



Avista Corp.

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VIA ELECTRONIC MAIL

April 28, 2023

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

RE: Avista Utilities 2022 Electric Commission Basis Report Pursuant to WAC 480-100-257

Dear Ms. Maxwell:

Enclosed for filing is an electronic copy of Avista Utilities 2022 Electric Commission Basis Report (CBR). The report is being filed pursuant to WAC 480-100-257. The report is based on the period of twelve months ended December 31, 2022. 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 2022 annual expense for vegetation management totaled approximately \$6.7 million (Washington electric).

Per Order No. 05, Docket No. UE-070804, the Company's 2022 Wood Pole Test & Treat Program (system electric) expenses and capital expenditures totaled approximately \$0.7 million and \$17.3 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.

Finally, per Order 10/04, Docket UE-2200053, effective December 21, 2022, the Commission authorizes replacing the existing decoupling earnings test with the earnings test provided in RCW 80.28.425(6), reflecting "recently enacted legislation requires the deferral of earnings that are more than 0.5 percent higher than the ROR authorized by the Commission and reported annually through a company's Commission Basis Report (CBR)." For calendar 2022 the Company's authorized rate of return (ROR) for the period January 1, 2022 through December

20, 2022 was 7.12%, and from December 21, 2022 through December 31, 2022 was 7.03%. The Company's actual electric Commission Basis ROR, per the attached report, was 6.12%, therefore, no earnings test trigger or deferral of earnings applies.

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

Sincerely,

/s/ Elizabeth Andrews

Elizabeth Andrews
Senior Manager, Revenue Requirements
Enclosure



AVISTA UTILITIES
Restatement Summary
Washington Electric
TWELVE MONTHS ENDED DECEMBER 31, 2022

Column	WP Ref	Description of Adjustment	Washington Electric		
			NOI	Rate Base	ROR
Restating Adjustments					
1.00	E-ROO	Results of Operations	117,188	2,019,567	5.80%
1.01	E-DFIT	Deferred FIT Rate Base	9	1,644	
1.02	E-DDC	Deferred Debits and Credits	-	-	
1.03	E-WC	Working Capital	(10)	(1,833)	
2.01	E-EBO	Eliminate B & O Taxes	(18)	-	
2.02	E-RPT	Restate Property Tax	(148)	-	
2.03	E-UE	Uncollect. Expense	(26)	-	
2.04	E-RE	Regulatory Expense	(34)	-	
2.05	E-ID	Injuries and Damages	259	-	
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	(17)	-	
2.09	E-NGL	Net Gains & Losses	57	-	
2.10	E-WN	Weather Normalization	(1,351)	-	
2.11	E-EAS	Eliminate Adder Schedules	22	-	
2.12	E-MR	Misc. Restating Non-Util / Non- Recurring Expenses	1,540	-	
2.13	E-RI	Restating Incentives	(136)	-	
2.14	E-RDI	Restate Debt Interest	(318)	-	
2.15	E-EWPC	Eliminate WA Power Cost Defer	(28,948)	-	
2.16	E-NPS	Nez Perce Settlement Adjustment	12	-	
2.17	E-PMM	Normalize CS2/Colstrip Major Maint	(1,412)	-	
2.18	E-APS	Authorized Power Supply	36,925	-	
		Restated Total	123,620	2,019,378	6.12%
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.

AVISTA UTILITIES
WASHINGTON ELECTRIC RESULTS
TWELVE MONTHS ENDED DECEMBER 31, 2022
(000'S OF DOLLARS)

