



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

July 2, 2021

Commission Secretary  
State of Idaho  
Idaho Public Utilities Commission  
11331 W. Chinden Blvd. Building 8, Suite 201-A  
Boise, Idaho 83714

Case No. AVU-G-21-03

RECEIVED  
2021 JUL -2 AM 11:34  
IDAHO PUBLIC  
UTILITIES COMMISSION

**I.P.U.C. No. 27 – Natural Gas Service**

In accordance with Case No. GNR-U-20-01, Order No. 34602, which suspends the requirement to file physical copies, the Company has attached for electronic filing with the Commission the following original tariff sheet:

**Original Sheet 178**

The Company requests that the proposed tariff sheet be made effective September 1, 2021. This tariff sheet is designed to refund to customers deferred credit balances associated with depreciation expense, Accumulated Funds Used During Construction, and CARES Act benefits. If approved, the Company's annual revenue will *decrease* by approximately \$1.9 million or approximately 2.9%. The proposed change has no effect on the Company's earnings. Detailed information related to the Company's request was filed electronically along with the attached Application and supporting workpapers.

Filed concurrently with this Deferred Balances Credit filing is the Company's annual Purchased Gas Cost Adjustment ("PGA") filing. If both the Deferred Balances Credit and PGA filings are approved, residential natural gas customers in Idaho using an average of 63 therms per month would see their monthly bills increase from \$49.49 to \$54.05, an increase of \$4.56 per month, or approximately 9.2%. The proposed natural gas rate changes would be effective September 1, 2021.

If you have any questions regarding this filing, please contact Marcus Garbarino at (509) 495-2567.

Sincerely,

*/s/ Patrick D. Ehrbar*

Patrick D. Ehrbar  
Director of Regulatory Affairs

BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

IN THE MATTER OF THE APPLICATION OF )  
AVISTA UTILITIES FOR AN ORDER APPROVING ) CASE: AVU-G-21-03  
A CHANGE IN NATURAL GAS RATES AND CHARGES )  
TO REBATE CERTAIN DEFERRED CREDIT BALANCES )

Application is hereby made to the Idaho Public Utilities Commission for an Order approving a new schedule of rates and charges for natural gas service in the state of Idaho. The Applicant requests that the proposed rates included in this new tariff filing be made effective on September 1, 2021. If approved as filed, the Company's annual revenue will decrease by approximately \$1.9 million or about 2.9%. In support of this Application, Applicant states as follows:

I.

The name of the Applicant is AVISTA CORPORATION, doing business as AVISTA UTILITIES (hereinafter Avista, Applicant or Company), a Washington corporation, whose principal business office is 1411 East Mission Avenue, Spokane, Washington, and is qualified to do business in the state of Idaho. Applicant maintains district offices in Moscow, Lewiston, Coeur d'Alene, Sandpoint, and Kellogg, Idaho. Communications in reference to this Application should be addressed to:

Patrick D. Ehrbar  
Director of Regulatory Affairs  
Avista Utilities  
1411 E. Mission Avenue  
Spokane, WA 99220-3727  
Phone: (509) 495-8620  
[Pat.ehrbar@avistacorp.com](mailto:Pat.ehrbar@avistacorp.com)  
[Dockets@avistacorp.com](mailto:Dockets@avistacorp.com)

II.

Attorney for the Applicant and his address is as follows:

David J. Meyer  
Vice President and Chief Counsel for Regulatory  
And Governmental Affairs  
Avista Utilities  
1411 E. Mission Avenue  
Spokane, WA 99220-3727  
Phone: (509) 495-4316  
[David.meyer@avistacorp.com](mailto:David.meyer@avistacorp.com)

III.

The Applicant is a public utility engaged in the distribution of natural gas in certain portions of Northern Idaho, Eastern and Central Washington, and Southwestern and Northeastern Oregon, and further engaged in the generation, transmission, and distribution of electricity in Northern Idaho and Eastern Washington.

IV.

Original Sheet 178, which Applicant requests the Commission approve, is filed herewith as Exhibit "A".

V.

The existing rates and charges for natural gas service on file with the Commission and designated as Applicant's Tariff IPUC No. 27, which will be superseded by the rates and charges filed herewith, are incorporated herein as though fully attached hereto.

VI.

Notice to the Public of Applicant's proposed tariffs is to be given simultaneously with the filing of this Application by posting, at each of the Company's district offices in Idaho, a Notice in the form attached hereto as Exhibit "B" and by means of a press release distributed to various informational agencies, a draft copy attached hereto in Exhibit "C". In addition, Exhibit "C" to this Application also contains the form of customer notice that the Company will send to its customers in its monthly bills in the July timeframe.

