



**Avista Corp.**

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July 12, 2023

Received  
Records Management  
Jul 12, 2023

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

Re: Docket No. UE-011595, Monthly Power Cost Deferral Report, June 2023  
Docket No. UE-140188, Monthly REC Report, June 2023

Dear Ms. Maxwell:

Enclosed for electronic filing is Avista Corporation’s Power Cost Deferral Report for the month of June 2023. 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 ending June 30, 2023 (excluding interest) related to the ERM are as follows:

	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)	\$ 5,087,086	\$ 2,543,543	\$ 2,543,543
Over \$10M at 10%	\$ -	\$ -	\$ -
	\$ 9,087,086	\$ 6,543,543	\$ 2,543,543

As summarized on page 10 (line 26) of the Power Cost Deferral report, actual net power supply costs, including the retail revenue adjustment, for June were lower than authorized net power costs for Washington by \$2,345,516 resulting in an accounting entry in the rebate direction in the amount of \$1,745,799. As illustrated in the table above, year to date actual expenses exceed authorized by \$9,087,086. The Company absorbed \$6,543,543 and \$2,543,543 was deferred in the surcharge direction for customers.

The primary factor influencing the reducing in the ERM balance is generally attributed to electric market prices which were materially different than authorized. On a short-term, on-peak basis, authorized was \$25.85 vs \$49.38. This resulted in variances between sales for resale of \$22.6 million as compared to authorized sales of \$8.3 million for the month of June.

In addition, tracking and recording of the Solar Select program is consolidated into account 186295 (see page 7). The Company consolidated the impacts of the program into one general ledger account to provide additional transparency for annual ERM reporting. 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 in the amount of \$71,909.

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. The total recorded for the month (excluding interest) was \$185,046.

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

