

**Avista Corp.**

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December 15, 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, November 2022  
 Docket No. UE-140188, Monthly REC Report, November 2022

Dear Ms. Maxwell:

Enclosed for electronic filing is Avista Corporation's Power Cost Deferral Report for the month of November 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 ending November 30, 2022 (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)	\$ 6,000,000	\$ 3,000,000	\$ 3,000,000
Over \$10M at 10%	\$ 11,295,413	\$ 1,129,541	\$ 10,165,872
	\$ 21,295,413	\$ 8,129,541	\$ 13,165,872

As summarized on page 7 of the Power Cost Deferral report, actual net power supply costs, including the retail revenue adjustment, for November were higher than authorized net power costs for Washington by \$7,291,172. An accounting entry in the surcharge direction in the amount of \$6,562,055 was recorded, contributing to a year-to-date deferral balance of \$13,165,872 in the surcharge direction.

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The month of November was the fourth coldest in the last 75 years, at approximately 7 degrees below normal. This extended period of cold resulted in loads exceeding the authorized level by approximately 155 aMW. This increase in load was primarily served by natural gas generation from Coyote Springs II and Lancaster. The increased load, coupled with average actual power prices (\$232 heavy load/\$215 light load) materially higher than authorized (\$37 heavy load/ \$44 light load) contributed to the majority of the variance as compared to authorized for the month.

In addition, tracking and recording of the Solar Select program is consolidated into account 186295 (see page 15). The Company consolidated the impacts of the program into one general ledger account to provide additional transparency for annual ERM reporting. 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 in the amount of \$75,628.

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 \$650,543 plus interest, please see page 20.

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