VII.

The circumstances and conditions relied on for approval of Applicant's rates are as follows: Applicant has accumulated deferred credit balances owed to customers and requests approval to begin returning the balances to customers. Workpapers detailing balances and proposed rates are provided with this filing as Exhibit "D".

VIII.

This filing reflects the Company's proposal to refund to customers deferred credit balances associated with depreciation expense, Accumulated Funds Used During Construction (AFUDC), and CARES Act benefits. Below is a table summarizing the proposed rate credits reflected in this filing:

	Schedule 178 Rate <u>Per Therm</u>
General Service - Schedule 101	(0.02286)
Large General Service - Schedules 111 & 112	(0.01444)
Interruptible Service - Schedules 131 & 132	(0.01444)
Transportation Service - Schedule 146	(0.00378)

The Company is filing its Application for a change in rates for the Purchased Gas Cost Adjustment (“PGA”) and amortization of gas-related deferral balances simultaneously with this application. If both applications are approved the net change to natural gas revenue would be an increase of approximately \$7.1 million or 10.6% effective September 1, 2021.

IX.

**Schedule 178 / Deferred Credit Balances**

The Company has accumulated deferred credit balances on its books of record which are proposed to be refunded to customers over a one-year period through tariff Schedule 178. The following is a description and balance of each deferral included in the proposed rebate to customers.

The first deferred credit is the Natural Gas Deferred Depreciation Expense with a balance of \$900,000. This credit balance results from the Company deferring the benefit of reduced natural gas depreciation expense recorded on its books of record, but not yet reflected in its natural gas customer rates, for the period December 1, 2019 through August 31, 2021, per Order No. 34276 in Case Nos. AVU-E-18-03 and AVU-G-18-02 (see Stipulation and Settlement at page 9, para. 14).

The second deferred credit is the Accumulated Funds Used During Construction (AFUDC) Deferral with a balance of \$393,000. AFUDC tax flow-through deferral balances are a result of changing how taxes associated with AFUDC Equity are recognized for rate making purposes, specifically, changing from the normalization method to the flow-through method, per Case No. AVU-G-19-01, Order No. 34326. The deferral balances reflect amounts collected between January 1, 2018 and August 31, 2021 (estimated), until such time as the flow through method is embedded in base rates in the pending general rate case filing.

The third deferred credit is the CARES Act Deferral with a balance of \$648,000. The CARES Deferral balance is a result of Case No. GNR-U-20-03 (including Consolidated Case No. AVU-G-20-03) Order No. 34718, requiring Avista to defer the benefits associated with the CARES Act, which allowed companies with taxable net operating losses (“NOL”) for years 2018 through 2020 to carry those losses back to the five previous tax years. These tax benefits were to be deferred and returned to customers in a future proceeding.

X.

If approved as filed, the Company’s annual revenue will *decrease* by approximately \$1.9 million or about 2.9% effective September 1, 2021 for a twelve-month period. Residential or small commercial customers using an average of 63 therms per month would see a *decrease* of \$1.44 per month, or approximately 2.9%. The present bill for 63 therms is \$49.49 while the proposed bill is \$48.05.

XI.

Exhibit "D" attached hereto contains support workpapers for the Proposed Tariff Rates proposed by Applicant contained in Exhibit "A".

XII.

Avista requests that the rates proposed in this filing be approved to become effective for a twelve-month period beginning September 1, 2021, and requests that the matter be processed under the Commission's Modified Procedure rules through the use of written comments. Avista stands ready for immediate consideration on its Application.

XII.

WHEREFORE, Avista requests the Commission issue its Order finding its proposed rates to be just, reasonable, and nondiscriminatory and to become effective for all natural gas service on and after September 1, 2021. The overall decrease is approximately \$1.9 million or 2.9%. The Company requests that the matter be processed under the Commission's Modified Procedure rules through the use of written comments.

Dated at Spokane, Washington, this 2nd day of July 2021.

AVISTA UTILITIES  
BY

*/s/ David J. Meyer*

---

David J. Meyer  
Vice President and Chief Counsel for  
Regulatory & Governmental Affairs  
Avista Corporation

**AVISTA UTILITIES**

Case No. AVU-G-21-03

**EXHIBIT “A”**

**Proposed Tariff Sheet**

AVISTA CORPORATION  
d/b/a Avista Utilities

SCHEDULE 178

DEFERRED BALANCES CREDIT - IDAHO

APPLICABLE:

To Customers in the State of Idaho where the Company has natural gas service available. This Deferred Balances Rate Credit shall be applicable to all retail customers taking service under Schedules 101, 111, 112, 131, 132 and 146.

