



UE-011595

UE-140188

**Avista Corp.**

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July 15, 2022

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

Received  
Records Management  
07/15/22 08:43  
State Of WASH.  
UTIL. AND TRANSP.  
COMMISSION

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

Dear Ms. Maxwell:

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

	Total	Absorbed (Avista)	Deferred (Customer)
First \$4M at 100%	\$ 2,813,558	\$ 2,813,558	\$ -
\$4M to \$10M at 25% (rebate)	\$ -	\$ -	\$ -
\$4M to \$10M at 50% (surcharge)	\$ -	\$ -	\$ -
Over \$10M at 10%	\$ -	\$ -	\$ -
	\$ 2,813,558	\$ 2,813,558	\$ -

As summarized on page 11 of the Power Cost Deferral report, actual net power supply costs, including the retail revenue adjustment, for June were higher than authorized net power costs for Washington by \$138,140. No deferral entry was recorded given total cost is within the deadband. Year to date the deferral balance is \$2,813,558 in the surcharge direction.

For the month of June, total loads were higher than authorized by approximately 55 aMW resulting. This increase in load was served primarily through market purchases and sales offsetting unfavorable conditions for both natural gas generation and hydro generation. Lower than authorized electricity prices, combined with higher than authorized natural gas prices, resulted in natural gas generation not being dispatched as much as the authorized level. While the region is experiencing a favorable hydro year, as compared to the median water year included in authorized, hydro was also unfavorable.

In addition, tracking and recording of the Solar Select program is consolidated into a new account 186295 (see page 9). The Company consolidated the impacts of the program into one general ledger account to provide additional transparency for annual ERM reporting. In addition, 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 of June in the amount of \$28,841.

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 \$397,171 plus interest. In addition, for the month of June, the reclassification of REC sales resulting from compliance with I-937 reduced the REC balance for the state of Washington by \$712,187. Please see page 28 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

