

**Avista Corp.**

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Received
Records Management
Jun 22, 2023

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

Re: **Docket UE-230214** Energy Recovery Mechanism (ERM) Annual Review for 2022 and Proposed Tariff for Surcharge of Overall Deferral Balances

Dear Ms. Maxwell:

Enclosed for electronic filing with the Commission is a copy of the following proposed **substitute** tariff sheet proposed to be effective July 1, 2023:

Sub. Fourteenth Revision Sheet 93 Canceling Sub. Thirteenth Revision Sheet 93

The purpose of this filing is to revise the Company's annual Energy Recovery Mechanism ("ERM") rate adjustment, originally filed on March 31, 2023 in the above referenced Docket. After discussions with Commission Staff, Public Counsel and the Alliance for Western Energy Consumers ("AWEC"), it was agreed that AWEC would withdraw its request for an adjudication and all parties agreed not to oppose implementation of revised ERM rates on July 1, based on a two year amortization through rates of ERM balances effective July 1, 2023. The proposed tariffs have been revised (and substituted) to reflect a change from a one to a two year amortization period of the ERM balances through rates. All other parties will confirm their agreement with this approach in writing for the Commission, prior to June 26. Absent such written confirmation, Avista will continue to request a one year amortization, as originally filed, effective July 1, 2023.

CUSTOMER IMPACT

This revised filing is proposing to return the amortization balance to customers over a two-year amortization period beginning July 1, 2023. The overall net effect of this surcharge over the two-year period is an annual surcharge to electric customers of approximately \$35.2 million (including

interest and revenue related expenses), or 3.0%. The surcharge rate has no effect on Avista's earnings. The net increase to customers of the ERM surcharge by rate schedule is as follows:

Schedule No.	Rate Schedule	Change in Billed Revenue
1/2	Residential	3.0%
11/12	General Service Schedule	2.2%
21/22	Large General Service Schedule	2.9%
25/Sp Ct	Ext. Lg General Service Schedule	4.6%
31/32	Pumping Service Schedule	3.6%
41-48	Street and Area Lights Schedule	0.7%
	Overall	3.0%

The average residential customer using 932 kWhs per month will see an increase of \$2.84 per month, or approximately 3.2%. The present bill for 932 kWhs is \$88.82 while the proposed bill is \$91.66. The actual bill change will vary based on customer usage.

Please direct any questions related to this filing to Joe Miller at 509.495.4546.

Sincerely,



Patrick D. Ehrbar
Director of Regulatory Affairs

