



Avista Corp.

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July 31, 2023

Advice No. 23-04-G/ UG-469 (Intervenor Funding)

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

Attention: Filing Center

Pursuant to Docket UM 1356, ORS 757.210 and ORS 757.259(5), Avista Utilities hereby electronically submits the following tariff revision applicable to its Oregon natural gas operations along with a copy of its supporting workpapers.

Intervenor Funding Grants – Oregon

Fourteenth Revision Sheet 476 Canceling Thirteenth Revision Sheet 476

Fourteenth Revision Sheet 476 updates the Company's Intervenor Funding amortization rates currently in effect pursuant to Section 7.9 of the Fifth Amended and Restated Intervenor Funding Agreement previously adopted by the Public Utility Commission of Oregon ("Commission") in Order No. 22-506 and Section IV of the Interim Funding Agreement (HB2475) previously adopted by the Commission in Order No. 22-043.

The Company is requesting an increase in overall retail revenues of approximately \$48 thousand, or 0.03%, effective on November 1, 2023. The current amortization rates and the proposed changes, both inclusive of the gross revenue factor, are as follows:

	Current Amortization	Proposed Rate	Updated Tariff
<u>Schedule</u>	<u>Rates</u>	<u>Change</u>	<u>Rate</u>
410	\$0.00113	\$0.00037	\$0.00150
439/440	\$0.00030	\$0.00065	\$0.00095
456	\$0.00030	\$0.00065	\$0.00095

In Order No. 22-396 in Docket No. UM 1356(15), the Commission approved Avista's request for reauthorization to defer costs related to Intervenor Funding grants for the period November 2022 through October 2023. Avista made that filing under ORS 757.259 and OAR 860-027-0300(4). This filing is in compliance with ORS 757.210 and ORS 757.259, which authorizes deferred utility expenses or revenues to be allowed (amortized) in rates to the extent authorized by the Commission in a proceeding to change rates. All of the deferrals included in this filing occurred with appropriate application by Commission authorization, as rate orders or under approved tariffs.

Pursuant to ORS 757.259(5-7) and OAR 860-027-0300(9), the overall 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. However, per ORS 757.259(4), Intervenor Funding is excluded from the three percent test.

Pursuant to OAR 860-022-0025 and OAR 860-022-0030, the total number of customers affected by this filing, the annual revenue before and after the impact of the rate change, and the average monthly use and resulting bills under existing and proposed rates are as follows:

		<u>Rate Schedule</u>		<u>Number of Customers</u>							
		Schedule 410		95,451							
		Schedule 439		0							
		Schedule 440		42							
		Schedule 456		31							

Sch No	Description	Present Revenues	Proposed Revenues	Revenue Incr (Decr)	Percent Incr (Decr)	Monthly Use (Therms)	Present Monthly Cost	Proposed Monthly Cost	Monthly Change	Proposed Change to Monthly Cost
410	Residential	\$88,443,720	\$88,463,701	19,981	0.02%	47	\$ 77.01	\$ 77.02	\$ 0.01	0.01%
439/440	Interruptible	\$ 8,892,374	\$ 8,901,603	9,229	0.10%	28,009	\$ 17,464.17	\$ 17,482.38	\$ 18.21	0.10%
456	Int. Transportation	\$ 2,526,247	\$ 2,544,988	18,741	0.74%	77,504	\$210,520.58	\$212,082.33	\$1,561.75	0.74%

After combining the impact of this filing with the other regulatory filings and the expiration of adder Schedule 467 (COVID Deferred Costs), which also have a November 1, 2023 effective date¹, a residential customer using an average of 47 therms a month could expect their bill to decrease by \$11.25, or 14.6 percent, for a revised monthly bill of \$65.76 effective November 1, 2023.

The Company will provide notice to customers via a newspaper advertisement both now and following the updated PGA filing in mid-September.

¹ On July 31, 2023, Avista filed to update effective November 1, 2023 Schedules 461 Purchased Gas Cost Adjustment and 462 Gas Cost Rate Adjustment (Advice No. 23-02-G), Schedule 475 Decoupling (Advice No. 23-03-G), Schedule 476 Intervenor Funding (Advice No. 23-04-G), Schedule 482 Regulatory Fee Amortization (Advice No. 23-05-G), and Schedule 493 LIRAP (Advice No. 23-06-G). Additionally, Schedule 467 COVID Deferred Costs will expire effective November 1, 2023. The net effect of all filings, and the expiration of Schedule 467, is a revenue decrease of approximately \$24 million or 16.5%.



Please direct any questions regarding this filing to Marcus Garbarino at (509) 495-2346 or marcus.garbarino@avistacorp.com.

Sincerely,

/s/ Joe Miller

Joe Miller
Senior Manager of Rates and Tariffs, Regulatory Affairs
Enclosures



Avista Utilities

Advice No. 23-04-G

Intervenor Funding

Tariff Sheet

July 31, 2023

AVISTA CORPORATION
dba Avista Utilities

SCHEDULE 476

INTERVENOR FUNDING GRANTS - 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 the cost of Intervenor Funding Grants provided to various entities to cover their costs of advocating on behalf of customers. The awarding of such grants is governed by Section 7.9 of the Fifth Amended and Restated Intervenor Funding agreement adopted by the Public Utility Commission of Oregon in Order No. 22-506 and Section IV of the Interim Funding Agreement (HB2475) adopted by the Public Utility Commission of Oregon in Order No. 22-043.

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MONTHLY RATE:

The Commodity Charge per therm of the individual rate schedules are to be adjusted by the following amounts:

Rate Schedule	Rate
Schedule 410	\$0.00150 per Therm
Schedule 439	\$0.00095 per Therm
Schedule 440	\$0.00095 per Therm
Schedule 456	\$0.00095 per Therm

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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. 23-04-G
Issued July 31, 2023

Effective For Service On & After
November 1, 2023

Issued by Avista Utilities
By

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, 2023, Avista made five 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 \$24.0 million or 16.5% effective Nov. 1, 2023. 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 \$3.3 million or 2.4%. This rate adjustment is driven primarily by a higher level of customer usage in 2022.

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 \$22.5 million or 15.5%. 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). With the recent introduction of an income-based bill discount, as well as offerings intended to help customers manage their past due balances, or arrearages, the reach of LIRAP has expanded to serve more customers than ever before, requiring a significantly larger budget, which has caused the need for this rate increase. The overall rate increase to natural gas customers is approximately \$2.5 million, or an overall increase of approximately 1.7%.

The remaining two miscellaneous adjustments relate to recovering costs associated with intervenor funding and regulatory fees. The combination of those two filings is an increase in overall natural gas revenue of approximately \$29 thousand or 0.02% effective Nov. 1, 2023.

The bottom line

If all five 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 \$11.25, or 14.6% for a revised monthly bill of \$65.76 beginning Nov. 1, 2023. 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

DRAFT

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 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, 2022 and the Quarterly Report on Form 10-Q for the quarter ended June 30, 2023.