



UE-011595
UE-140188

Avista Corp.

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November 15, 2021

Amanda Maxwell
Executive Director and Secretary
Washington Utilities and Transportation Commission
621 Woodland Square Loop SE
Lacey, Washington 98503

Received
Records Management
11/15/21 13:52
State Of WASH.
UTIL. AND TRANSP.
COMMISSION

Re: Docket No. UE-011595, Monthly Power Cost Deferral Report, October 2021
Docket No. UE-140188, Monthly REC Report, October 2021

Dear Ms. Maxwell:

Enclosed for electronic filing is Avista Corporation’s Power Cost Deferral Report for the month of October 2021. The report includes the monthly Energy Recovery Mechanism (ERM) accounting journal together with supporting work papers (Attachment A). The native format of the Excel worksheets for the deferral calculation and the journal in “pdf” format are attached to the electronic filing. Please note “pdf” is the native form for the deferral journal. In summary, the following cumulative balances (including interest) relate to the ERM:

| Account | Report Page | Description | Balance Surcharge/ (Rebate) |
|-----------------------------|-------------|--|--------------------------------|
| Current Year Deferral | 5 | Cumulative YTD Balance for difference between actual and authorized during 2021 | \$ 5,009,414 |
| Approved for Rebate | 6 | ERM deferrals through 2018 approved for rebate in UE-190334, UG-190335 and UE-190222 (consol.) | \$ (9,304,595) |
| Amortizing Deferral Balance | 7 | Balance approved for prudence for 2019-2020, but not yet approved for rebate | \$ (13,280,279) |

As summarized on page 8 of the Power Cost Deferral report, actual net power supply costs, including the retail revenue adjustment, were higher than authorized net power costs for Washington by \$991,975. A deferral entry was recorded for the month in the amount of \$892,778 in the surcharge direction. As illustrated below, year-to-date the Company has absorbed \$7,217,664.

| | Total | Absorbed (Avista) | Deferred (Customer) |
|----------------------------------|---------------|-------------------|---------------------|
| First \$4M at 100% | \$ 4,000,000 | \$ 4,000,000 | \$ - |
| \$4M to \$10M at 25% (rebate) | \$ - | \$ - | \$ - |
| \$4M to \$10M at 50% (surcharge) | \$ 6,000,000 | \$ 3,000,000 | \$ 3,000,000 |
| Over \$10M at 10% | \$ 2,176,641 | \$ 217,664 | \$ 1,958,977 |
| | \$ 12,176,641 | \$ 7,217,664 | \$ 4,958,977 |

For the month of October, the primary contributor to the surcharge was approximately 77 aMW of hydro-electric generation less than authorized for approximately \$3.9 million (system) and approximately 43 aMW less generation than authorized for natural gas-fired generation for approximately \$5.1 million (system). Retail load was lower than authorized for the month of October which resulted in lower net purchases and sales for a net offset of approximately \$7.1 (system) million.

The report also includes the monthly renewable energy credits (RECs) accounting journal together with backup work papers (Attachment B). Per Order 05, Docket UE-140188, the Company defers 100% of the net monthly RECs not associated with compliance for the Washington Energy Independence Act. For a summary of beginning and ending balances, as well as monthly activity including net revenues for the month of \$297,902 plus interest. Please see page 24 of the Power Cost Deferral Report for a summary of these accounting entries.

Interest for the ERM is calculated pursuant to the Settlement Stipulation approved by the Commission's Fifth Supplemental Order in Docket No. UE-011595, dated December 18, 2002. Interest is applied to the average of the beginning and ending month deferral balances net of associated deferred federal income tax. The Company's actual cost of debt is used as the interest rate. The interest rate is updated semi-annually and interest is compounded semi-annually.

If you have any questions, please contact Annette Brandon at (509) 495-4324.

Sincerely,

/s/Patrick D. Ehrbar

Patrick D. Ehrbar
Director of Regulatory Affairs

