

**Avista Corp.**

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VIA – Commission Portal

January 20, 2023

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

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 COMMISSION

RE: Avista Corporation – Docket Nos. UE-220053 / UG-220054 / UE-210854 – 2nd Supplemental Compliance Filing

On January 19, 2023, the Commission required Avista and Commission Staff to file supplemental letters “explaining and providing supporting detail of the revenue Avista has collected vis-à-vis its authorized revenue.” Further, the Commission asked Avista to “indicate whether the Commission should expect Avista to make a filing to request a deferral of either under or over collected revenue as a result of the discovered error and Avista’s proposed refund mechanism for customers, if applicable.” Provided below is the information requested by the Commission.

Based on the Company’s analysis of billed revenue from the time new rates went into effect on December 21, 2022, we estimate approximately 2,427 customers who take service on the impacted schedules have been billed, in total, approximately \$210,000 above the authorized revenue amount. The majority of the overbilled revenue was from customers taking service on Schedule 21 who accounted for approximately 1,272 of the impacted customers and \$204,000 of the overbilled revenue resulting in an average of \$160¹ overbilled per customer.

Customers on the other impacted Schedules totaled approximately 1,452 customers. Those customers have much lower usage compared to Schedule 21, and therefore the estimated total impact is an overbilling of \$6,000, or approx. \$4 per customer. These amounts will vary by customer depending on usage and the date the customer was billed (i.e. the more days beyond the rate effective date of 12/21/2022 the customer was billed for, the more usage would have been billed at the incorrect rate).

¹ This represents approximately 2% of the average Schedule 21 customer bill amount which was \$7,154 in the month of December 2022 (average usage of 70,805 kWh).

The Company does not anticipate filing a request to defer the over collected amount. Upon discovery of the error, the Company put a hold on billing all customers on the impacted rate schedules. For those customers who have yet to receive their bill, once the corrected tariffs are approved by the Commission, those customers not yet billed will be billed at the correct authorized rate. As such they will be unaffected by the inadvertent error, and the only effect is a 1 to 5 day delay in receiving their bill. Those customers will have their normal customary time period to make a payment.

For customers who were billed at the incorrect rate, when the Commission approves the supplemental compliance tariffs before it, the Company will cancel and rebill those customers affected to ensure they are accurately billed at the corrected rates. The cancel and rebill process is an established standard operating procedure in place at the Company used for bill corrections that are required from time-to-time. In this case, the affected customer's bill will be calculated using the same billed usage (from the original bill) at the corrected rate and compared to the amount originally billed. Avista will then issue to each customer a revised (corrected) bill. If the customer had not yet paid the original bill, they could then pay the revised bill balance owed. For those customers who already paid the original bill, they will have a credit which will be applied to their next bill. In both instances, the customer will receive the amount overbilled back on a dollar for dollar basis within two billing cycles.

As described above, each affected customer will be made whole. Therefore, because the over-collected revenue above the Company's authorized revenue will be returned to the impacted customers, no deferral is necessary.

Please direct any questions to Joe Miller at 509.495.4546.

Sincerely,

/s/ Patrick Ehrbar

Patrick Ehrbar
Director of Regulatory Affairs

Enclosures

c: Service List