This rate credit is designed to reflect the benefits attributable to deferred credit balances related to depreciation expense credits, Accumulated Funds Used During Construction deferral, and CARES Act benefits refundable to customers.

MONTHLY RATE:

The energy charges of the individual rate schedules are to be decreased by the following amounts:

Schedule 101	\$0.02286 per Therm
Schedule 111 & 112	\$0.01444 per Therm
Schedule 131 & 132	\$0.01444 per Therm
Schedule 146	\$0.00378 per Therm

TERM:

The Deferred Balances Credit will be in effect for a twelve-month period from September 1, 2021 through August 31, 2022. Any residual balance at the end of the twelve-month term will be recovered in a future rate proceeding.

SPECIAL TERMS AND CONDITIONS:

Service under this schedule is subject to the Rules and Regulations contained in this tariff.

The above Rate is subject to increases as set forth in Tax Adjustment Schedule 158.

Issued July 2, 2021

Effective September 1, 2021

Issued by Avista Corporation  
By

Patrick Ehrbar, Director of Regulatory Affairs



**AVISTA UTILITIES**

Case No. AVU-G-21-03

**EXHIBIT “B”**

Notice of Public Applicant’s Proposed Tariffs



**Important Notice for Idaho Customers DRAFT  
(July 2021)**

Avista has filed two rate adjustment requests with the Idaho Public Utilities Commission (Commission), that if approved, are designed to increase overall natural gas revenue by approximately \$7.1 million or 10.6% effective Sept. 1, 2021. These filings have no impact on Avista's earnings.

The **first** adjustment is related to the annual Purchased Gas Cost Adjustment (PGA) filing. The PGA is 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. The increase is primarily driven by two factors: 1) wholesale natural gas costs that are higher than the level presently included in rates, and 2) the expiration of a rebate customers are currently receiving from last year's PGA. If approved, Avista's request is designed to increase annual natural gas revenues by approximately \$9.0 million or 13.5%.

The **second** filing is the Deferred Balances Credit filing. This filing returns to customers deferred balances related to depreciation expense, Accumulated Funds Used During Construction (AFUDC), and CARES Act benefits. If approved, Avista's request is designed to decrease natural gas revenues by approximately \$1.9 million or 2.9%.

These rate adjustment filings are separate and distinct from the Settlement Stipulation filed on June 14, 2021 related to the pending general rate case filing, that, if approved, would reduce customer's natural gas bills by an overall 4.5%, also on Sept. 1, 2021.

**Customer Bills**

*Natural Gas*

If the natural gas PGA and the Deferred Balances Credit filings are approved, residential natural gas customers in Idaho using an average of 63 therms per month would see their monthly bills increase from \$49.49 to \$54.05, an increase of \$4.56 per month, or approximately 9.2%. The proposed natural gas rate changes would be effective Sept. 1, 2021.

The net effect, on an annual revenue basis, for the requested natural gas rate changes by rate schedule are:

General Service - Schedule 101	9.2%
Large General Service - Schedules 111 & 112	16.3%
Transportation Service - Schedule 146	<u>-2.9%</u>
Overall	10.6%

**Rate Application Procedure**

The Company's applications are proposals, subject to public review and a Commission decision. Copies of the applications are available for public review at the offices of both the Commission and Avista, and on the Commission's website ([www.puc.idaho.gov](http://www.puc.idaho.gov)). Customers may file with the Commission written comments related to the Company's filings. Customers may also subscribe to the Commission's RSS feed (<http://www.puc.idaho.gov/rssfeeds/rss.htm>) to receive periodic updates via e-mail about the case. Copies of rate filings are also available on our website, [www.myavista.com/rates](http://www.myavista.com/rates).

If you would like to submit comments on the proposed rate change, you can do so by going to the Commission website or mailing comments to:

Idaho Public Utilities Commission  
P.O. Box 83720  
Boise, ID 83720-0074

Avista offers a number of programs and services to help customers manage their energy use and costs. Visit [www.myavista.com](http://www.myavista.com) for information on these programs which include Comfort Level Billing, bill payment options, automated payment service, assistance programs, conservation tips, and energy efficiency rebates.

AVA474i