

**AVISTA UTILITIES**  
2021  
Washington Natural Gas  
Schedule 175  
Annual Decoupling Rate Adjustment Filing

**ATTACHMENT A**

Rate Calculation for  
August 1, 2021 – July 31, 2022

May 26, 2021

**Avista Utilities**  
**Calculation of Decoupling Mechanism Surcharge or Rebate Amortization Rates**  
**Effective August 1, 2021 - July 31, 2022**

**Residential Natural Gas**

Line No.	Date	Unamortized Balance (1)	Interest (2)	Forecast Usage
1		0.00871	3.25%	
2	Jul-21	\$1,183,669		
3	Aug-21	\$1,170,694	\$3,184	1,855,184
4	Sep-21	\$1,150,903	\$3,140	2,632,712
5	Oct-21	\$1,070,637	\$3,004	9,560,242
6	Nov-21	\$920,845	\$2,693	17,506,959
7	Dec-21	\$714,578	\$2,212	23,935,508
8	Jan-22	\$507,493	\$1,653	23,965,256
9	Feb-22	\$330,944	\$1,134	20,399,864
10	Mar-22	\$191,126	\$706	16,133,734
11	Apr-22	\$103,586	\$399	10,096,250
12	May-22	\$62,137	\$224	4,784,513
13	Jun-22	\$37,609	\$135	2,831,493
14	Jul-22	\$19,188	\$77	2,123,790
15	Annual Total		\$18,559	135,825,505
16	Incremental Rate to Recover Estimated Interest		\$0.00014	
17	Estimated Rate to Recover Deferral Balance		\$0.00871	
18	Rate before Gross-up for Revenue-related items		\$0.00885	
19	Times: Gross-up for Revenue-related items (3)		1.044672	
20	Preliminary Proposed Decoupling Rate		\$0.00925	
21	3% Test Rate Adjustment (4)		\$0.00000	
22	Final Proposed Decoupling Rate		\$0.00925	Surcharge Rate
23	Adjusted for Revenue Related Expenses		\$0.00885	Amortization Rate
24	Estimated Carryover Balance due to 3% test (5)		\$0	

Notes Notes

- (1) Deferral balance at the end of the month, Rate of \$0.00871 to recover the July 2021 balance of \$1,183,669 over 12 months. See page 2 and 5 of Attachment A for July 2021 balance calculation.
- (2) Interest computed on average balance between beginning and end of month at the present FERC rate. The FERC interest rate is updated quarterly.  
<http://www.ferc.gov/enforcement/acct-matts/interest-rates.asp>
- (3) 2020 Commission Basis conversion factor, see page 8 of Attachment A.
- (4) See pages 6 and 7 of Attachment A for earnings test and 3% test adjustment calculations.
- (5) See page 2 of Attachment A for estimated carryover balance calculations.

