



Avista Corp.

1411 East Mission P.O. Box 3727
Spokane, Washington 99220-0500
Telephone 509-489-0500
Toll Free 800-727-9170

July 31, 2024

Advice No. 24-07-G/UG-500

Public Utility Commission of Oregon
201 High Street SE, Suite 100
Salem, OR 97301

Attention: Filing Center

In accordance with ORS 757.259 and OAR 860-027-0300, Avista Utilities hereby electronically submits its proposed tariff sheet, P.U.C. OR No. 5, First Revision Tariff Schedule 467 (COVID Deferred Costs) applicable to its Oregon natural gas operations along with a copy of its supporting work papers.

The amount to be returned to Oregon customers represents the residual balance of deferred costs associated with the Company's COVID deferral, net of the amount amortized through Tariff Schedule 467 to date. The Company is requesting a decrease in overall retail revenues of approximately \$205,000, or 0.2%, effective November 1, 2024.

Background Description

As discussed in the Company's Q4 2023 COVID-19 Deferred Accounting Quarterly Report in UM 2069 (RG89), on October 25, 2022 in Docket ADV 1392, the Commission approved Tariff Schedule 467 "COVID Deferred Costs" effective November 1, 2022 through October 31, 2023, to recover funds related to the deferred costs associated with the Company's COVID deferral as of December 31, 2021. The Company amortized \$777,837 through Schedule 467 compared to the deferral balance of \$579,277. As a result, the remaining net balance owed to customers totals \$198,560.

Rate Class Allocation

In Docket ADV 1392, the rate spread approved by the Commission spread the revenue change solely to the residential schedule 410 to ensure no one rate class received a revenue decrease. Given the residual deferral balance was collected from residential 410, the Company is proposing the revenue change again be assigned solely to residential schedules 410 and 411.

For purposes of rate design the Company is proposing to rebate the proposed revenue allocation on a uniform cent per therm basis by rate schedule. 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 410/411	95,294
Schedule 420	11,981
Schedule 424/425	98
Schedule 439/440	47
Schedule 444	2
Schedule 456	31

<u>Rate Schedule</u>	<u>Present Revenue</u>	<u>Change</u>	<u>Proposed Revenue</u>	<u>% Change</u>
Schedule 410/411	\$ 80,481,434	\$ (204,870)	\$ 80,276,564	-0.3%
Schedule 420	\$ 37,834,141	\$ -	\$ 37,834,141	0.0%
Schedule 424/425	\$ 2,615,838	\$ -	\$ 2,615,838	0.0%
Schedule 439/440	\$ 7,163,438	\$ -	\$ 7,163,438	0.0%
Schedule 444	\$ 121,056	\$ -	\$ 121,056	0.0%
Schedule 456	\$ 2,730,778	\$ -	\$ 2,730,778	0.0%
	\$ 130,946,685	\$ (204,870)	\$ 130,741,815	-0.2%

If approved, a residential customer using an average of 47 therms a month could expect their bill to decrease by \$0.18, or 0.3 percent, for a revised monthly bill of \$69.93 effective November 1, 2024.

Below is a table showing the net impact to the Company's customers, by rate schedule, with a proposed effective date of November 1, 2024:

<u>Rate Schedule</u>	<u>Proposed Rate Change</u>
Schedule 410/411	-0.3%
Schedule 420	0.0%
Schedule 424/425	0.0%
Schedule 439/440	0.0%
Schedule 444	0.0%
Schedule 456	<u>0.0%</u>
Total	-0.2%

The Company will provide notice to customers via newspaper advertisement.

Please direct any questions regarding this filing to Marcus Garbarino at (509) 495-2567.

Sincerely,

/S/ Patrick Ehrbar

Patrick Ehrbar
Director of Regulatory Affairs

Enc.

AVISTA CORPORATION
dba Avista Utilities

SCHEDULE 467

COVID DEFERRED COSTS - 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 recover funds related to the deferred costs associated with the Company's COVID deferral as of June 30, 2024.

