



UE-011595

UE-140188

Avista Corp.

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March 15, 2022

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

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State Of WASH.
UTIL. AND TRANSP.
COMMISSION

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

Dear Ms. Maxwell:

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

	<u>Total</u>	<u>Absorbed (Avista)</u>	<u>Deferred (Customer)</u>
First \$4M at 100%	\$ (1,379,950)	\$ (1,379,950)	\$ -
\$4M to \$10M at 25% (rebate)	\$ -	\$ -	\$ -
\$4M to \$10M at 50% (surcharge)		\$ -	\$ -
Over \$10M at 10%		\$ -	\$ -
	\$ (1,379,950)	\$ (1,379,950)	\$ -

As summarized on page 12 of the Power Cost Deferral report, actual net power supply costs, including the retail revenue adjustment, for February were lower than authorized net power costs for Washington by \$41,563, with the year to date amount is \$1,379,950. As this is within the \$4,000,000 dead-band, no deferral entry was recorded for the month.

The following table illustrates all deferral balances related to the ERM Mechanism.

Account	Report Page	Description	Balance Surcharge/ (Rebate)
Current Year Deferral	5	Cumulative YTD Balance for difference between actual and authorized during 2022	\$ -
Amortizing Deferral - Approved for Rebate	6	ERM deferrals through 2018 approved for rebate in UE-190334, UG-190335 and UE-190222 (consol.)	\$ (3,172,195)
Amortizing Deferral Balance	7	Balance approved for prudence for 2019-2020, but not yet approved for rebate *	\$ (13,239,160)
Pending Deferral Balances from 2021	8	2021 Pending Approval*	\$ 8,872,086
*excludes impact of Solar Select program.			

For the month of February, the Company made certain adjustments to the ERM balances in order to aid in transparency and ease of tracking for the Solar Select program. Previously these amounts were embedded within the “Amortizing Deferral Balance” , as well as the “Pending Deferral Balances form 2021. Consolidating these amounts into one account resulted in a total Solar Select balance of approximately \$1,109,559 million. This is comprised of \$893,557 currently being reviewed as part of the 2021 Annual ERM Filing prudence review, and the remainder previously approved recovery for \$208,002, including interest. Page 9 of the report includes the support for these entries.

Customer load was approximately 49 aMW higher than authorized for the month of February 2022 resulting in a net unfavorable variance of \$1.2 million. The Company met this increase in obligation through hydro generation, contributing an additional 70 aMW or \$716,000 favorable. Thermal generation provided an additional 11 aMW, however, at higher than authorized prices resulting in an unfavorable variance as compared to authorized of \$378,000. Natural gas plants generation was less than authorized for 29 aMW, resulting in an unfavorable variance of \$2.0 million. Finally, net purchases and sales were approximately 100 aMW less than authorized. However, given net purchase prices were lower than authorized, this resulted in a favorable variance of \$955,000. Including all factors, actual net power supply costs, including the retail revenue adjustment, for February were lower than authorized net power costs for Washington by \$41,563.

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 \$200,585 plus interest. Please see page 26 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

