

**Avista Corp.**

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VIA ELECTRONIC MAIL

April 25, 2022

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

RE: Avista Utilities 2021 Electric Commission Basis Report Pursuant to WAC 480-100-257

Dear Ms. Maxwell:

Enclosed for filing is an electronic copy of Avista Utilities 2021 Electric Commission Basis Report (CBR). The original and two copies are being provided via overnight mail. The report is being filed pursuant to WAC 480-100-257. The report is based on the period of twelve months ended December 31, 2021. This report is being supplied for informational purposes only.

Additional CBR reporting requirements per UTC Commission Orders are as follows:

Per Order No. 05, Docket No. UE-050482, the Company's 2021 annual expense for vegetation management totaled approximately \$5.0 million (Washington electric).

Per Order No. 05, Docket No. UE-070804, the Company's 2021 Wood Pole Test & Treat Program (system electric) expenses and capital expenditures totaled approximately \$0.9 million and \$18.1 million, respectively. Included as Attachment A is the summary table showing the Wood Pole Test & Treat Model Budget (as reported by Avista in Docket No. UE-070804 for the years 2008 through 2017 only) compared to the Annual Budget and Actual expense and capital expenditures for each reporting year as requested by Staff.

If you have any questions, please contact me at (509) 495-8601.

Sincerely,

/s/ Elizabeth Andrews

Elizabeth Andrews
Senior Manager, Revenue Requirements
Enclosure

Received
Records Management
04/25/22 11:21
State Of WASH.
UTIL. AND TRANSP.
COMMISSION

AVISTA UTILITIES
Restatement Summary
Washington Electric
TWELVE MONTHS ENDED DECEMBER 31, 2021

Column	WP Ref	Description of Adjustment	Washington Electric		
			NOI	Rate Base	ROR
Restating Adjustments					
1.00	E-ROO	Results of Operations	109,319	1,845,864	5.92%
1.01	E-DFIT	Deferred FIT Rate Base	3	616	
1.02	E-DDC	Deferred Debits and Credits	104	20	
1.03	E-WC	Working Capital	(1)	(250)	
1.04	E-AMI	Remove AMI Rate Base	(201)	(38,194)	
2.01	E-EBO	Eliminate B & O Taxes	13	-	
2.02	E-RPT	Restate Property Tax	3	-	
2.03	E-UE	Uncollect. Expense	2,020	-	
2.04	E-RE	Regulatory Expense	(44)	-	
2.05	E-ID	Injuries and Damages	179	-	
2.06	E-FIT	FIT/DFIT/ ITC Expense	-	-	
2.07	E-OSC	Office Space Charges to Non-Utility	24	-	
2.08	E-RET	Restate Excise Taxes	(39)	-	
2.09	E-NGL	Net Gains & Losses	54	-	
2.10	E-WN	Weather Normalization	(1,824)	-	
2.11	E-EAS	Eliminate Adder Schedules	0	-	
2.12	E-MR	Misc. Restating Non-Util / Non- Recurring Expenses	1,097	-	
2.13	E-RI	Restating Incentives	767	-	
2.14	E-RDI	Restate Debt Interest	(198)	-	
2.15	E-EWPC	Eliminate WA Power Cost Defer	(4,414)	-	
2.16	E-NPS	Nez Perce Settlement Adjustment	5	-	
2.17	E-PMM	Normalize CS2/Colstrip Major Maint	209	-	
2.18	E-APS	Authorized Power Supply	10,024	-	
		Restated Total	117,100	1,808,056	6.48%

Other CF WA Elec Conversion Factor

(1) Adjustment 2.18 "CB Power Supply" normalizes power supply costs to reflect the authorized level of net power supply costs for the twelve month period. The Energy Recovery Mechanism (ERM), approved by the Commission, is designed to share all differences in actual vs authorized net power supply costs within the ERM between customers and the Company based on the pre-determined deadband and sharing bands embedded within the ERM. The customer portion of the difference between actual vs authorized net power supply costs (higher or lower) is deferred and set aside for future rebate or surcharge to customers. The Company portion of the deadband and sharing bands (higher or lower) is absorbed by the Company. By normalizing power supply costs to reflect the authorized level, the Commission Basis Report reflects Company results after removing the agreed-upon treatment of differences in actual vs authorized net power supply costs.

