

**PUBLIC UTILITY COMMISSION OF OREGON  
INTEROFFICE CORRESPONDENCE**

**DATE:** August 19, 2022  
**TO:** Bryan Conway through Marc Hellman  
**FROM:** Matt Muldoon, Brian Fjeldheim, Curtis Dlouhy, Madison Bolton, Julie Jent, and Rose Pileggi  
**SUBJECT:** Verification of Avista Corporation, (Avista, AVA or Company) Tariff Rates Effective August 22, 2022  
Compliance Filing Advice No. 22-08-G and Supplement Thereto

In Order No. 22-291 (Order) entered August 2, 2022, in Docket No. UG 433, the Public Utility Commission of Oregon (Commission) adopted two revenue requirement and rate spread/rate design stipulations. As a result of UG 433, the Company's revenue requirement is set to increase by \$1.6 million, about 1.3 percent or 2.1 percent on a margin revenue basis. In response to the Order, Avista submitted its Compliance Filing Advice No. 22-08-G on August 12, 2022, and Supplement Filing to 22-08-G on August 17, 2022 (Advice Filing). The supplement filing of tariff sheet 424 remedied a Staff-detected scrivener error to now correctly read, "Twentieth Revision Sheet 424 canceling Nineteenth Revision Sheet 424".

Staff has reviewed the Advice Filing and finds it complies with the Commission's Order. The checks and analytic tasks required to affirm the accuracy of rates were:

- Confirm the revenue target is correctly calculated in the Company's revenue requirement work papers based on the Commission directed amounts found within the Order.
- Confirm that the proper load forecast was used to generate the values in the order.
- Confirm from the Rate Spread and Design spreadsheet and Avista work papers that the proposed tariff prices are calculated to produce revenues in accordance with the Commission's order in this case. Staff confirmed that the rates and percentage increases to each customer class contained in the attachment to the Order match the values in the Company's work papers.
- Confirm the calculation of rate spread for base schedules (excluding power costs) as found in Appendix B of the Order, is properly reflected in the Company's Rate Spread and Design work paper and resulting Tariff sheets.
- Confirm that Avista's inputs for pricing are consistent and accurate.
- Verify accurate implementation of all changes, including tariff language changes, authorized by the Commission.

- Confirm that the tariff sheets are properly updated with the rates present in the Rate Spread and Design worksheet, advice number, revision number, date, and any other appropriate language changes.
- Confirmed with the notarized attestation of Heather L. Rosentrater, Avista Senior Vice President, Energy Delivery and Shared Services, Avista has properly attested that all capital projects included in rate base in this case have been completed and placed in service, and that this general rate case reflects the actual cost of each such project.

Staff verified that the specific impacts authorized by the Order will be achieved by the changed tariff pages as filed. Staff utilized the provided work papers and discussions with the Company on August 15 to verify the accuracy of the tariffs, including translation of work paper unit rounding to tariff rate units.

While examining how each rate class's target revenue matched up to its actual revenues, Staff found all values were extremely close, but with some de minimis differences largely around rounding, namely:

- Overall revenue under-collects by about \$120 out of \$76 million.
- Residential revenues are about \$700 below target. This is partially driven by a manual edit to reduce the residential volumetric rate by .00001 cents/therm to ensure that overall revenues were just below target. Removing the .00001 cents/therm still under-collects from residential but would slightly over-collect overall.
- Schedule 444 and 456 over-collect by about \$200-\$300. This was a rate class that was given no rate change, so this is entirely driven by the new load forecast

The Company inadvertently filed an unchanged Seventh Revised Sheet 420-A which the Company confirmed. As this has no effect, Staff recommends no action in this regard.

#### Other Minor Adjustments:

Staff also detected a small scrivener error in the table on part b, Rate Spread – page 7 of the Commission Order. Column 'Total Billed Revenue Increase' for Schedule 410 which read as -\$1,096 for Residential. However, the correct value when applying the 1.4 percent reduction is -\$1,086. The Company's filing and work papers have the correct calculation and value.

In addition, Staff has identified an earlier scrivener error which is overridden by adopted stipulation. In the Order, in Appendix B, page 13 \$2,725.76 in the lower right corner based on calculation would have been \$2,725.78. However, Staff and the Company agree with the Order that the Minimum Charge of \$2,725.76 should remain as stipulated with a final digit of 6. The difference is immaterial.

Staff recommends that an acknowledgment letter be sent, and the tariff pages be allowed to go into effect for service on and after August 22, 2022.