

**Avista Corp.**

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

August 16, 2022

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

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

Dear Ms. Maxwell:

Enclosed for electronic filing is Avista Corporation's Power Cost Deferral Report for the month of July 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)	\$ 3,620,084	\$ 1,810,042	\$ 1,810,042
Over \$10M at 10%	\$ -	\$ -	\$ -
	\$ 7,620,084	\$ 5,810,042	\$ 1,810,042

As summarized on page 11 of the Power Cost Deferral report, actual net power supply costs, including the retail revenue adjustment, for July were higher than authorized net power costs for Washington by \$4,806,526. A deferral entry was recorded for \$1,810,042.

For the month of July, total loads were higher than authorized by approximately 114 aMW due to warmer weather than normal. This increase in load was served primarily through hydro generation, particularly on the Clark Fork River. Flows on the Clark Fork went from well above normal for the beginning of the month, to normal flows towards the end of the month. Approximately 70%

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of the increase in loads was met through hydroelectric generation. The remaining load was met through market purchases and sales, as higher than authorized natural gas prices and corresponding fuel costs resulted in an unfavorable natural gas generation.

In addition, tracking and recording of the Solar Select program is consolidated into a new account 186295 (see page 9). The Company consolidated the impacts of the program into one general ledger account to provide additional transparency for annual ERM reporting. In addition, for ease of reference and budget purposes the Company is crediting the monthly net benefit/costs for this program monthly (rather than annually). The Solar Select program was in the rebate direction for the month of June in the amount of \$194,912.

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 \$78,472 plus interest, see page 9.

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