***AMI was removed for CBR purposes for the 2021 CBR period. AMI and its deferrals were approved for recovery in UE-200900**

AVISTA UTILITIES
WASHINGTON ELECTRIC RESULTS
TWELVE MONTHS ENDED DECEMBER 31, 2021
(000'S OF DOLLARS)

Actual Results RESTATEMENT ADJUSTMENTS

Line No.	DESCRIPTION	Results of Operations	Deferred FIT Rate Base	Deferred Debits and Credits	Working Capital	Remove AMI Rate Base	Eliminate B & O Taxes	Restate Property Tax	Uncollect. Expense	Regulatory Expense
	Adjustment Number	1.00	1.01	1.02	1.03	1.04	2.01	2.02	2.03	2.04
	Workpaper Reference	E-ROO	E-DFIT	E-DDC	E-WC	E-AMI	E-EBO	E-RPT	E-UE	E-RE
REVENUES										
1	Total General Business	\$566,983	\$0	\$0	\$0	\$0	(\$19,439)	\$0	\$0	\$0
2	Interdepartmental Sales	1,189	-	-	-	-	-	-	-	-
3	Sales for Resale	61,327	-	-	-	-	-	-	-	-
4	Total Sales of Electricity	629,499	-	-	-	-	(19,439)	-	-	-
5	Other Revenue	49,862	-	-	-	-	(14)	-	-	-
6	Total Electric Revenue	679,361	-	-	-	-	(19,453)	-	-	-
EXPENSES										
Production and Transmission										
7	Operating Expenses	167,893	-	(131)	-	-	-	-	-	-
8	Purchased Power	95,668	-	-	-	-	-	-	-	-
9	Depreciation/Amortization	43,151	-	-	-	-	-	-	-	0
10	Regulatory Amortization	(12,076)	-	-	-	-	-	-	-	-
11	Taxes	15,731	-	-	-	-	-	(4)	-	-
12	Total Production & Transmission	310,367	-	(131)	-	-	-	(4)	-	-
Distribution										
13	Operating Expenses	23,178	-	-	-	-	-	-	-	-
14	Depreciation/Amortization	35,100	-	-	-	-	-	-	-	-
	Regulatory amortization									
15	Taxes	49,865	-	-	-	-	(19,470)	-	-	-
16	Total Distribution	108,143	-	-	-	-	(19,470)	-	-	-
17	Customer Accounting	12,421	-	-	-	-	-	-	(2,557)	-
18	Customer Service & Information	24,385	-	-	-	-	-	-	-	-
19	Sales Expenses	131	-	-	-	-	-	-	-	-
Administrative & General										
20	Operating Expenses	76,306	-	-	-	-	-	-	-	56
21	Depreciation/Amortization	41,865	-	-	-	-	-	-	-	-
22	Regulatory Deferrals/Amortization	(11,842)	-	-	-	-	-	-	-	-
23	Taxes	4,408	-	-	-	-	-	-	-	-
24	Total Admin. & General	110,737	-	-	-	-	-	-	-	56
25	Total Electric Expenses	566,184	-	(131)	-	-	(19,470)	(4)	(2,557)	56
26	OPERATING INCOME BEFORE FIT	113,177	-	131	-	-	17	4	2,557	(56)
FEDERAL INCOME TAX										
27	Current Accrual	2,031	-	28	-	-	4	1	537	(12)
28	Debt Interest	0	(3)	(0)	1	201	-	-	-	-
29	Deferred Income Taxes	2,145	-	-	-	-	-	-	-	-
30	Amortized ITC - Noxon	(318)	-	-	-	-	-	-	-	-
31	NET OPERATING INCOME	\$109,319	\$3	\$104	(\$1)	(\$201)	\$13	\$3	\$2,020	(\$44)
RATE BASE										
PLANT IN SERVICE										
32	Intangible	\$231,011	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
33	Production	953,991	-	-	-	-	-	-	-	-
34	Transmission	589,960	-	-	-	-	-	-	-	-
35	Distribution	1,344,178	-	-	-	(78,857)	-	-	-	-
36	General	293,672	-	-	-	-	-	-	-	-
37	Total Plant in Service	3,412,812	-	-	-	(78,857)	-	-	-	-
ACCUMULATED DEPRECIATION/AMORT										
38	Intangible	(87,129)	-	-	-	-	-	-	-	-
39	Production	(430,942)	-	-	-	-	-	-	-	-
40	Transmission	(160,007)	-	-	-	-	-	-	-	-
41	Distribution	(397,684)	-	-	-	17,669	-	-	-	-
42	General	(100,252)	-	-	-	-	-	-	-	-
43	Total Accumulated Depreciation	(1,176,014)	-	-	-	17,669	-	-	-	-
44	NET PLANT	2,236,798	-	-	-	(61,188)	-	-	-	-
45	DEFERRED TAXES	(416,088)	616	-	-	11,310	-	-	-	-
46	Net Plant After DFIT	1,820,710	616	-	-	(49,878)	-	-	-	-
47	DEFERRED DEBITS AND CREDITS & OTHER	(28,649)	-	20	-	11,684	-	-	-	-
48	WORKING CAPITAL	53,803	-	-	(250)	-	-	-	-	-
49	TOTAL RATE BASE	1,845,864	\$616	\$20	(\$250)	(\$38,194)	\$0	\$0	\$0	\$0

