

**BEFORE THE
WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION**

In the Matter of the Petition of)	
)	
Avista Corporation, d/b/a Avista Utilities)	Docket No. UE-220151
)	Docket No. UG-22_____
For an Accounting Order Authorizing Deferral of)	
Costs Associated with the Provision of Funds to)	
Qualified Parties Pursuant to the Washington Interim)	PETITION OF AVISTA
Participatory Funding Agreement)	CORPORATION
)	

I. INTRODUCTION

1 In accordance with WAC 480-100-203(3) and WAC 480-90-203(3), Avista Corporation, doing business as Avista Utilities (“Avista” or “the Company”), at 1411 East Mission Avenue, Spokane, Washington, hereby petitions the Washington Utilities and Transportation Commission (“Commission”) for an order authorizing the Company to utilize deferred accounting for all financial assistance distributed under the Washington Interim Participatory Funding Agreement (“Agreement”), approved by the Commission as Attachment A to Order No. 01 in Docket No. U-210595. This filing complies with Article 7.9 of the Agreement, which states:

7.9 Recovery of Fund Grants. The Commission shall allow the Participating Public Utilities to recover in rates all amounts paid for Fund Grants under this Interim Agreement. Amounts in any deferred account under this Section will include a carrying cost equal to the Company’s authorized rate of return, until such deferral is amortized, where it will receive a return using the then-published FERC rate.¹ If the applicable Eligible Proceeding results in a change of rates, Fund Grants may be incorporated into rates at the same time as the rate change is made, or may be deferred, where the amortization period for recovery of such Participating Organization Fund Grants will be left to the discretion of the Participating Public Utility, subject to Commission approval. Participating Public Utilities must file tariff revisions to recover deferred costs annually in a proceeding where the Commission retains authority to approve costs. Participating Public Utilities must

file a petition for deferral of such expenses to FERC Account 182.3, Other Regulatory Assets.

2 Avista is a utility that provides service to approximately 403,000 retail electric customers and 369,000 retail natural gas customers in a 30,000 square-mile service territory covering portions of Washington, Idaho, and Oregon. The largest community served by Avista is Spokane, Washington, which is the location of its corporate headquarters.

3 The Company requests that all correspondence related to this Petition be sent to the following:

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4 Rules and statutes that may be brought at issue in this Petition include RCW 80.01.040, RCW 80.28.020, and WAC 480-07-370(3)(b).

II. BACKGROUND

5 Engrossed Substitute Senate Bill 5295 (“SB 5295”), passed by the Washington State Legislature in 2021 and codified as RCW 80.28.430, requires electric and natural gas utilities to enter into funding agreements with organizations that represent broad customer interests in Commission-conducted regulatory proceedings, prioritizing such funding with regard to organizations representing vulnerable populations or highly impacted communities. As part of this provision, the Commission must govern the manner by which the financial assistance is

provided to an organization, including the amount of financial assistance made available, the way in which the assistance is distributed, the rate recovery method used by the utility to recuperate the funding, as well as any other matters necessary to administer the agreement.

6 To provide guidance on these participatory funding agreements, the Commission issued a Policy Statement on Participatory Funding for Regulatory Proceedings (“Policy Statement”) on November 19, 2021 in Docket No. U-210595. Having collaborated throughout the late summer and fall of 2021 to draft a possible interim one-year agreement to comply with the new statute, Avista, Puget Sound Energy (“PSE”), PacifiCorp, Cascade Natural Gas Corporation (“Cascade”), Northwest Natural Gas (“NW Natural”), Alliance of Western Energy Consumers (“AWEC”), NW Energy Coalition (“NWEC”), The Energy Project (“TEP”), Sierra Club, Front & Centered, and Spark Northwest—collectively, the “Joint Parties”—incorporated the direction provided within the Policy Statement into their final Agreement. The Agreement was then filed in Docket No. U-210595 on February 14, 2022 and approved by the Commission in its Order No. 01 on February 24, 2022.

III. PROPOSED ACCOUNTING TREATMENT

7 Pursuant to the terms of the approved Agreement, Avista is to establish a Consumer Access Fund through which \$300,000 will be made available for distribution to qualifying organizations for each calendar year during which the Agreement is valid. In accordance with Article 7.9 of the Agreement, Avista proposes to defer all financial assistance distributed under the Agreement for later recovery from customers. The Company will record these costs to FERC Account 182.3 (Other Regulatory Assets). Amounts included in this deferral will include a carrying cost equal to Avista’s authorized rate of return, until such time that the deferral is amortized, where it will

then receive a return using the then-published FERC rate.¹ To mitigate the potential impact of such carrying costs on its customers, the Company will file annual tariff revisions to recover these deferred costs, with adjustments taking place on August 1st of each year to coincide with several existing Company rate filings.

IV. REQUEST FOR RELIEF

8 WHEREFORE, Avista respectfully requests that the Commission issue an Order approving the requested deferred accounting and ratemaking treatment, as described above, pursuant to Order No. 01 in Docket No. U-210595. Customer rates would not be impacted by this approval, and any deferral of costs will be addressed with annual tariff filings.

DATED this 8th day of August 2022



By: _____
Patrick D. Ehrbar
Director of Regulatory Affairs

¹ <https://www.ferc.gov/interest-calculation-rates-and-methodology>