## Residential Natural Gas

Calculate Estimated Monthly Balances through July 2022

Line No.		Ending Balance	Interest	Amortization	Interest Rate
1	Dec-20	\$1,174,438			
2	<b>Earnings Sharing Adjustment</b>	\$0			
3	<b>Adjusted December Balance</b>	\$1,174,438			
4	Jan-21	\$1,177,619	\$3,181		3.25%
5	Feb-21	\$1,180,808	\$3,189		3.25%
6	Mar-21	\$1,184,006	\$3,198		3.25%
7	Apr-21	\$1,187,213	\$3,207		3.25%
8	May-21	\$1,190,428	\$3,215		3.25%
9	Jun-21	\$1,193,652	\$3,224		3.25%
10	<b>Jul-21</b>	<b>\$1,196,885</b>	\$3,233		3.25%
11	<b>Prior Year Carryover Balance</b>	<b>(\$13,216)</b>			
12	Aug-21	\$1,170,434	\$3,184	\$16,418	3.25%
13	Sep-21	\$1,150,273	\$3,138	\$23,299	3.25%
14	Oct-21	\$1,068,665	\$3,001	\$84,608	3.25%
15	Nov-21	\$916,413	\$2,684	\$154,937	3.25%
16	Dec-21	\$706,779	\$2,195	\$211,829	3.25%
17	Jan-22	\$496,314	\$1,627	\$212,093	3.25%
18	Feb-22	\$316,875	\$1,100	\$180,539	3.25%
19	Mar-22	\$174,756	\$665	\$142,784	3.25%
20	Apr-22	\$85,756	\$352	\$89,352	3.25%
21	May-22	\$43,588	\$175	\$42,343	3.25%
22	Jun-22	\$18,614	\$84	\$25,059	3.25%
23	<b>Jul-22</b>	<b>(\$157)</b>	\$25	\$18,796	3.25%
24	<b>Total</b>		\$40,677	\$1,077,730	
<b>Summary</b>					
25	2020 Deferred Revenue	\$1,174,438			
26	Less Earnings Sharing	\$0			
27	Add Prior Year Carryover Balance	(\$13,216)			
28	Add Interest through 07/31/2022	\$40,677			
29	Add Revenue Related Expense Adj.	\$54,487			
30	<b>Total Requested Recovery</b>	<b>\$1,256,386</b>			
31	Customer Surcharge Revenue	\$1,256,386			
32	Carryover Deferred Revenue	\$0			

**Avista Utilities**  
**Calculation of Decoupling Mechanism Surcharge or Rebate Amortization Rates**  
**Effective August 1, 2021 - July 31, 2022**

**Non-Residential Natural Gas**

Line No.	Date	Unamortized Balance (1)	Interest (2)	Forecast Usage
1		0.00766	3.25%	
2	Jul-21	\$466,251		
3	Aug-21	\$450,533	\$1,240	2,213,880
4	Sep-21	\$430,726	\$1,192	2,741,316
5	Oct-21	\$391,956	\$1,113	5,206,625
6	Nov-21	\$334,098	\$982	7,681,446
7	Dec-21	\$266,917	\$813	8,876,487
8	Jan-22	\$198,691	\$630	8,988,998
9	Feb-22	\$140,724	\$459	7,627,358
10	Mar-22	\$90,941	\$313	6,540,035
11	Apr-22	\$56,563	\$199	4,513,972
12	May-22	\$36,995	\$127	2,571,137
13	Jun-22	\$22,397	\$80	1,916,191
14	Jul-22	\$7,174	\$40	1,992,608
15	Annual Total		\$7,187	60,870,053
16	Incremental Rate to Recover Estimated Interest		\$0.00012	
17	Estimated Rate to Recover Deferral Balance		\$0.00766	
18	Rate before Gross-up for Revenue-related items		\$0.00778	
19	Times: Gross-up for Revenue-related items (3)		1.044672	
20	Preliminary Proposed Decoupling Rate		\$0.00813	
21	3% Test Rate Adjustment (4)		\$0.00000	
22	Final Proposed Decoupling Rate		\$0.00813	Surcharge Rate
23	Adjusted for Revenue Related Expenses		\$0.00778	Amortization Rate
24	Estimated Carryover Balance (5)		\$0	

Notes Notes

- (1) Deferral balance at the end of the month, Rate of \$0.00766 to recover the July 2021 balance of \$466,251 over 12 months. See page 4 and 5 of Attachment A for July 2021 balance calculation.
- (2) Interest computed on average balance between beginning and end of month at the present FERC rate. The FERC interest rate is updated quarterly.  
<http://www.ferc.gov/enforcement/acct-matts/interest-rates.asp>
- (3) 2020 Commission Basis conversion factor, see page 8 of Attachment A.
- (4) See pages 6 and 7 of Attachment A for earnings test and 3% test adjustment calculations.
- (5) See page 4 of Attachment A for estimated carryover balance calculations.