AVISTA UTILITIES
WASHINGTON ELECTRIC RESULTS
TWELVE MONTHS ENDED DECEMBER 31, 2021
(000'S OF DOLLARS)

Line No.	DESCRIPTION	Injuries and Damages	FIT/DFIT/ITC Expense	Office Space Charges to Non-Utility	Restate Excise Taxes	Net Gains & Losses	Weather Normalization	Eliminate Adder Schedules	Misc. Restating Non-Util / Non-Recurring Expenses
	Adjustment Number	2.05	2.06	2.07	2.08	2.09	2.10	2.11	2.12
	Workpaper Reference	E-ID	E-FIT	E-OSC	E-RET	E-NGL	E-WN	E-EAS	E-MR
REVENUES									
1	Total General Business	\$0	\$0	\$0	\$0	\$0	(\$11,162)	(\$22,446)	\$0
2	Interdepartmental Sales	-	-	-	-	-	-	-	-
3	Sales for Resale	-	-	-	-	-	-	-	-
4	Total Sales of Electricity	-	-	-	-	-	(11,162)	(22,446)	-
5	Other Revenue	-	-	-	-	-	8,376	13,235	-
6	Total Electric Revenue	-	-	-	-	-	(2,786)	(9,211)	-
EXPENSES									
Production and Transmission									
7	Operating Expenses	-	-	-	-	-	-	(222)	-
8	Purchased Power	-	-	-	-	-	-	-	-
9	Depreciation/Amortization	-	-	-	-	-	-	-	-
10	Regulatory Amortization	-	-	-	-	-	-	9,653	-
11	Taxes	-	-	-	-	-	-	-	-
12	Total Production & Transmission	-	-	-	-	-	-	9,431	-
Distribution									
13	Operating Expenses	-	-	-	-	-	-	-	-
14	Depreciation/Amortization	-	-	-	-	(68)	-	-	-
	Regulatory amortization	-	-	-	-	-	-	-	-
15	Taxes	-	-	-	49	-	(431)	(868)	-
16	Total Distribution	-	-	-	49	(68)	(431)	(868)	-
17	Customer Accounting	-	-	-	-	-	(24)	(48)	-
18	Customer Service & Information	-	-	-	-	-	-	(23,319)	-
19	Sales Expenses	-	-	-	-	-	-	-	-
Administrative & General									
20	Operating Expenses	(226)	-	(31)	-	-	(22)	(45)	(1,389)
21	Depreciation/Amortization	-	-	-	-	-	-	-	-
22	Regulatory Deferrals/Amortization	-	-	-	-	-	-	1,730	-
23	Taxes	-	-	-	-	-	-	-	-
24	Total Admin. & General	(226)	-	(31)	-	-	(22)	1,685	(1,389)
25	Total Electric Expenses	(226)	-	(31)	49	(68)	(477)	(13,119)	(1,389)
26	OPERATING INCOME BEFORE FIT	226	-	31	(49)	68	(2,309)	3,908	1,389
FEDERAL INCOME TAX									
27	Current Accrual	47	-	7	(10)	14	(485)	821	292
28	Debt Interest	-	-	-	-	-	-	-	-
29	Deferred Income Taxes	-	-	-	-	-	-	-	-
30	Amortized ITC - Noxon	-	-	-	-	-	-	3,087	-
31	NET OPERATING INCOME	\$179	\$0	\$24	(\$39)	\$54	(\$1,824)	\$0	\$1,097
RATE BASE									
PLANT IN SERVICE									
32	Intangible	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
33	Production	-	-	-	-	-	-	-	-
34	Transmission	-	-	-	-	-	-	-	-
35	Distribution	-	-	-	-	-	-	-	-
36	General	-	-	-	-	-	-	-	-
37	Total Plant in Service	-	-	-	-	-	-	-	-
ACCUMULATED DEPRECIATION/AMORT									
38	Intangible	-	-	-	-	-	-	-	-
39	Production	-	-	-	-	-	-	-	-
40	Transmission	-	-	-	-	-	-	-	-
41	Distribution	-	-	-	-	-	-	-	-
42	General	-	-	-	-	-	-	-	-
43	Total Accumulated Depreciation	-	-	-	-	-	-	-	-
44	NET PLANT	-	-	-	-	-	-	-	-
45	DEFERRED TAXES	-	-	-	-	-	-	-	-
46	Net Plant After DFIT	-	-	-	-	-	-	-	-
47	DEFERRED DEBITS AND CREDITS & OTHER	-	-	-	-	-	-	-	-
48	WORKING CAPITAL	-	-	-	-	-	-	-	-
49	TOTAL RATE BASE	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0

