

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

ATTACHMENT C

Excerpts from Avista's Q4 2020 Quarterly
Decoupling Update Filing

May 26, 2021

Avista Corporation Decoupling Mechanism
Washington Jurisdiction
Quarterly Report for 4th Quarter 2020

New Customers Excluded from Decoupling Mechanism
UG-190335 Base effective 4/1/2020

Line No.	Description	Jan-20	Feb-20	Mar-20	Apr-20	May-20	Jun-20	Jul-20	Aug-20	Sep-20	Oct-20	Nov-20	Dec-20	2020 Total	Apr - Dec Average
1	No. of Excluded Customer Bills - Residential	-	-	-	4,208	4,233	4,349	4,745	4,977	5,290	5,449	5,715	5,901	44,867	4,985
2	New Customer Usage - Residential	-	-	-	268,677	120,936	82,419	54,756	35,744	44,185	100,287	370,194	614,291	1,691,489	
3	New Customer Use per Customer - Residential	-	-	-	64	29	19	12	7	8	18	65	104	38	
4	No. of Excluded Customer Bills - Non-Residential	-	-	-	41	38	38	38	42	37	36	44	42	356	40
5	New Customer Usage - Non-Residential	-	-	-	108,540	55,253	35,573	22,680	15,266	17,847	28,994	73,866	142,469	500,488	
6	New Customer Use per Customer - Non-Residential	-	-	-	2,647	1,454	936	597	363	482	805	1,679	3,392	1,406	
7	Base Rate Revenue from Excluded Customers - Residential	\$ -	\$ -	\$ -	\$ 153,301	\$ 92,622	\$ 77,767	\$ 69,541	\$ 62,486	\$ 69,408	\$ 94,795	\$ 219,659	\$ 343,301	\$ 1,182,880	\$ 237
8	Base Rate Revenue from Excluded Customers - Non-Residential	\$ -	\$ -	\$ -	\$ 32,149	\$ 18,348	\$ 13,156	\$ 9,775	\$ 7,889	\$ 8,345	\$ 11,208	\$ 23,820	\$ 41,807	\$ 166,497	\$ 4,209
9	Total New Customer Revenue	\$ -	\$ -	\$ -	\$ 185,450	\$ 110,970	\$ 90,923	\$ 79,316	\$ 70,375	\$ 77,754	\$ 106,003	\$ 243,479	\$ 385,107	\$ 1,349,377	
10	Variable Gas Costs	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
11	Depreciation Expense (1)	\$ -	\$ -	\$ -	\$ 38,708	\$ 40,519	\$ 42,949	\$ 46,040	\$ 49,133	\$ 52,158	\$ 55,764	\$ 59,063	\$ 62,681	\$ 447,017	
12	Property Tax Expense (1)	\$ -	\$ -	\$ -	\$ 18,981	\$ 19,869	\$ 21,062	\$ 22,578	\$ 24,096	\$ 25,581	\$ 27,350	\$ 28,969	\$ 30,745	\$ 219,229	
13	Customer Accounting Cost (2)	\$ -	\$ -	\$ -	\$ 11,907	\$ 11,484	\$ 11,461	\$ 11,953	\$ 11,865	\$ 12,163	\$ 11,815	\$ 11,619	\$ 11,545	\$ 105,811	
14	Customer Service Cost (3)	\$ -	\$ -	\$ -	\$ 2,036	\$ 2,097	\$ 2,194	\$ 2,297	\$ 2,437	\$ 2,532	\$ 2,393	\$ 2,367	\$ 2,313	\$ 20,666	
15	Excise Tax	\$ -	\$ -	\$ -	\$ 7,116	\$ 4,258	\$ 3,489	\$ 3,044	\$ 2,701	\$ 2,984	\$ 4,068	\$ 9,343	\$ 14,778	\$ 51,781	
16	Uncollectibles	\$ -	\$ -	\$ -	\$ 701	\$ 420	\$ 344	\$ 300	\$ 266	\$ 294	\$ 401	\$ 921	\$ 1,456	\$ 5,102	
17	Commission Fees	\$ -	\$ -	\$ -	\$ 371	\$ 222	\$ 182	\$ 159	\$ 141	\$ 156	\$ 212	\$ 487	\$ 770	\$ 2,699	
18	Total New Customer Expense	\$ -	\$ -	\$ -	\$ 79,821	\$ 78,869	\$ 81,680	\$ 86,370	\$ 90,638	\$ 95,867	\$ 102,003	\$ 112,769	\$ 124,288	\$ 852,305	