## Non-Residential Natural Gas

Calculate Estimated Monthly Balances through July 2022

Line No.		Ending Balance	Interest	Amortization	Interest Rate
1	Dec-20	\$445,001			
2	<b>Earnings Sharing Adjustment</b>	\$0			
3	<b>Adjusted December Balance</b>	\$445,001			
4	Jan-21	\$446,206	\$1,205		3.25%
5	Feb-21	\$447,414	\$1,208		3.25%
6	Mar-21	\$448,626	\$1,212		3.25%
7	Apr-21	\$449,841	\$1,215		3.25%
8	May-21	\$451,059	\$1,218		3.25%
9	Jun-21	\$452,281	\$1,222		3.25%
10	<b>Jul-21</b>	<b>\$453,506</b>	\$1,225		3.25%
	<b>Prior Year Carryover Balance</b>	<b>\$12,745</b>			
11	Aug-21	\$450,267	\$1,239	\$17,224	3.25%
12	Sep-21	\$430,130	\$1,191	\$21,327	3.25%
13	Oct-21	\$390,733	\$1,110	\$40,508	3.25%
14	Nov-21	\$331,948	\$977	\$59,762	3.25%
15	Dec-21	\$263,695	\$806	\$69,059	3.25%
16	Jan-22	\$194,380	\$619	\$69,934	3.25%
17	Feb-22	\$135,485	\$446	\$59,341	3.25%
18	Mar-22	\$84,902	\$298	\$50,881	3.25%
19	Apr-22	\$49,965	\$182	\$35,119	3.25%
20	May-22	\$30,070	\$108	\$20,003	3.25%
21	Jun-22	\$15,223	\$61	\$14,908	3.25%
22	<b>Jul-22</b>	<b>(\$259)</b>	\$20	\$15,502	3.25%
24	<b>Total</b>		\$15,564	\$394,510	
<b>Summary</b>					
25	2020 Deferred Revenue	\$445,001			
26	Less Earnings Sharing	\$0			
27	Add Prior Year Carryover Balance	\$12,745			
28	Add Interest through 07/31/2022	\$15,564			
29	Add Revenue Related Expense Adj.	\$21,563			
30	<b>Total Requested Recovery</b>	<b>\$494,874</b>			
31	Customer Surcharge Revenue	\$494,874			
32	Carryover Deferred Revenue	\$0			

**Avista Utilities**  
**Decoupling Mechanism Prior Surcharge or Rebate Amortization**  
**Effective August 1, 2020 - July 31, 2021**  
**Docket No. UG-200499**

**Residential Natural Gas Rebate**

Line No.	Date	Regulatory Liability Beginning Balance	Interest	Amortization	Regulatory Liability Ending Balance	Interest Rate	May - July Forecast Usage
1	Aug-20	\$ (842,268.30)	(\$2,384.98)	\$ 15,749.12	\$ (828,904.16)	3.43%	
2	Sep-20	\$ (828,904.16)	(\$2,342.61)	\$ 18,661.32	\$ (812,585.45)	3.43%	
3	Oct-20	\$ (812,585.45)	(\$2,121.03)	\$ 58,870.65	\$ (755,835.83)	3.25%	
4	Nov-20	\$ (755,835.83)	(\$1,894.82)	\$ 112,420.18	\$ (645,310.47)	3.25%	
5	Dec-20	\$ (645,310.47)	(\$1,556.66)	\$ 141,087.79	\$ (505,779.34)	3.25%	
6	Jan-21	\$ (505,779.34)	(\$1,186.26)	\$ 135,549.80	\$ (371,415.80)	3.25%	
7	Feb-21	\$ (371,415.80)	(\$815.07)	\$ 140,932.98	\$ (231,297.89)	3.25%	
8	Mar-21	\$ (231,297.89)	(\$495.41)	\$ 96,754.66	\$ (135,038.64)	3.25%	
9	Apr-21	\$ (135,038.64)	(\$286.21)	\$ 58,725.59	\$ (76,599.26)	3.25%	
10	May-21	\$ (76,599.26)	(\$165.03)	\$ 31,332.76	\$ (45,431.53)	3.25%	4,778,461
11	Jun-21	\$ (45,431.53)	(\$99.22)	\$ 17,595.19	\$ (27,935.56)	3.25%	2,683,387
12	Jul-21	\$ (27,935.56)	(\$55.65)	\$ 14,774.79	\$ (13,216.42)	3.25%	2,253,257