AVISTA UTILITIES
WASHINGTON ELECTRIC RESULTS
TWELVE MONTHS ENDED DECEMBER 31, 2021
(000'S OF DOLLARS)

Line No.	DESCRIPTION	Restating Incentives	Restate Debt Interest	Eliminate WA Power Cost Defer	Nez Perce Settlement Adjustment	Normalize CS2/Colstrip Major Maint	Authorized Power Supply	Restated TOTAL
	Adjustment Number	2.13	2.14	2.15	2.16	2.17	2.18	R-Ttl
	Workpaper Reference	E-RI	E-RDI	E-EWPC	E-NPS	E-PMM	E-APS	
REVENUES								
1	Total General Business	\$0	\$0	\$21,352	\$0	\$0	\$0	\$535,288
2	Interdepartmental Sales	-	-	-	-	-	-	1,189
3	Sales for Resale	-	-	-	-	-	(14,819)	46,508
4	Total Sales of Electricity	-	-	21,352	-	-	(14,819)	582,985
5	Other Revenue	-	-	-	-	-	(49,548)	21,911
6	Total Electric Revenue	-	-	21,352	-	-	(64,367)	604,896
EXPENSES								
Production and Transmission								
7	Operating Expenses	-	-	26,026	(6)	(264)	(53,022)	140,274
8	Purchased Power	-	-	-	-	-	(24,034)	71,634
9	Depreciation/Amortization	-	-	-	-	-	-	43,151
10	Regulatory Amortization	-	-	-	-	-	-	(2,423)
11	Taxes	-	-	-	-	-	-	15,727
12	Total Production & Transmission	-	-	26,026	(6)	(264)	(77,056)	268,363
Distribution								
13	Operating Expenses	-	-	-	-	-	-	23,178
14	Depreciation/Amortization	-	-	-	-	-	-	35,032
	Regulatory amortization	-	-	-	-	-	-	-
15	Taxes	-	-	824	-	-	-	29,969
16	Total Distribution	-	-	824	-	-	-	88,179
17	Customer Accounting	-	-	46	-	-	-	9,838
18	Customer Service & Information	-	-	-	-	-	-	1,066
19	Sales Expenses	-	-	-	-	-	-	131
Administrative & General								
20	Operating Expenses	(971)	-	43	-	-	-	73,721
21	Depreciation/Amortization	-	-	-	-	-	-	41,865
22	Regulatory Deferrals/Amortization	-	-	-	-	-	-	(10,112)
23	Taxes	-	-	-	-	-	-	4,408
24	Total Admin. & General	(971)	-	43	-	-	-	109,882
25	Total Electric Expenses	(971)	-	26,939	(6)	(264)	(77,056)	477,459
26	OPERATING INCOME BEFORE FIT	971	-	(5,587)	6	264	12,689	127,437
FEDERAL INCOME TAX								
27	Current Accrual	204	198	4,292	1	55	2,665	10,689
28	Debt Interest	-	-	-	-	-	-	199
29	Deferred Income Taxes	-	-	(5,465)	-	-	-	(3,320)
30	Amortized ITC - Noxon	-	-	-	-	-	-	2,769
31	NET OPERATING INCOME	767	(198)	(\$4,414)	\$5	209	\$10,024	117,100
RATE BASE								
PLANT IN SERVICE								
32	Intangible	\$0	\$0	\$0	\$0	\$0	\$0	\$231,011
33	Production	-	-	-	-	-	-	953,991
34	Transmission	-	-	-	-	-	-	589,960
35	Distribution	-	-	-	-	-	-	1,265,321
36	General	-	-	-	-	-	-	293,672
37	Total Plant in Service	-	-	-	-	-	-	3,333,955
ACCUMULATED DEPRECIATION/AMORT								
38	Intangible	-	-	-	-	-	-	(87,129)
39	Production	-	-	-	-	-	-	(430,942)
40	Transmission	-	-	-	-	-	-	(160,007)
41	Distribution	-	-	-	-	-	-	(380,015)
42	General	-	-	-	-	-	-	(100,252)
43	Total Accumulated Depreciation	-	-	-	-	-	-	(1,158,345)
44	NET PLANT	-	-	-	-	-	-	2,175,610
45	DEFERRED TAXES	-	-	-	-	-	-	(404,162)
46	Net Plant After DFIT	-	-	-	-	-	-	1,771,448
47	DEFERRED DEBITS AND CREDITS & OTHER	-	-	-	-	-	-	(16,945)
48	WORKING CAPITAL	-	-	-	-	-	-	53,553
49	TOTAL RATE BASE	\$0	\$0	\$0	\$0	\$0	\$0	\$1,808,056