(C)

MONTHLY RATE:

The Commodity Rate per therm of the individual rate schedules are as follows:

<u>Rate Schedule</u>	<u>Rate</u>
Schedule 410/411	\$(0.00379) per Therm
Schedule 420	\$0.00000 per Therm
Schedule 424/425	\$0.00000 per Therm
Schedule 439/440	\$0.00000 per Therm
Schedule 444	\$0.00000 per Therm
Schedule 456	\$0.00000 per Therm

(N)(R)

TERM

The COVID Deferred Costs tariff will be in effect November 1, 2024 through October 31, 2025. Any residual balance at the end of the one-year term will be transferred to the Company's residual balancing account at the end of the final amortization period or handled in a future general rate case or other proceeding.

(C)
(C)

SPECIAL TERMS AND CONDITIONS:

This schedule is subject to the General Rules and Regulations contained in this tariff and to those prescribed by regulatory authorities.

Advice No. 24-07-G
Issued July 31, 2024

Effective For Service On & After
November 1, 2024

Issued by
By

Avista Utilities



Patrick Ehrbar, Director of Regulatory Affairs

DRAFT

Recently, Avista requested a change in natural gas rates for our Oregon customers. We know you care about your energy costs, so we think it's important to share this news with you.

On July 31, 2024, Avista made six annual rate adjustment filings with the Public Utility Commission of Oregon (PUC) that if approved, are designed to decrease overall natural gas revenue by approximately \$13.0 million or 9.9% effective Nov. 1, 2024. These filings have no impact on Avista's earnings.

The first rate adjustment is related to Avista's decoupling mechanism. Decoupling is designed to break the link between a utility's revenues and customers' energy usage. Generally, Avista's natural gas revenues are adjusted each month based on the number of customers rather than therms sales. The difference between revenues based on therm sales and revenues based on the number of customers is surcharged or rebated to customers beginning in the following year. If approved, Avista's request is designed to decrease overall natural gas revenue by approximately \$4.2 million or 3.2%. This rate adjustment is driven primarily by a higher level of customer usage in 2023.

The second rate adjustment is the annual Purchased Gas Cost Adjustment (PGA) filing. PGAs are filed each year to balance the actual cost of wholesale natural gas purchased by Avista to serve customers with the amount included in rates. This includes the natural gas commodity cost as well as the cost to transport natural gas on interstate pipelines to Avista's local distribution system. If approved, Avista's natural gas revenues would decrease by approximately \$10.2 million or 7.8%. This rate adjustment is driven primarily by wholesale natural gas prices, which are lower than the level presently included in rates. Avista does not profit on the actual natural gas commodity or the costs to transport natural gas to Avista's service territory.

The third rate adjustment is related to Avista's Low Income Rate Assistance Program (LIRAP), which provides bill assistance to income eligible customers with a household income less than or equal to 60% of the State Median Income (SMI). This adjustment updates the tariff with rates needed to fund the LIRAP. The overall rate increase to natural gas customers is approximately \$1.8 million or 1.4%.

The remaining three miscellaneous adjustments relate to recovering costs associated with intervenor funding and regulatory fees and rebating the residual balance in the Company's COVID pandemic deferral. The combination of those three filings is a decrease in overall natural gas revenue of approximately \$0.3 million or 0.26%.

The bottom line

If all six requests are approved, and you are an Avista natural gas customer using an average of 47 therms per month, you could expect your bill to decrease by \$5.26, or 7.5% for a revised monthly bill of \$64.85 beginning Nov. 1, 2024. All other customer groups receiving firm natural gas service from Avista would also see decreases.

For more information

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

This notice contains forward-looking statements regarding the Company's current expectations. Forward-looking statements are all statements other than historical facts. Such statements speak only as of the date of the notice and are subject to a variety of risks and uncertainties, many of which are beyond the Company's control, which

DRAFT

could cause actual results to differ materially from the expectations. These risks and uncertainties include, in addition to those discussed herein, all the factors discussed in the Company's Annual Report on Form 10-K for the year ended Dec. 31, 2023 and the Quarterly Report on Form 10-Q for the quarter ended June 30, 2024.