19	Operating Income Before FIT	\$ -	\$ -	\$ -	\$ 105,629	\$ 32,101	\$ 9,242	\$ (7,054)	\$ (20,263)	\$ (18,113)	\$ 4,000	\$ 130,710	\$ 260,820	\$ 497,072	
20	Income Tax	\$ -	\$ -	\$ -	\$ 22,182	\$ 6,741	\$ 1,941	\$ (1,481)	\$ (4,255)	\$ (3,804)	\$ 840	\$ 27,449	\$ 54,772	\$ 104,385	
21	Tax Benefit of Interest	\$ -	\$ -	\$ -	\$ (9,003)	\$ (9,496)	\$ (10,084)	\$ (10,885)	\$ (11,472)	\$ (12,239)	\$ (13,096)	\$ (13,717)	\$ (14,721)	\$ (104,714)	
22	Operating Income	\$ -	\$ -	\$ -	\$ 92,450	\$ 34,856	\$ 17,386	\$ 5,313	\$ (4,536)	\$ (2,070)	\$ 16,256	\$ 116,977	\$ 220,768	\$ 497,401	
23	Plant Investment Associated with New Customers Since Test Year (1)				\$ 19,937,179	\$ 21,065,081	\$ 22,398,104	\$ 24,194,912	\$ 25,530,480	\$ 27,258,309	\$ 29,182,143	\$ 30,598,887	\$ 32,846,343	\$ 258,901,600	
24	Accumulated Depreciation (1)				\$ (326,580)	\$ (367,099)	\$ (410,048)	\$ (456,088)	\$ (505,221)	\$ (557,379)	\$ (613,143)	\$ (672,206)	\$ (734,888)	\$ (515,850)	
25	Accumulated Deferred Taxes (1)				\$ (196,874)	\$ (220,506)	\$ (243,628)	\$ (266,101)	\$ (287,925)	\$ (309,113)	\$ (329,544)	\$ (349,282)	\$ (368,261)	\$ (285,693)	
26	Rate Base	\$ -	\$ -	\$ -	\$ 19,413,726	\$ 20,477,476	\$ 21,744,428	\$ 23,472,723	\$ 24,737,335	\$ 26,391,817	\$ 28,239,456	\$ 29,577,398	\$ 31,743,195	\$ 250,886,617	
27	Allowed ROR	7.50%	7.50%	7.50%	7.21%	7.21%	7.21%	7.21%	7.21%	7.21%	7.21%	7.21%	7.21%	7.21%	
28	Weighted Cost of Debt	2.89%	2.89%	2.89%	2.65%	2.65%	2.65%	2.65%	2.65%	2.65%	2.65%	2.65%	2.65%	2.65%	
29	Return Requirement	\$ -	\$ -	\$ -	\$ 116,644	\$ 123,036	\$ 130,648	\$ 141,032	\$ 148,630	\$ 158,571	\$ 169,672	\$ 177,711	\$ 190,724	\$ 1,356,667	
30	NOI Sufficiency (Deficiency)	\$ -	\$ -	\$ -	\$ (24,194)	\$ (88,179)	\$ (113,262)	\$ (135,719)	\$ (153,166)	\$ (160,641)	\$ (153,416)	\$ (60,733)	\$ 30,045	\$ (859,266)	
31	Gas Cost Excl from Base Rate Rev	-	-	-	-	-	-	-	-	-	-	-	-	-	
32	Excise Tax Rate	0.038282	0.038282	0.038282	0.038374	0.038374	0.038374	0.038374	0.038374	0.038374	0.038374	0.038374	0.038374	0.038374	
33	Uncollectible Expense Rate	0.006183	0.006183	0.006183	0.003781	0.003781	0.003781	0.003781	0.003781	0.003781	0.003781	0.003781	0.003781	0.003781	
34	Commission Fee Rate	0.002000	0.002000	0.002000	0.002000	0.002000	0.002000	0.002000	0.002000	0.002000	0.002000	0.002000	0.002000	0.002000	
35	Federal Tax Rate	21%	21%	21%	21%	21%	21%	21%	21%	21%	21%	21%	21%	21%	
36	Avg Cust Acctg Cost per Bill (1)	\$ 3.01	\$ 2.94	\$ 2.94	\$ 2.80	\$ 2.69	\$ 2.61	\$ 2.50	\$ 2.36	\$ 2.28	\$ 2.15	\$ 2.02	\$ 1.94	\$ 1.94	
37	Avg Cust Service Cost per Bill (2)	\$ 0.51	\$ 0.50	\$ 0.49	\$ 0.48	\$ 0.49	\$ 0.50	\$ 0.48	\$ 0.49	\$ 0.48	\$ 0.44	\$ 0.41	\$ 0.39	\$ 0.39	

