

ORDER NO. 26-119

ENTERED Apr 15 2026

**BEFORE THE PUBLIC UTILITY COMMISSION
OF OREGON**

UM 1979(7)

In the Matter of

AVISTA CORPORATION, dba AVISTA
UTILITIES,

Application for Reauthorization to Defer
Energy Efficiency Program Expenses
Collected Through Rate Schedule 469.

ORDER

DISPOSITION: STAFF'S RECOMMENDATION ADOPTED

At its public meeting on April 14, 2026, 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.

**PUBLIC UTILITY COMMISSION OF OREGON
STAFF REPORT
PUBLIC MEETING DATE: April 14, 2026**

REGULAR CONSENT EFFECTIVE DATE _____ N/A _____

DATE: April 1, 2026

TO: Public Utility Commission

FROM: Kathy Zarate

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

SUBJECT: AVISTA CORPORATION:
(Docket No. UM 1979(7))
Requests reauthorization to defer costs associated with energy efficiency programs collected through its Tariff Schedule 469.

STAFF RECOMMENDATION:

Staff recommends the Commission approve Avista Utilities' (Avista, AVA, or Company) request to authorize the deferral of costs associated with its energy efficiency programs for the 12-month period beginning January 1, 2026.

DISCUSSION:

Issue

Whether the Commission should approve Avista's request for reauthorization to defer costs associated with its energy efficiency programs collected through its Tariff Schedule 469.

Applicable Law

Avista makes this filing in accordance with ORS 757.259 and OAR 860-027-0300. ORS 757.259(2)(e) authorizes the Commission to allow a utility to defer, for later recovery in rates, expenses, or revenues, in order to minimize frequency of rate changes or to match appropriately the costs borne by and benefits received by customers. OAR 860-027-0300 sets forth several requirements for applications to defer.

Docket No. UM 1979(7)
April 1, 2026
Page 2

Analysis

Background

Deferral of the revenues and costs related to the Company's natural gas energy efficiency programs was previously authorized by the Commission on April 16, 2025, through Order No. 25-143 in Docket No. UM 1979.

Under the Company's Public Purpose Charge, Avista collects funds necessary to administer and deliver energy efficiency programs to its customers. Over the 12-month period, the Company records the funds collected through Schedule 469, netted with the costs of the energy efficiency programs, in a balancing account. Any unspent funds or uncollected costs are held over to the following year.

Description of Expenses

As funds are used for energy efficiency activities administered by the Energy Trust of Oregon and are described in Schedule 469, the Company determines annually if the Public Purpose Funding Surcharge 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.

Proposed Accounting

Avista would continue to record the funds collected through Schedule 469.

Estimate of Amounts

On December 31, 2022, the Company's collections for 2022 exceeded its costs by \$461,218. On December 31, 2023, the funds collected throughout the year were short of program costs by \$570,742, with the \$570,742 balance carrying over to be spent in the 2024 program year. Then, with tariff costs exceeding program collections in 2024 by \$2,554,914, the uncollected carryover balance for the 2024 program year, on December 31, 2024, was \$1,984,172.

Information Related to Future Amortization

- Earnings Review – An earnings review is required prior to amortization, pursuant to ORS 757.259(5). Staff recommends no earnings test (i.e., comparison to a benchmark ROE) be applied purpose of this deferral.
- Prudence Review – A prudence review is required prior to amortization and should include the verification of the accounting methodology used to determine the final amortization balance.

Docket No. UM 1979(7)
April 1, 2026
Page 3

- Sharing – Staff recommends that one hundred percent of the deferred balance be subject to utility recovery, pending a prudence review.
- Rate Spread/Design – The costs are allocated among all Avista's Oregon customers on an equal cents per therm basis.
- Three Percent Test (ORS 757.259(6)) – The three percent test measures the annual overall average effect on customer rates resulting from deferral amortizations. The three percent test limits (exceptions at ORS 757.259(7) and (8)) the aggregated deferral amortizations during a 12-month period to no more than three percent of the utility's gross revenues for the preceding year.

Conclusion

As the Company's application meets the requirements of ORS 757.259 and OAR 860-027-0300, and the reason for the deferral is valid, Staff recommends the Commission approve Avista's application.

The Company had the opportunity to review it and did not make any comment.

PROPOSED COMMISSION MOTION:

Approve Avista's application for the reauthorization deferral of costs and revenues associated with its energy efficiency programs for the 12-month period beginning January 1, 2026.

CA7 - Avista UM 1979