

ORDER NO. 25-485

ENTERED Dec 09 2025

**BEFORE THE PUBLIC UTILITY COMMISSION  
OF OREGON**

UM 1978(7)

In the Matter of

AVISTA CORPORATION, dba AVISTA  
UTILITIES,

Application for Reauthorization to Defer  
Low-Income Rate Assistance Program  
Expenses Collected Through Rate  
Schedule 493.

ORDER

**DISPOSITION: STAFF'S RECOMMENDATION ADOPTED**

At its public meeting on December 9, 2025, 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:



**Alison Lackey**  
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.

ITEM NO. CA7

**PUBLIC UTILITY COMMISSION OF OREGON  
STAFF REPORT  
PUBLIC MEETING DATE: December 9, 2025**

**REGULAR** \_\_\_\_\_ **CONSENT**   X   **EFFECTIVE DATE** \_\_\_\_\_ **N/A**

**DATE:** November 25, 2025

**TO:** Public Utility Commission

**FROM:** Kathy Zarate

**THROUGH:** Scott Gibbens and Michelle Scala **SIGNED**

**SUBJECT:** AVISTA:  
(Docket No. UM 1978(7))  
Application for reauthorization to defer accounting for its Low-Income Rate Assistance Program.

**STAFF RECOMMENDATION:**

Staff recommends the Public Utility Commission of Oregon (Commission) approve Avista Corporation dba Avista Utilities' (Avista, AVA, or Company) request to reauthorize the deferral of costs associated with its Low-Income Rate Assistance Program (LIRAP) for the 12-month period beginning January 1, 2026.

**DISCUSSION:**

Issue

Whether the Commission should approve the Company's request for reauthorization to defer costs associated with its LIRAP Program.

Applicable Law

Under ORS 757.259(2)(e), the Commission may authorize a utility to defer identifiable utility expenses or revenues, the recovery or refund of which the Commission finds should be deferred in order to minimize the frequency of rate changes or the fluctuation of rate levels or to match appropriately the costs borne by and benefits received by ratepayers.

In OAR 860-027-0300(3) the Commission has set forth the requirements for

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the contents of deferred accounting applications. OAR 860-027-0300(4) further states that applications for deferral reauthorization must be made not more than 60 days prior to the expiration of the prior deferral. Notice of the application must be provided pursuant to OAR 860-027-0300(6). A deferral may be authorized under ORS 757.259(2) for a period not to exceed 12 months beginning on or after the date of application.

### Analysis

#### *Background*

As a result of the January 1, 2022, implementation of Oregon's Energy Affordability Act (House Bill 2475, or HB 2475) and the Commission's subsequent investigation into this legislation, Avista filed for approval to defer all costs associated with offering differential rates to qualifying customers.

"Residential Low-Income Rate Assistance Program (LIRAP)- Oregon," the Company collects funds necessary to administer and deliver low-income programs to its customers. The purpose of LIRAP is to reduce the energy cost burden among those customers least able to pay energy bills, and the revenue collected is disbursed to qualifying customers by the Company as well as by the four Community Action Agencies (CMs or Agencies) within the Company's Oregon service territory.

Over a 12-month period, the Company records the funds collected through Schedule 493, netted with the costs of LIRAP, in a balancing account; and any unspent funds or uncollected costs are held over to the following year, with any adjustments needed requested in July of each year along with the Company's Purchased Gas Adjustment (PGA) filings.

Deferral of the revenues related to the Company's natural gas Low-Income Rate Assistance Program was previously authorized by the Commission on March 27, 2025, through Order No. 25-123 of Docket No. UM 1978.

#### *Proposed Accounting*

The company keeps record the funds collected through Schedule 493 and the costs of managing LIRAP in FERC Account No. 242.7 (Low Income Energy Assistance) as a show in the table1 below.

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Transactions to Record LIRAP Revenues and Costs			
<u>FERC</u>	<u>Account Description</u>	<u>DR</u>	<u>CR</u>
142.1	Customer Accounts Receivable	\$XXX	
48X.X	Revenue from Customers		\$XXX
	To record revenue collected from Schedule 493.		
908.6	Customer Service & Information Expense	\$XXX	
242.7	Low Income Energy Assistance		\$XXX
	To transfer funds collected from Schedule 493 to balancing account.		
242.7	Low Income Energy Assistance	\$XXX	
232.1	Accounts Payable		\$XXX
	To record LIRAP costs.		

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### *Reasons for Deferral*

The Company requests this deferral pursuant to ORS 757.259(2)(e): identifiable utility expenses or revenues, the recovery or refund of which the commission finds should be deferred in order to minimize the frequency of rate changes or the fluctuation of rate levels or to match appropriately the costs borne by and benefits received by ratepayers.”

### *Description of Expenses*

The company describes administration and program delivery such as Admin and Program Fees Carry Over from Prior Year, Admin & Program delivery Funds paid to Agencies, Net Funds Available for Admin and Program Fees, Admin and Program Delivery Funds Spent by Agencies, Unspent Admin and Program Support, and Unspent in Comparison to Available Funds

### *Estimate of Amounts*

For 2026, the company did not provide an estimate of the expected deferral balance. The company requests that the Commission reauthorize the company to defer the unspent funds or uncollected costs of its low-income program for the 12-month period.

<sup>1</sup> See, LIRAP activities and the balancing account according with Schedule 493 in FERC Account No. 242.7 (low Income Energy Assistance), in accordance with Order No. 24-270 in Docket no. UG 499 and alignment with the previous reauthorization in this Docket (UM 1978).

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In addition, any unspent funds or uncollected costs are held over to the following year, with any adjustments needed requested in July of each year along with the Company's Purchased Gas Adjustment (PGA) filings.

*Description for the current deferral*

On December 31, 2024, the carryover balance was \$1,417,764, as is shown in table 2 below.

Avista's LIRAP Summary	
Transactions Recorded in Balancing Account (FERC Account No. 242.7)	
For December 31, 2022 through December 31, 2024	
Balance at December 31, 2022	\$ (80,626)
2023 Tariff Collections	(184,945)
2023 LIRAP Costs	135,935
2023 Interest	(10,896)
Balance at December 31, 2023	\$ (140,532)
2024 Tariff Collections	(1,532,256)
2024 LIRAP Costs	220,137
2024 Interest	34,888
Balance at December 31, 2024	\$ (1,417,764)

*Information Related to Future Amortization*

- Earnings Review - ORS 757.259(5) requires an earnings review prior to amortization of amounts deferred under ORS 757.259(2)(e). Staff is not proposing to apply an earnings test for recovery in rates.
- Prudence Review - Prudence review is required prior to deferral amortization.
- Sharing - This deferral is not subject to a sharing mechanism.
- Rate Spread/Rate Design - The costs are allocated among all of Avista's Oregon customers on an equal cents per therm basis.
- Three Percent Test (OAR 757.259(6))- The amortization of the deferral costs will be subject to the three percent test in accordance with ORS 757.259(7) and (8), which limits aggregated deferral amortizations during a 12-month period to no more than three percent of the utility's gross revenues for the preceding year.

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Conclusion

At this time, based on Staff's review of Avista's application, Staff concludes that the proposal represents an appropriate use of deferred accounting under ORS 757 .259.

Further, the Company's application for deferred accounting meets the requirements of ORS 757.259 and OAR 860-027-0300. For these reasons, Staff recommends Avista's application be approved.

**PROPOSED COMMISSION MOTION:**

Approve Avista's application for re-authorization to defer costs associated with its LIRAP program for the 12-month period beginning January 1, 2026.