Note (1) All plant related new customer costs are derived from "New Revenue - Growth" project category transfers to plant cumulative additions since the test year.
 Note (2) Reflects 12ME Customer Accounting Expenses per Bill (excludes Uncollectible Accounts Expense).
 Note (3) Reflects 12ME Customer Service and Info Expenses per Bill (excludes Public Purpose Tariff Rider and Limited Income Tax Refund Program expense offsets).

Avista Corporation Decoupling Mechanism
Washington Jurisdiction
Quarterly Report for 4th Quarter 2020

The Company will maintain and present data and a brief explanatory narrative for 30-, 20-, 15-, and 10-year moving averages for purposes of decoupling in its annual decoupling report.

Explanatory Narrative:

Heating degree-day and Cooling degree-day moving averages provide an updated determination of "normal" or expected weather each year. In the context of a general rate case, changing these assumptions impacts the normalized test year usage that new rates are based on, the same costs spread over less usage will result in higher charges per kWh to achieve the same revenue per customer (RPC) and vice-versa. In the context of the Company's decoupling mechanism the allowed decoupled RPC is determined in the development of current effective rates in a general rate proceeding. Once the RPC is set, assumptions regarding what proportion of decoupling deferrals are associated with weather have no impact on the deferrals in total, only the portion explained by "abnormal" weather.

The data shown below indicates that if 2020 were a test year in a future general rate case the definition of "normal" weather would impact both the overall normalized usage and the monthly shape of normalized usage (impacting the Decoupling monthly RPC). Natural gas usage is only sensitive to heating, therefore changes to cooling expectations have no impact to the normalized test year usage. Generally, the data below shows that the shorter the moving average periods, the less heating degree-days and more cooling degree-days. Both residential and non-residential natural gas service would have the highest normalized usage under the 30-year moving average assumption (lowest rate per therm for the same RPC) and the lowest normalized usage under the 10-year moving average assumption (highest rate per therm for the same RPC).

