



UE-011595  
UE-140188

**Avista Corp.**

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

October 15, 2021

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

Received  
Records Management  
10/15/21 13:52  
State Of WASH.  
UTIL. AND TRANSP.  
COMMISSION

Re: Docket No. UE-011595, Monthly Power Cost Deferral Report, September 2021  
Docket No. UE-140188, Monthly REC Report, September 2021

Dear Ms. Maxwell:

Enclosed for electronic filing is Avista Corporation’s Power Cost Deferral Report for the month of September 2021. 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:

Account	Report Page	Description	Balance Surcharge/ (Rebate)
Current Year Deferral	5	Cumulative YTD Balance for difference between actual and authorized during 2021	\$ 4,102,359
Approved for Rebate	6	ERM deferrals through 2018 approved for rebate in UE-190334, UG-190335 and UE-190222 (consol.)	\$ (10,511,753)
Amortizing Deferral Balance	7	Balance approved for prudence for 2019-2020, but not yet approved for rebate	\$ (13,238,520)

As summarized on page 9 of the Power Cost Deferral report, actual net power supply costs, including the retail revenue adjustment, were lower than authorized net power costs for Washington by \$2,248,142. A deferral entry was recorded for the month in the amount of \$2,023,327 in the rebate direction. As illustrated below, year-to-date the Company has absorbed \$7,118,467 million.

	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%	\$ 1,184,669	\$ 118,467	\$ 1,066,202
	\$ 11,184,669	\$ 7,118,467	\$ 4,066,202

For the month of September, the primary contributor to the rebate balance was due to less net system purchases and sales than authorized for approximately \$4.6 million, and natural gas-fired generation less than authorized by \$1.1 million. This was offset by lower hydro usage than budget for approximately \$4.0 million.

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 \$396,171 plus interest. For the month of September, a transfer was done for the benefit of Idaho customers for \$712,187.45 in order to reflect the impact of Washington I-937 RPS Standards. Please see page 27 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