**Non-Residential Natural Gas Surcharge**

Line No.	Date	Regulatory Asset Beginning Balance	Interest	Amortization	Regulatory Asset Ending Balance	Interest Rate	May - July Forecast Usage
13	Aug-20	\$ 230,147.72	\$647.40	\$ (7,304.30)	\$ 223,490.82	3.43%	
14	Sep-20	\$ 223,490.82	\$626.64	\$ (8,517.16)	\$ 215,600.30	3.43%	
15	Oct-20	\$ 215,600.30	\$556.86	\$ (19,979.05)	\$ 196,178.11	3.25%	
16	Nov-20	\$ 196,178.11	\$499.71	\$ (23,340.97)	\$ 173,336.85	3.25%	
17	Dec-20	\$ 173,336.85	\$426.84	\$ (31,469.95)	\$ 142,293.74	3.25%	
18	Jan-21	\$ 142,293.74	\$344.17	\$ (30,427.68)	\$ 112,210.23	3.25%	
19	Feb-21	\$ 112,210.23	\$262.66	\$ (30,456.01)	\$ 82,016.88	3.25%	
20	Mar-21	\$ 82,016.88	\$184.16	\$ (28,037.07)	\$ 54,163.97	3.25%	
21	Apr-21	\$ 54,163.97	\$124.69	\$ (16,248.40)	\$ 38,040.26	3.25%	
22	May-21	\$ 38,040.26	\$89.38	\$ (10,077.94)	\$ 28,051.70	3.25%	2,512,683
23	Jun-21	\$ 28,051.70	\$65.02	\$ (8,091.34)	\$ 20,025.38	3.25%	2,017,373
24	Jul-21	\$ 20,025.38	\$44.32	\$ (7,324.25)	\$ 12,745.45	3.25%	1,826,120

**Avista Utilities**  
**Decoupling Mechanism Earnings Test and 3% Test**  
**2020 Washington Natural Gas Deferrals**

**2020 Commission Basis Earnings Test for Decoupling**

Line No.		Natural Gas
1	Rate Base	\$ 410,952,000
2	Net Income	\$ 24,969,000
3	Calculated ROR	6.08%
4	Base ROR	Pro-rated 7.28%
5	Excess ROR	-1.21%
6	Excess Earnings	\$ -
7	Conversion Factor	0.756218
8	Excess Revenue (Excess Earnings/CF)	\$ -
9	Sharing %	50%
10	2019 Total Earnings Test Sharing	<span style="border: 1px solid red; padding: 2px;">\$ -</span>

**Revenue From 2020 Normalized Loads and Customers at Present Billing Rates**

11	Residential Revenue	\$ 123,149,739	77.94%
12	Non-Residential Revenue	\$ 34,857,536	22.06%
13	Total Normalized Revenue	\$ 158,007,275	100.00%

	Earnings Test Sharing Adjustment	Gross Revenue Adjustment	Net of Revenue Related Expenses
14	Residential	\$ -	\$ -
15	Non-Residential	\$ -	\$ -
16	Total	\$ -	\$ -

**Avista Utilities**  
**Decoupling Mechanism Earnings Test and 3% Test**  
**2020 Washington Natural Gas Deferrals**

**3% Incremental Surcharge Test**

Line No.		Residential	Non-Residential
1	Revenue From 2020 Normalized Loads and Customers at Present Billing Rates (Note 1)	\$ 123,149,739	\$ 34,857,536
2	August 2021 - July 2022 Usage	135,825,505	60,870,053
3	Proposed Decoupling Recovery Rates	\$0.00925	\$0.00813
4	Present Decoupling Surcharge Recovery Rates (2)	\$0.00000	\$0.00419
5	Incremental Decoupling Recovery Rates	\$0.00925	\$0.00394
6	Incremental Decoupling Recovery	\$ 1,256,386	\$ 239,828
7	Incremental Surcharge %	<b>1.02%</b>	<b>0.69%</b>
8	3% Test Adjustment (3)	\$ -	\$ -
9	3% Test Rate Adjustment	\$0.00000	\$0.00000
10	Adjusted Proposed Decoupling Recovery Rates	\$0.00925	\$0.00813
11	Adjusted Incremental Decoupling Recovery	\$ 1,256,386	\$ 239,828
12	Adjusted Incremental Surcharge %	<b>1.02%</b>	<b>0.69%</b>