AVISTA UTILITIES ACTUAL COST OF CAPITAL WASHINGTON ELECTRIC DECEMBER 31, 2021			
Component	Capital Structure	Cost	Weighted Cost
Debt	52.44%	4.78%	2.51%
Equity	47.56%	9.40%	4.47%
Total	<u>100.00%</u>		<u>6.98%</u>

**AVISTA UTILITIES
REVENUE CONVERSION FACTOR
WASHINGTON ELECTRIC
TWELVE MONTHS ENDED DECEMBER 31, 2021**

Line No.	Description	Factor
1	Revenues	<i>1.000000</i>
	Expense:	
2	Uncollectibles	<i>0.002152</i>
3	Commission Fees	<i>0.002000</i>
4	Washington Excise Tax	<i>0.038651</i>
6	Total Expense	<u><i>0.042802</i></u>
7	Net Operating Income Before FIT	<i>0.957198</i>
8	Federal Income Tax @ 21%	<u><i>0.201012</i></u>
9	REVENUE CONVERSION FACTOR	<u><u><i>0.756186</i></u></u>

**Attachment A
AVISTA
Annual Wood Pole Treatment Report - System**

Year	Transmission - Capital			Distribution - Capital			TOTAL - CAPITAL		
	Model Budget (1)	Annual Budget (2)	Actual Expenditure	Model Budget (1)	Annual Budget (2)	Actual Expenditure	Model Budget (1)	Annual Budget (2)	Actual Expenditure
2008	576,000	\$ 459,003	\$ 961,301	4,944,500	\$ 4,923,001	\$ 4,749,915	5,520,500	\$ 5,382,004	\$ 5,711,216
2009	705,000	\$ 469,004	\$ 1,391,193	5,096,000	\$ 3,700,001	\$ 7,494,569	5,801,000	\$ 4,169,005	\$ 8,885,761
2010	666,000	\$ 500,002	\$ 1,442,969	5,313,000	\$ 7,384,000	\$ 7,507,144	5,979,000	\$ 7,884,002	\$ 8,950,113
2011	733,000	\$ 1,000,001	\$ 1,029,597	5,548,000	\$ 8,899,976	\$ 9,118,377	6,281,000	\$ 9,899,977	\$ 10,147,974
2012	741,000	\$ 1,100,039	\$ 1,409,972	5,733,000	\$ 9,485,710	\$ 10,064,203	6,474,000	\$ 10,585,749	\$ 11,474,175
2013	816,000	\$ 1,050,001	\$ 970,036	6,025,000	\$ 9,281,686	\$ 9,258,713	6,841,000	\$ 10,331,687	\$ 10,228,749
2014	763,000	\$ 1,100,001	\$ 4,107,971	6,088,000	\$ 9,900,011	\$ 9,512,319	6,851,000	\$ 11,000,012	\$ 13,620,290
2015	803,000	\$ 1,489,457	\$ 2,723,777	6,556,000	\$ 11,000,000	\$ 9,789,649	7,359,000	\$ 12,489,457	\$ 12,513,426
2016	881,000	\$ 1,547,263	\$ 3,891,692	6,733,000	\$ 7,840,001	\$ 8,601,732	7,614,000	\$ 9,387,264	\$ 12,493,424
2017	928,000	\$ 1,555,249	\$ 1,534,594	6,976,000	\$ 9,000,001	\$ 9,644,501	7,904,000	\$ 10,555,250	\$ 11,179,095
2018	NA	\$ 2,213,420	\$ 2,149,335	NA	\$ 9,000,045	\$ 10,246,378	NA	\$ 11,213,465	\$ 12,395,713
2019	NA	\$ 1,659,120	\$ 2,097,222	NA	\$ 10,500,000	\$ 10,533,616	NA	\$ 12,159,120	\$ 12,630,838
2020	NA	\$ 2,409,120	\$ 2,680,043	NA	\$ 10,499,998	\$ 10,522,614	NA	\$ 12,909,118	\$ 13,202,657
2021	NA	\$ 3,113,420	\$ 3,140,404	NA	\$ 15,739,332	\$ 14,980,203	NA	\$ 18,852,752	\$ 18,120,607

