

**Avista Corp.**

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

April 15, 2022

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

Received  
 Records Management  
 04/15/22 09:17:34  
 State Of WASH.  
 UTIL. AND TRANSP.  
 COMMISSION

Re: Docket No. UE-011595, Monthly Power Cost Deferral Report, March 2022  
 Docket No. UE-140188, Monthly REC Report, March 2022

Dear Ms. Maxwell:

Enclosed for electronic filing is Avista Corporation's Power Cost Deferral Report for the month of March 2022. 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:

	<u>Total</u>	<u>Absorbed (Avista)</u>	<u>Deferred (Customer)</u>
First \$4M at 100%	\$ (1,954,320)	\$ (1,954,320)	\$ -
\$4M to \$10M at 25% (rebate)	\$ -	\$ -	\$ -
\$4M to \$10M at 50% (surcharge)		\$ -	\$ -
Over \$10M at 10%		\$ -	\$ -
	\$ (1,954,320)	\$ (1,954,320)	\$ -

As summarized on page 9 of the Power Cost Deferral report, actual net power supply costs, including the retail revenue adjustment, for March were lower than authorized net power costs for Washington by \$574,370, with the year-to-date amount cumulatively being \$1,954,320 lower than the authorized level. As this is within the \$4,000,000 dead-band, no deferral entry was recorded for the month.

For the month of March, native load was higher than authorized contributing to an unfavorable variance of \$1.3 million. Avista primarily served this increase in load through hydro resources and thermal generation, contributing to a favorable variance as compared to authorized, for \$2.4 million and \$432,000 respectively. Natural gas generating plants, however, offset these favorable variances by approximately \$992,000 due to higher than authorized prices. The authorized level of natural gas prices was \$1.74/Dth as compared to \$4.06/Dth in actuals.

The following table illustrates all deferral balances related to the ERM Mechanism.

Account	Report Page	Description	Balance Surcharge/ (Rebate)
Current Year Deferral	4	Cumulative YTD Balance for difference between actual and authorized during 2022	\$ -
Amortizing Deferral - Approved for Rebate	5	ERM deferrals through 2018 approved for rebate in UE-190334, UG-190335 and UE-190222 (consol.)	\$ (1,540,248)
Amortizing Deferral Balance	6	Balance approved for prudence for 2019-2020, but not yet approved for rebate	\$ (13,279,525)
Pending Deferral Balances from 2021	7	2021 Pending Approval	\$ 8,899,150

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 \$87,224 plus interest. Please see page 26 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