Notes

(1) Revenue from 2020 normalized loads and customers at present billing rates effective since April 1, 2021.

(2) As stated on tariff Sheet 175E, the reversal of a rebate rate is not included in the 3% incremental surcharge test. Therefore the Residential Group rebate of -\$0.00685 is \$0.00000 in this incremental rate calculation.

(3) The carryover balances will differ from the 3% adjustment amounts due to the revenue related expense gross up partially offset by additional interest on the outstanding balance during the amortization period.



**AVISTA UTILITIES**  
**Revenue Conversion Factor**  
**Washington - Gas System**  
**TWELVE MONTHS ENDED December 31, 2020**

Line No.	Description	Factor
1	<b>Revenues</b>	1.000000
	<b>Expense:</b>	
2	Uncollectibles	0.002332
3	Commission Fees	0.002000
4	Washington Excise Tax	0.038430
5	Total Expense	<u>0.042762</u>
6	Net Operating Income Before FIT	0.957238
7	Federal Income Tax @ 21%	0.201020
8	REVENUE CONVERSION FACTOR	<u><u>0.756218</u></u>
9	Gross Up Factor	1.044672

2020 Commission Basis Conversion Factor

**Avista Utilities**  
**Washington Jurisdiction**  
**2021 Decoupling Schedule 175 Filing**  
**Natural Gas**

Type of Service	Schedule Number	Decoupling Billing Determinants	Present Decoupling Rate	Present Decoupling Revenue	Proposed Decoupling Incr/(Decr)	Proposed Decoupling Revenue	Proposed Decoupling Rate	Incremental Rate change	Present Billing Revenue	
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)		
<b>General Service</b>	<b>101/102</b>	<b>135,825,505</b>	<b>\$ (0.00685)</b>	<b>\$ (930,405)</b>	<b>\$ 2,186,791</b>	<b>\$ 1,256,386</b>	<b>\$ 0.00925</b>	<b>\$ 0.01610</b>	<b>\$ 123,149,739</b>	<b>1.78%</b>
Large General Service	111/112/116	60,870,053	\$ 0.00419	\$ 255,046	\$ 239,828	\$ 494,874	\$ 0.00813	\$ 0.00394	\$ 34,857,536	0.69%
Interruptible Service	131	0	\$ 0.00419	\$ -	\$ -	\$ -	\$ 0.00813	\$ 0.00394	\$ -	0.00%
Interruptible Service	132	N/A							\$ 509,151	0.00%
Transportation Service Special Contract	146	N/A							\$ 3,018,511	0.00%
Transportation Service	148	N/A							\$ 1,231,283	0.00%
Total		196,695,559		\$ (675,359)	\$ 2,426,619	\$ 1,751,259			\$ 162,766,220	1.49%
<b>Non-Residential Group Subtotal</b>		<b>60,870,053</b>		<b>\$ 255,046</b>	<b>\$ 239,828</b>	<b>\$ 494,874</b>			<b>\$ 34,857,536</b>	<b>0.69%</b>

Average Residential Bill		@67 therms
Basic Charge	\$9.50	\$9.50
First 70 therms	\$0.72215	\$48.38
Next 70 therms	\$0.84513	\$0.00
Residential Bill at 4/1/2021 rates		\$57.88
Proposed rate change	\$ 0.01610	\$1.08
Residential Bill at Proposed rates		\$58.96
Proposed Percent Increase		1.87%