



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

November 1, 2019

Via: Overnight mail

Diane Hanian
Commission Secretary
Idaho Public Utilities Commission
11331 W. Chinden Blvd., Bldg. 8, Suite 201-A
Boise, ID 83714

AVU-G-19-07

RECEIVED
2019 NOV -4 PM 3: 04
IDAHO PUBLIC
UTILITIES COMMISSION

RE: Avista Utilities Application for Reauthorization of Deferred Accounting for Natural Gas Fee Free Program

Dear Ms. Hanian:

Enclosed for filing with the Commission is the Application of Avista Corporation, dba Avista Utilities ("Avista" or "the Company"), For An Accounting Order Reauthorizing Accounting and Ratemaking Treatment of Fees For Payments Made By Residential Customers. The filing consists of an original and seven copies of Avista's Application.

Please direct any questions regarding this filing to me at (509) 495-7839 or jaime.majure@avistacorp.com.

Sincerely,

/s/ Jaime Majure

Jaime Majure
Regulatory Policy Analyst
Avista Utilities
jaime.majure@avistacorp.com
509.495.7839

Enclosures

RECEIVED

2019 NOV -4 PM 3:05

IDAHO PUBLIC UTILITIES COMMISSION

DAVID J. MEYER
VICE PRESIDENT AND CHIEF COUNSEL FOR
REGULATORY AND GOVERNMENTAL AFFAIRS
AVISTA CORPORATION
P.O. BOX 3727
1411 EAST MISSION AVENUE
SPOKANE, WASHINGTON 99220-3727
TELEPHONE: (509) 495-4316
david.meyer@avistacorp.com

BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

IN THE MATTER OF THE APPLICATION OF)
AVISTA CORPORATION, D/B/A AVISTA)
UTILITIES, FOR AN ACCOUNTING ORDER)
REAUTHORIZING ACCOUNTING AND)
RATEMAKING TREATMENT OF FEES FOR)
PAYMENTS MADE BY RESIDENTIAL)
CUSTOMERS)

CASE NO. AVU-G-19-07

APPLICATION OF AVISTA CORPORATION

1 **II. SUMMARY OF APPLICATION**

2 Avista requests Commission reauthorization to defer, for later recovery in rates, the
3 natural gas portion of costs incurred to offer a fee-free payment program for its residential
4 customers. Initial deferral of these costs related to the Company’s Program was authorized by
5 the Commission on April 1, 2016, through Order No. 33494 in Case Nos. AVU-E-16-01 and
6 AVU-G-16-01. Avista has, since that time, filed an electric-only general rate case in Idaho,
7 Case No. AVU-E-19-04, through which the amortization and recovery of the Company’s
8 electric deferrals related to the Fee-Free Program was addressed as part of the all-party
9 Settlement and Stipulation filed on October 15, 2019.¹ As such, Avista respectfully requests
10 that the Commission allow further deferral of the outstanding natural gas funds until such time
11 the Company can seek to recover the program’s costs as part of its next natural gas general rate
12 case.

13 **III. BACKGROUND**

14 On January 13, 2016, Avista filed with the Idaho Public Utilities Commission
15 (“Commission”, or “IPUC”) an Application requesting an order authorizing accounting and
16 ratemaking treatment of fees for credit and debit card payments made by residential customers.
17 In its Application, the Company requested authorization to record, as a regulatory asset, the
18 costs incurred to allow residential customers to pay bills through its web site or by telephone
19 without also having to pay a third-party vendor a “convenience fee” of \$3.50 for processing
20 the transaction. Avista asked to defer these fees for up to 36 months from the time the program

¹ Parties to the Settlement in Case No. AVU-E-19-04 include Avista Utilities, Commission Staff, Clearwater Paper Corporation, Idaho Forest Group LLC (IFG), the Community Action Partnership Association of Idaho (CAPAI), Idaho Conservation League (ICL), and Walmart, Inc.

1 went into effect, proposing that the deferred balance would be included in the Company's next
2 general rate case and amortized over 24 months.

3 On April 1, 2016 the Commission issued Order No. 33494 in Case No. AVU-E-16-01
4 and AVU-G-16-01, approving Avista's Application, including deferred accounting treatment
5 of up to 36 months. The Commission also ordered that the amortization period was to be
6 determined in the Company's next general rate case. The Fee-Free Program was then
7 successfully launched February 19, 2017.

8 IV. PROPOSED ACCOUNTING TREATMENT

9 Presently, Avista records the costs incurred from its Fee Free Program in Account 182.3
10 – Other Regulatory Assets. A summary of the accounting entries follow:

FERC Acct. No.	Account Description	Debit	Credit
903.X	Customer Records and Collection Expenses	\$ 100	
232.1	Accounts Payable - General		\$ 100
	<i>To record payment of customer payment transaction fees.</i>		
182.3	Other Regulatory Assets	\$ 100	
407.4	Regulatory Credits - Deferral		\$ 100
	<i>To record deferral of customer payment transaction fees.</i>		

Note: Associated current and deferred income taxes will be recorded.

11 In this filing, the Company is requesting an order allowing the continued deferral of all
12 fees paid by Avista related to offering a fee-free program for payment of bills by Idaho natural
13 gas residential customers. Absent a Commission order allowing for the deferral and recovery
14 of these costs, the Company will not otherwise offer a fee-free payment program as it would
15 result in a loss to the Company and its shareholders.

1 As previously stated, in the future general rate case Avista would request recovery of the
 2 deferred balance over a period to be determined during the course of the case, beginning on
 3 the effective date of new rates from the rate case. The Company does not seek to accrue interest
 4 on the deferrals. The monthly accounting entries to record the amortization would be as
 5 follows:

<u>FERC Acct. No.</u>	<u>Account Description</u>	<u>Debit</u>	<u>Credit</u>
407.3	Regulatory Debits - Amortization	\$ 100	
182.3	Other Regulatory Assets		\$ 100
	<i>To record amortization of customer payment transaction fees.</i>		
Note: Associated current and deferred income taxes will be recorded.			

6 **V. CURRENT DEFERRAL BALANCES**

7 The Company has paid invoices through September 2019 for its Fee Free Program. As
 8 of September 2019, \$1,021,808 of Idaho customer transactions through the fee-free payment
 9 program had been deferred, of which \$400,204 was deferred for natural gas customers. The
 10 Company estimates the amount to be deferred through January 31, 2019 to be approximately
 11 \$468,000 for natural gas.

12 **VI. REQUEST FOR RELIEF**

13 WHEREFORE, Avista respectfully requests that the Commission issue an Order
 14 reauthorizing the use of deferred accounting and ratemaking treatment of the costs incurred for
 15 Avista to offer a fee-free payment program for its natural gas residential customers. Requested
 16 amortization and recovery of the deferred costs will occur through the Company's next natural
 17 gas general rate case proceeding.

1
2
3
4
5
6
7
8
9
10
11
12
13

The Company respectfully requests that this Case be processed under the Commission's Modified Procedure rules through the use of written comments.

DATED at Spokane, Washington, this 1st day of November 2019.

AVISTA CORPORATION

By: 

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

