



UE-200900

STATE OF WASHINGTON
UTILITIES AND TRANSPORTATION COMMISSION

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October 25, 2021

Amanda Maxwell, Executive Director and Secretary
Washington Utilities and Transportation Commission
P. O. Box 47250
Olympia, Washington 98504-7250

RE: *Compliance Filing- Avista Corporation – Commission Order 08/05, in Dockets UE-200900, UG-200901 and UE-200894 (consolidated); Capital expenditure report for Wildfire Resiliency Plan and Energy Imbalance Market (EIM) investments for the period ending September 30, 2021.*

Dear Amanda Maxwell:

On October 15, 2021, Avista Corporation, d/b/a Avista Utilities (Avista or Company), filed its capital expenditure report for its Wildfire Resiliency Plan (Wildfire) and Energy Imbalance Market (EIM) investments for the period ending September 30, 2021, per Commission Order 08/05 (Order 08), in Docket UE-200900. As explained by the Company in the cover letter accompanying its October 15, 2021, filing, Order 08 requires that Avista file quarterly expenditures reports as a necessary condition of allowing a provisional portion of pro forma rate base in customer rates. For Wildfire, these quarterly expenditure reports will be used in a retrospective review of the plan's results to include the prudence of the Company's expenditures in Avista's next GRC.

EIM

The rates approved in Order 08 include EIM capital expenditures totaling \$17.8 million with an in-service date of March 2, 2022. As of September 30, 2021, Avista reports an updated forecast of total EIM capital expenditure of \$16.5 million. Avista attributes the \$1.3 million variance on contingency funds included in the Company's original forecast which went unspent. Actual incremental expenses for EIM were only \$500k below the \$1.7 million embedded in rates. The Company also reports that its EIM implementation is on schedule for March of 2022.

Commission staff (Staff) finds that Avista has complied fully with the compliance requirements for EIM outlined in Paragraph 38 of Order 08.

WILDFIRE

Wildfire capital spending approved in Order 08 was \$9.8 million with an in-service date of September 30, 2021. Actual spending was \$10.3 million. The authorized revenue requirement was \$4.311 million while actual was \$4.316 million. Because the overall actual net rate base and required revenue requirement were greater than that approved as of September 30, 2021, there is no incremental amount subject to refund. However, these additions from April 2021 through September 2021 are subject to review in Avista's next general rate case. Ongoing wildfire capital spending will be subject to review as capital additions in subsequent rate cases.

Staff finds that Avista has complied fully with the compliance requirements for wildfire capital spending outlined in Paragraphs 252 and 253 of Order 08.

Sincerely,

David C. Gomez
Assistant Power Supply Manager, Energy Regulation

Amy White
Regulatory Analyst