Line No.	Description	Jan-20	Feb-20	Mar-20	Apr-20	May-20	Jun-20	Jul-20	Aug-20	Sep-20	Oct-20	Nov-20	Dec-20	2020 Total
1	Actual Degree Days Heating	951	861	809	513	292	139	21	11	88	524	826	1,021	6,056
2	Actual Degree Days Cooling	-	-	-	-	11	49	205	223	65	3	-	-	556
30-Year Weather Assumption														
3	30-Year Normal DDH	1,102	911	777	544	295	137	26	28	160	539	866	1,129	6,514
4	30-Year Normal DDC	-	-	-	-	15	53	209	187	41	1	-	-	506
5	Normal - Actual DDH	151	50	(32)	31	3	(2)	5	17	72	15	40	108	458
6	Normal - Actual DDC	-	-	-	-	4	4	4	(36)	(24)	(2)	-	-	(50)
7	30-Year Residential Usage Adjustment	2,885,999	952,993	(611,265)	508,693	49,001	(32,823)	92,719	314,496	1,337,412	245,548	654,491	2,018,455	8,415,719
8	30-Year Non-Residential Usage Adjustment	899,986	299,627	(191,070)	176,686	16,934	(11,436)	34,840	117,378	502,803	85,706	227,856	641,154	2,800,464
Deferred Decoupled Revenue														
9	Residential Weather Component	\$ 1,207,300	\$ 398,666	\$ (255,710)	\$ 237,789	\$ 22,906	\$ (15,343)	\$ 43,341	\$ 147,011	\$ 625,173	\$ 114,781	\$ 305,942	\$ 943,527	\$ 3,775,383
10	Residential Non-Weather	\$ (1,335,450)	\$ (580,103)	\$ (537,562)	\$ 741,355	\$ 513,858	\$ 100,528	\$ (100,499)	\$ (99,847)	\$ (354,522)	\$ 96,845	\$ (568,963)	\$ (432,543)	\$ (2,556,904)
11	Total Residential Decoupling Deferral	\$ (128,150)	\$ (181,437)	\$ (793,272)	\$ 979,144	\$ 536,764	\$ 85,185	\$ (57,158)	\$ 47,164	\$ 270,651	\$ 211,626	\$ (263,021)	\$ 510,984	\$ 1,218,479
12	Non-Residential Weather Component	\$ 236,751	\$ 78,820	\$ (50,263)	\$ 49,647	\$ 4,758	\$ (3,213)	\$ 9,790	\$ 32,982	\$ 141,283	\$ 24,083	\$ 64,025	\$ 180,158	\$ 768,821
13	Non-Residential Non-Weather	\$ (520,366)	\$ (230,107)	\$ (149,850)	\$ 283,560	\$ 188,594	\$ 245,895	\$ 58,792	\$ 78,546	\$ (14,419)	\$ (183,305)	\$ 109,099	\$ (169,754)	\$ (303,315)
14	Total Non-Residential Decoupling Deferral	\$ (283,615)	\$ (151,287)	\$ (200,113)	\$ 333,207	\$ 193,352	\$ 242,682	\$ 68,582	\$ 111,528	\$ 126,864	\$ (159,222)	\$ 173,124	\$ 10,404	\$ 465,506
20-Year Weather Assumption														
15	20-Year Normal DDH	1,099	927	778	544	285	129	17	21	164	529	870	1,125	6,488
16	20-Year Normal DDC	-	-	-	-	17	60	234	201	45	1	-	-	558
17	Normal - Actual DDH	148	66	(31)	31	(7)	(10)	(4)	10	76	5	44	104	432
18	Normal - Actual DDC	-	-	-	-	6	11	29	(22)	(20)	(2)	-	-	2
19	20-Year Residential Usage Adjustment	2,828,661	1,257,951	(592,162)	508,693	(114,336)	(164,116)	(74,175)	184,997	1,411,713	81,849	719,940	1,943,697	7,992,712
20	20-Year Non-Residential Usage Adjustment	882,105	395,508	(185,100)	176,686	(39,514)	(57,181)	(27,871)	69,046	530,736	28,568	250,641	617,407	2,641,031
Deferred Decoupled Revenue														
21	Residential Weather Component	\$ 1,183,314	\$ 526,239	\$ (247,719)	\$ 237,789	\$ (53,446)	\$ (76,716)	\$ (34,673)	\$ 86,477	\$ 659,905	\$ 38,260	\$ 336,536	\$ 908,581	\$ 3,564,547
22	Residential Non-Weather	\$ (1,311,464)	\$ (707,676)	\$ (545,553)	\$ 741,355	\$ 590,210	\$ 161,901	\$ (22,485)	\$ (39,313)	\$ (389,254)	\$ 173,366	\$ (599,557)	\$ (397,597)	\$ (2,346,068)
23	Total Residential Decoupling Deferral	\$ (128,150)	\$ (181,437)	\$ (793,272)	\$ 979,144	\$ 536,764	\$ 85,185	\$ (57,158)	\$ 47,164	\$ 270,651	\$ 211,626	\$ (263,021)	\$ 510,984	\$ 1,218,479
24	Non-Residential Weather Component	\$ 232,047	\$ 104,042	\$ (48,693)	\$ 49,647	\$ (11,103)	\$ (16,067)	\$ (7,831)	\$ 19,401	\$ 149,132	\$ 8,027	\$ 70,428	\$ 173,485	\$ 722,515
25	Non-Residential Non-Weather	\$ (515,662)	\$ (255,329)	\$ (151,420)	\$ 283,560	\$ 204,455	\$ 258,749	\$ 76,413	\$ 92,127	\$ (22,268)	\$ (167,249)	\$ 102,696	\$ (163,081)	\$ (257,009)
26	Total Non-Residential Decoupling Deferral	\$ (283,615)	\$ (151,287)	\$ (200,113)	\$ 333,207	\$ 193,352	\$ 242,682	\$ 68,582	\$ 111,528	\$ 126,864	\$ (159,222)	\$ 173,124	\$ 10,404	\$ 465,506