Year	Transmission - Testing Exp			Transmission - Aerial Patrol Exp			Distribution - Testing Exp			TOTAL - EXPENSES		
	Model Budget (1)	Annual Budget (2)	Actual Expenditure	Model Budget (1)	Annual Budget (2)	Actual Expenditure	Model Budget (1)	Annual Budget (2)	Actual Expenditure	Model Budget (1)	Annual Budget (2)	Actual Expenditure
2008	273,000	\$ 356,329	\$ 308,672	48,000	\$ 41,600	\$ 67,248	492,000	\$ 356,328	\$ 468,812	813,000	\$ 754,257	\$ 844,732
2009	283,000	\$ 362,360	\$ 198,410	50,000	\$ 41,600	\$ 80,051	509,000	\$ 446,584	\$ 406,053	842,000	\$ 850,544	\$ 684,513
2010	293,000	\$ 288,660	\$ 259,680	52,000	\$ 48,256	\$ 96,621	527,000	\$ 563,879	\$ 546,367	872,000	\$ 900,795	\$ 902,668
2011	303,000	\$ 287,070	\$ 287,307	54,000	\$ 90,000	\$ 86,492	546,000	\$ 495,931	\$ 528,730	903,000	\$ 873,001	\$ 902,529
2012	314,000	\$ 216,720	\$ 159,239	56,000	\$ 97,797	\$ 121,801	565,000	\$ 661,860	\$ 731,182	935,000	\$ 976,377	\$ 1,012,222
2013	325,000	\$ 191,341	\$ 297,029	57,000	\$ 101,895	\$ 94,595	585,000	\$ 611,496	\$ 635,822	967,000	\$ 904,732	\$ 1,027,446
2014	336,000	\$ 191,341	\$ 316,161	60,000	\$ 101,000	\$ 95,706	605,000	\$ 619,437	\$ 563,360	1,001,000	\$ 911,778	\$ 975,227
2015	348,000	\$ 191,341	\$ 191,395	62,000	\$ 104,155	\$ 135,318	626,000	\$ 515,345	\$ 504,075	1,036,000	\$ 810,841	\$ 830,788
2016	360,000	\$ 217,344	\$ 288,988	64,000	\$ 105,000	\$ 126,590	648,000	\$ 463,710	\$ 621,554	1,072,000	\$ 786,054	\$ 1,037,132
2017	372,000	\$ 194,484	\$ 167,281	66,000	\$ 106,701	\$ 108,547	671,000	\$ 394,860	\$ 475,646	1,109,000	\$ 696,045	\$ 751,474
2018	NA	\$ 200,000	\$ 152,207	NA	\$ 111,000	\$ 106,236	NA	\$ 531,795	\$ 653,809	NA	\$ 842,795	\$ 912,252
2019	NA	\$ 202,700	\$ 101,273	NA	\$ 111,000	\$ 123,193	NA	\$ 546,419	\$ 506,916	NA	\$ 860,119	\$ 731,382
2020	NA	\$ 202,700	\$ 149,700	NA	\$ 128,867	\$ 98,828	NA	\$ 609,535	\$ 532,207	NA	\$ 941,102	\$ 780,735
2021	NA	\$ 202,700	\$ 286,120	NA	\$ 181,922	\$ 81,351	NA	\$ 545,815	\$ 543,493	NA	\$ 930,437	\$ 910,964

Note:
(1) Model Budget per Docket No. UE-070804 only available 2008 - 2017.
(2) Annual Budget is the approved Budget for the year

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1.00 Per Results of Operation (ROO) Report

ROO Report amounts are for the twelve months ended December 31, 2021. Amounts agree to the Company's financial general ledger records with the removal of certain prior period costs. Rate base was computed using the average-of-monthly-averages method. Rate base includes all rate base components, including net plant (costs, less accumulated depreciation, net of ADFIT), working capital, and all other regulatory deferred debits and credits.

1.01 Accumulated Deferred FIT (ADFIT) Rate Base

ADFIT arises from accelerated tax depreciation in excess of book depreciation expense, bond refinancing premiums, and contributions in aid of construction. ADFIT that was included in ROO report were included in column (1.00). The adjustment was necessary to adjust the ROO balances to actual. The primary difference between ADFIT per ROO and the Commission Basis amounts relates to the allocation of common ADFIT amounts.

