

**Avista Corp.**

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May 16, 2022

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

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 State Of WASH.
 UTIL. AND TRANSP.
 COMMISSION

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

Dear Ms. Maxwell:

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

	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)	\$ 593,490	\$ 296,745	\$ 296,745
Over \$10M at 10%		\$ -	\$ -
	\$ 4,593,490	\$ 4,296,745	\$ 296,745

As summarized on page 9 of the Power Cost Deferral report, actual net power supply costs, including the retail revenue adjustment, for April were higher than authorized net power costs for Washington by \$6,447,870. A deferral entry was recorded in the surcharge direction for \$296,745 (excluding interest). The April deferral includes a correction for EIM benefit recorded in account 447 Sales for Resale in the amount of \$164,714 (\$108,118 Washington Share), as well as this same correction back-dated for March 2022. As the Company was within the deadband for the month

of March, no prior period true up is recorded to the deferral for this error. The year-to-date cumulative deferral balance is \$296,745 in the surcharge direction.

The Company's authorized level of power supply expense inadvertently allocated system costs twice to Washington, resulting in an overstated base power supply costs for \$108,118 per month. All journals (ERM and Decoupling) which are impacted by this change were corrected in April, and an accounting petition is being drafted to return this overcollection to customers. Please see page 18 for a full description.

For the month of April, native load was higher than authorized by approximately 155 aMW. This increased load, combined with higher than authorized power and natural gas prices, were the primary contributors to the unfavorable variance. Net power purchases for the month averaged \$47.32 as compared to the authorized level at \$23.87, and natural gas purchases at AECO averaged \$3.84 per Dth, as compared to \$2.03 Dth in authorized.

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

Account	Report Page	Description	Balance Surcharge/ (Rebate)
Amortizing Deferral Balance	5	Balance approved for prudence for 2019-2020, but not yet approved for rebate	\$ (13,319,890)
Amortizing Deferral - Approved for Rebate	6	ERM deferrals through 2018 approved for rebate in UE-190334, UG-190335 and UE-190222 (consol.)	\$ (753,166)
Current Year Deferral	7	Cumulative YTD Balance for difference between actual and authorized during 2022	\$ 297,200
Pending Deferral Balances from 2021	8	2021 Pending Approval	\$ 8,926,214

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 \$282,676 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