Avista Corporation Decoupling Mechanism
Washington Jurisdiction
Quarterly Report for 4th Quarter 2020

Line No.	Description	Jan-20	Feb-20	Mar-20	Apr-20	May-20	Jun-20	Jul-20	Aug-20	Sep-20	Oct-20	Nov-20	Dec-20	2020 Total
1	Actual Degree Days Heating	951	861	809	513	292	139	21	11	88	524	826	1,021	6,056
2	Actual Degree Days Cooling	-	-	-	-	11	49	205	223	65	3	-	-	556
15-Year Weather Assumption														
27	15-Year Normal DDH	1,098	925	780	541	269	123	14	19	154	522	852	1,137	6,434
28	15-Year Normal DDC	-	-	-	1	19	63	240	210	49	1	-	-	583
29	Normal - Actual DDH	147	64	(29)	28	(23)	(16)	(7)	8	66	(2)	26	116	378
30	Normal - Actual DDC	-	-	-	1	8	14	35	(13)	(16)	(2)	-	-	27
31	15-Year Residential Usage Adjustment	2,809,549	1,219,830	(553,958)	459,466	(375,677)	(262,584)	(129,807)	147,999	1,225,961	(32,740)	425,419	2,167,970	7,101,428
32	15-Year Non-Residential Usage Adjustment	876,144	383,523	(173,157)	159,586	(129,831)	(91,490)	(48,774)	55,237	460,903	(11,428)	148,106	688,646	2,317,465
Deferred Decoupled Revenue														
33	Residential Weather Component	\$ 1,175,319	\$ 510,291	\$ (231,737)	\$ 214,777	\$ (175,610)	\$ (122,745)	\$ (60,678)	\$ 69,182	\$ 573,075	\$ (15,304)	\$ 198,862	\$ 1,013,418	\$ 3,148,850
34	Residential Non-Weather	\$ (1,303,469)	\$ (691,728)	\$ (561,535)	\$ 764,367	\$ 712,374	\$ 207,930	\$ 3,520	\$ (22,018)	\$ (302,424)	\$ 226,930	\$ (461,883)	\$ (502,434)	\$ (1,930,371)
35	Total Residential Decoupling Deferral	\$ (128,150)	\$ (181,437)	\$ (793,272)	\$ 979,144	\$ 536,764	\$ 85,185	\$ (57,158)	\$ 47,164	\$ 270,651	\$ 211,626	\$ (263,021)	\$ 510,984	\$ 1,218,479
36	Non-Residential Weather Component	\$ 230,479	\$ 100,889	\$ (45,550)	\$ 44,842	\$ (36,482)	\$ (25,708)	\$ (13,705)	\$ 15,521	\$ 129,509	\$ (3,211)	\$ 41,616	\$ 193,503	\$ 631,703
37	Non-Residential Non-Weather	\$ (514,094)	\$ (252,176)	\$ (154,563)	\$ 288,365	\$ 229,834	\$ 268,390	\$ 82,287	\$ 96,007	\$ (2,645)	\$ (156,011)	\$ 131,508	\$ (183,099)	\$ (166,197)