1.02 Deferred Debits and Credits

Deferred debits and credits that were included in the ROO Reports were included in column 1.00. This adjustment corrects the amounts as shown in ROO Reports. The Deferred Debits and Credits include the following regulatory deferrals:

- Colstrip Common AFUDC
Differing amounts of Colstrip common facilities were excluded from rate base by the WUTC and IPUC until Colstrip Unit No. 4 was placed in service. The Company was allowed to accrue AFUDC on the Colstrip common facilities during the time that they were excluded from rate base. It is necessary to directly assign the AFUDC because of the differing amounts of common facilities excluded from rate base by the WUTC and IPUC. In September 1988, an entry was made to comply with a FERC Audit Exception, which transferred Colstrip common AFUDC from the plant accounts to account 186. This deferral reflects a direct assignment of rate base for the appropriate average of monthly averages amounts of Colstrip common AFUDC to the Washington and Idaho jurisdictions. Amortization expense associated with the Colstrip common AFUDC is charged directly to the Washington and Idaho jurisdictions through Account 406. The ROO balance was appropriate; therefore, no CBR adjustment was needed. This regulatory deferral will be fully amortized in 2021.
- Customer Advances
These amounts decrease rate base for customer advances, as they will most likely be recorded as contributions in aid of construction at some future time. These amounts are a component of actual ROO. The ROO rate base liability was adjusted to reflect the normalized balance.
- Customer Deposits
These amounts decrease rate base for the average-of-monthly averages of customer deposits held by the Company. The ROO rate base balance is correct; therefore, no

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adjustment was made. The corresponding interest paid on customer deposits is recorded to an operating expense, at the UTC interest rate during 2021 of .10%. This adjustment is consistent with Docket No. UE-090134.

1.03 Working Capital

The working capital rate base balance reflected in ROO as of December 31, 2021 is calculated using the Investor Supplied Working Capital (ISWC) method using an average of monthly averages basis. This method is consistent with the method originally approved in the Company's electric general rate case, Docket No. UE-150204 and updated for minor changes approved in Docket Nos. UE-170485 and UE-190334. The actual ROO balance recorded in 2021 was adjusted to reflect the appropriate ISWC balance.

1.04 AMI Rate Base

This adjustment removes the net rate base of the Company's investment in AMI (Advanced Metering Infrastructure). In Docket Nos. UE-170327 and UG-170328, the Commission authorized the Company to defer the depreciation expense associated with this investment until such plant is included in retail rates in a future general rate case. The Company proposed and the Commission approved that Avista would not earn a return on this investment during the deferral period, therefore, the net rate base of this investment is removed for Commission Basis reporting until such time the investment is included in retail rates. AMI was removed for CBR purposes for the 2021 CBR period, however, AMI and its deferrals were approved for recovery in UE-200900 and UG-200901.

2.01 Eliminate B & O Taxes

This adjustment removes the revenues and expenses associated with local business and occupation taxes. The adjustment eliminates any timing mismatch that exists between the revenues and expenses by eliminating the revenues and expenses in their entirety. This restating adjustment is consistent with prior dockets (including Docket No. UE-991606 forward).

2.02 Restate Property Tax

This adjustment restates the test period accrued levels of property taxes to reflect the actual amounts. This restating adjustment is consistent with prior dockets (including Docket No. UE-991606 forward).

2.03 Uncollectible Expense

This adjustment restates the accrued expense to the actual level of net write-offs for the test period. This restating adjustment is consistent with prior dockets (including Docket No. UE-991606 forward). During 2021, the Company was authorized to defer the bad debt expense accrued that exceeded the level being collected from customers due to the COVID-19 deferral

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mechanism approved in Docket No. UE-200407. This deferral due to COVID-19 was removed from the accrual to determine the level of bad debt expense in 2021 for the CBR.

2.04 Regulatory Expenses

This adjustment restates regulatory expense to reflect the WUTC assessment rates applied to revenues for the test period and the actual levels of FERC fees paid during the test period. This restating adjustment is consistent with prior dockets (including Docket No. UE-991606 forward).

2.05 Injuries and Damages

As a result of the Commission's Order in Docket No. U-88-2380-T the Company changed to the reserve method of accounting for injuries and damages not covered by insurance. This restating adjustment replaces the accrual with actuals to adjust to the six-year rolling average of injuries and damages payments not covered by insurance. This restating adjustment is consistent with prior dockets (including Docket No. UE-991606 forward).

2.06 FIT and DFIT Expenses

This adjustment adjusts the level of Schedule M items and jurisdictional allocation of Schedule M items as necessary to reflect the appropriate level of Washington electric FIT expense and DFIT expense. This restating adjustment is consistent with prior dockets (including Docket No. UE-991606 forward).

