             | \$355.84              | -\$2.06             |   |
| Cascade              | 104           |                        |                         |                       |                         |                        |                 |                      |                       |                     |   |
| NW Natural           | 3             |                        |                         |                       |                         |                        |                 |                      |                       |                     |   |
| <b>Industrial</b>    |               |                        |                         |                       |                         |                        |                 |                      |                       |                     |   |
| Avista               | 424           | \$0.46618              | \$0.46075               | -0.00543              | -1.2%                   | 5,249                  | \$50.00         | \$2,496.98           | \$2,468.48            | -\$28.50            |   |
| Cascade              | 105           |                        |                         |                       |                         |                        |                 |                      |                       |                     |   |
| NW Natural           | 31ISF         |                        |                         |                       |                         |                        |                 |                      |                       |                     |   |
| <b>Interruptible</b> |               |                        |                         |                       |                         |                        |                 |                      |                       |                     |   |
| Avista               | 440           | \$0.26871              | \$0.26319               | -0.00552              | -2.1%                   |                        |                 |                      |                       |                     |   |
| Cascade              | 170           |                        |                         |                       |                         |                        |                 |                      |                       |                     |   |
| NW Natural           | 32ISI         |                        |                         |                       |                         |                        |                 |                      |                       |                     |   |
|                      |               |                        |                         |                       |                         | Staff calculated       |                 |                      |                       |                     |   |