38	Total Non-Residential Decoupling Deferral	\$ (283,615)	\$ (151,287)	\$ (200,113)	\$ 333,207	\$ 193,352	\$ 242,682	\$ 68,582	\$ 111,528	\$ 126,864	\$ (159,222)	\$ 173,124	\$ 10,404	\$ 465,506
10-Year Weather Assumption														
39	10-Year Normal DDH	1,095	940	766	523	247	115	16	13	148	504	848	1,097	6,312
40	10-Year Normal DDC	-	-	-	1	18	69	238	230	52	-	-	-	608
41	Normal - Actual DDH	144	79	(43)	10	(45)	(24)	(5)	2	60	(20)	22	76	256
42	Normal - Actual DDC	-	-	-	1	7	20	33	7	(13)	(3)	-	-	52
43	10-Year Residential Usage Adjustment	2,752,211	1,505,729	(821,386)	164,094	(735,020)	(393,876)	(92,719)	37,000	1,114,510	(327,398)	359,970	1,420,394	4,983,509
44	10-Year Non-Residential Usage Adjustment	858,264	473,410	(256,751)	56,995	(254,016)	(137,236)	(34,840)	13,810	419,002	(114,275)	125,320	451,182	1,600,865
Deferred Decoupled Revenue														
45	Residential Weather Component	\$ 1,151,332	\$ 629,892	\$ (343,610)	\$ 76,706	\$ (343,585)	\$ (184,117)	\$ (43,341)	\$ 17,296	\$ 520,978	\$ (153,042)	\$ 168,268	\$ 663,963	\$ 2,160,740
46	Residential Non-Weather	\$ (1,279,482)	\$ (811,329)	\$ (449,662)	\$ 902,438	\$ 880,349	\$ 269,302	\$ (13,817)	\$ 29,868	\$ (250,327)	\$ 364,668	\$ (431,289)	\$ (152,979)	\$ (942,261)
47	Total Residential Decoupling Deferral	\$ (128,150)	\$ (181,437)	\$ (793,272)	\$ 979,144	\$ 536,764	\$ 85,185	\$ (57,158)	\$ 47,164	\$ 270,651	\$ 211,626	\$ (263,021)	\$ 510,984	\$ 1,218,479
48	Non-Residential Weather Component	\$ 225,775	\$ 124,535	\$ (67,541)	\$ 16,015	\$ (71,376)	\$ (38,562)	\$ (9,790)	\$ 3,880	\$ 117,735	\$ (32,110)	\$ 35,214	\$ 126,778	\$ 430,553
49	Non-Residential Non-Weather	\$ (509,390)	\$ (275,822)	\$ (132,572)	\$ 317,192	\$ 264,728	\$ 281,244	\$ 78,372	\$ 107,648	\$ 9,129	\$ (127,112)	\$ 137,910	\$ (116,374)	\$ 34,953
50	Total Non-Residential Decoupling Deferral	\$ (283,615)	\$ (151,287)	\$ (200,113)	\$ 333,207	\$ 193,352	\$ 242,682	\$ 68,582	\$ 111,528	\$ 126,864	\$ (159,222)	\$ 173,124	\$ 10,404	\$ 465,506