2.07 Office Space Charges to Subsidiaries

This adjustment removes a portion of the office space costs (including, but not limited to office building operating and fixed costs, utilities, administrative, security, HVAC, depreciation and property taxes, as well as other costs related to employee use of phones, laptops, etc.) related to non-utility space, using the percentage of labor dollars charged to subsidiary/non-utility activities by employee compared to total labor dollars by employee. These percentages are applied to the employees' office space (expressed in square feet) and multiplied by office space costs/per square foot. This restating adjustment is made as a result of the Commission's Third Supplemental Order in Docket No. U-88-2380-T, which required the company to perform a space utilization study to allocate costs to subsidiaries. This restating adjustment is consistent with prior dockets (including Docket No. UE-991606 forward).

2.08 Restate Excise and Franchise Taxes

This adjustment removes the effect of a one-month accrual lag in actual results to reflect the actual level of taxes paid. This restating adjustment is consistent with prior dockets (including Docket No. UE-991606 forward).

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2.09 Net Gains/Losses

This adjustment reflects a ten-year amortization of net gains realized from the sale of real property disposed of between 2012 and December 31, 2021. This restating adjustment is made as a result of the Commission's Order in Docket No. UE-050842/UG-050483, and is consistent with prior general rate case dockets starting with Docket No. UE-050842/UG-050483.

2.10 Weather Normalization

This adjustment normalizes weather sensitive electric kWh sales by eliminating the effect of temperature deviations above or below historical normals. This restating adjustment is required per WAC 480-100-208.

2.11 Eliminate Adder Schedules

This adjustment removes the impact of the adder schedule revenues and related expenses, including Schedule 59 Residential Exchange Credit, Schedule 75 Decoupling (Rebate) Surcharge, Schedules 89, 91 and 92 Public Purpose Tariff Riders (Senior Discount, DSM and LIRAP), Schedule 93 ERM Surcharge (Rebate)¹, Schedule 94 2015 GRC Rate Credit, Schedule 95 Optional Renewable and Schedule 98 Renewable Energy Credit Revenue (Rebate) Surcharge², since these items are recovered/rebated by separate tariffs and therefore not part of base rates.

2.12 Miscellaneous restating

This adjustment removes a number of non-operating or non-utility expenses included in error in the test period actual results, and removes or restates other expenses incorrectly charged between service and or jurisdiction. The Company also removed 50% of director meeting expenses and director fees.

2.13 Restate Incentives

This adjustment restates O&M incentive compensation expense recorded in 2021 to reflect a six-year average of the actual expense as approved in Docket Nos. UE-170485 and UG-170486.

¹ The elimination of this rider schedule is split between adjustment 2.15 where the Schedule 93 and Schedule 98 billed revenues and related amortization expenses are removed, and here in 2.11 where Schedule 93 and Schedule 98 (ERM and REC) unbilled revenues and related amortization expenses are removed.

² See footnote 1.

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2.14 Restate Debt Interest

This adjustment reflects debt interest using the Company's weighted average cost of debt, based on rate base as reported in column (1.00), resulting in the level of tax-deductible interest expense on actual test period rate base. For each Commission Basis adjustment to rate base, the FIT expense is reflected on that adjustment for the impact of the restated debt interest.

2.15 Eliminate WA Power Cost Deferral

This adjustment eliminates all power supply deferral and amortization entries, including net REC revenues, recorded in results of operations pursuant to the deferral and recovery mechanisms authorized in Docket No. UE-000972. This restating adjustment is consistent with prior general rate case dockets (including Docket No. UE-011595 forward.)

2.16 Nez Perce Settlement Accounting Adjustment

This adjustment directly assigns the Nez Perce Settlement expenses to the Washington and Idaho jurisdictions. This is necessary due to differing regulatory treatment in Idaho Case No. WWP-E-98-11 and Washington Docket No. UE-991606/UG-991607.

2.17 Normalize CS2/Colstrip Major Maintenance

This adjustment normalizes major maintenance associated with Avista's Colstrip/Coyote Springs II (CS2) thermal projects. In Order 05, page 56, paragraph 153 of Docket No. UE-150204, the Commission ordered the Company, for regulatory purposes, to normalize and recover its major maintenance expense associated with these plants over a period to match the major maintenance cycles for each plant.

2.18 Authorized Power Supply

This adjustment normalizes power supply costs to reflect the authorized level of net power supply costs for the twelve-month period. The Energy Recovery Mechanism (ERM), approved by the Commission, is designed to share all differences in actual versus authorized net power supply costs within the ERM between customers and the Company based on the pre-determined deadband and sharing bands embedded within the ERM. The customer portion of the difference between actual versus authorized net power supply costs (higher or lower) is deferred and set aside for future rebate or surcharge to customers. The Company portion of the deadband and sharing bands (higher or lower) is absorbed by the Company. By normalizing power supply costs to reflect the authorized level, the Commission Basis Report reflects Company results after removing the agreed-upon treatment of differences in actual versus authorized net power supply costs.