Actual Results RESTATEMENT ADJUSTMENTS

Line No.	DESCRIPTION	Results of Operations	Deferred FIT Rate Base	Deferred Debits and Credits	Working Capital	Eliminate B & O Taxes	Restate Property Tax	Uncollect. Expense	Regulatory Expense
		1.00	1.01	1.02	1.03	2.01	2.02	2.03	2.04
		E-ROO	E-DFIT	E-DDC	E-WC	E-EBO	E-RPT	E-UE	E-RE
	Adjustment Number								
	Workpaper Reference								
	REVENUES								
1	Total General Business	\$589,785	\$0	\$0	\$0	(\$20,099)	\$0	\$0	\$0
2	Interdepartmental Sales	1,306	-	-	-	-	-	-	-
3	Sales for Resale	118,874	-	-	-	-	-	-	-
4	Total Sales of Electricity	709,965	-	-	-	(20,099)	-	-	-
5	Other Revenue	61,535	-	-	-	(18)	-	-	-
6	Total Electric Revenue	771,500	-	-	-	(20,117)	-	-	-
	EXPENSES								
	Production and Transmission								
7	Operating Expenses	220,178	-	-	-	-	-	-	-
8	Purchased Power	116,599	-	-	-	-	-	-	-
9	Depreciation/Amortization	44,753	-	-	-	-	-	-	0
10	Regulatory Amortization	(11,826)	-	-	-	-	-	-	-
11	Taxes	14,659	-	-	-	-	187	-	-
12	Total Production & Transmission	384,363	-	-	-	-	187	-	-
	Distribution								
13	Operating Expenses	33,398	-	-	-	-	-	-	-
14	Depreciation/Amortization	37,345	-	-	-	-	-	-	-
15	Regulatory amortization								
15	Taxes	51,163	-	-	-	(20,094)	-	-	-
16	Total Distribution	121,906	-	-	-	(20,094)	-	-	-
17	Customer Accounting	5,313	-	-	-	-	-	33	-
18	Customer Service & Information	23,673	-	-	-	-	-	-	-
19	Sales Expenses	109	-	-	-	-	-	-	-
	Administrative & General								
20	Operating Expenses	86,667	-	-	-	-	-	-	43
21	Depreciation/Amortization	44,352	-	-	-	-	-	-	-
22	Regulatory Deferrals/Amortization	(8,315)	-	-	-	-	-	-	-
23	Taxes	4,278	-	-	-	-	-	-	-
24	Total Admin. & General	126,982	-	-	-	-	-	-	43
25	Total Electric Expenses	662,346	-	-	-	(20,094)	187	33	43
26	OPERATING INCOME BEFORE FIT	109,154	-	-	-	(23)	(187)	(33)	(43)
	FEDERAL INCOME TAX								
27	Current Accrual	(2,844)	-	-	-	(5)	(39)	(7)	(9)
28	Debt Interest	0	(9)	-	10	-	-	-	-
29	Deferred Income Taxes	(4,878)	-	-	-	-	-	-	-
30	Amortized ITC - Noxon	(312)	-	-	-	-	-	-	-
31	NET OPERATING INCOME	\$117,188	\$9	\$0	(\$10)	(\$18)	(\$148)	(\$26)	(\$34)
	RATE BASE								
	PLANT IN SERVICE								
32	Intangible	\$243,566	\$0	\$0	\$0	\$0	\$0	\$0	\$0
33	Production	982,617	-	-	-	-	-	-	-
34	Transmission	620,777	-	-	-	-	-	-	-
35	Distribution	1,433,972	-	-	-	-	-	-	-
36	General	308,131	-	-	-	-	-	-	-
37	Total Plant in Service	3,589,063	-	-	-	-	-	-	-
	ACCUMULATED DEPRECIATION/AMORT								
38	Intangible	(102,032)	-	-	-	-	-	-	-
39	Production	(452,489)	-	-	-	-	-	-	-
40	Transmission	(166,510)	-	-	-	-	-	-	-
41	Distribution	(441,942)	-	-	-	-	-	-	-
42	General	(109,267)	-	-	-	-	-	-	-
43	Total Accumulated Depreciation	(1,272,240)	-	-	-	-	-	-	-
44	NET PLANT	2,316,823	-	-	-	-	-	-	-
45	DEFERRED TAXES	(398,229)	1,644	-	-	-	-	-	-
46	Net Plant After DFIT	1,918,594	1,644	-	-	-	-	-	-
47	DEFERRED DEBITS AND CREDITS & OTHER	24,157	-	-	-	-	-	-	-
48	WORKING CAPITAL	76,816	-	-	(1,833)	-	-	-	-
49	TOTAL RATE BASE	2,019,567	\$1,644	\$0	(\$1,833)	\$0	\$0	\$0	\$0
50	RATE OF RETURN	5.80%							
51	REVENUE REQUIREMENT	28,012	138	-	(154)	24	196	35	45

AVISTA UTILITIES
WASHINGTON ELECTRIC RESULTS
TWELVE MONTHS ENDED DECEMBER 31, 2022
(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
		2.05	2.06	2.07	2.08	2.09	2.10	2.11	2.12
		E-ID	E-FIT	E-OSC	E-RET	E-NGL	E-WN	E-EAS	E-MR
	Adjustment Number								
	Workpaper Reference								
	REVENUES								
1	Total General Business	\$0	\$0	\$0	\$0	\$0	(\$13,014)	(\$3,763)	\$0
2	Interdepartmental Sales	-	-	-	-	-	-	-	-
3	Sales for Resale	-	-	-	-	-	-	-	-
4	Total Sales of Electricity	-	-	-	-	-	(13,014)	(3,763)	-
5	Other Revenue	-	-	-	-	-	10,730	8,720	-
6	Total Electric Revenue	-	-	-	-	-	(2,284)	4,957	-
	EXPENSES								
	Production and Transmission								
7	Operating Expenses	-	-	-	-	-	-	(1,473)	(1)
8	Purchased Power	-	-	-	-	-	-	-	-
9	Depreciation/Amortization	-	-	-	-	-	-	-	-
10	Regulatory Amortization	-	-	-	-	-	-	10,893	-
11	Taxes	-	-	-	-	-	-	-	-
12	Total Production & Transmission	-	-	-	-	-	-	9,420	(1)
	Distribution								
13	Operating Expenses	-	-	-	-	-	-	-	(2)
14	Depreciation/Amortization	-	-	-	-	(72)	-	-	-
	Regulatory amortization								
15	Taxes	-	-	-	21	-	(502)	(145)	-
16	Total Distribution	-	-	-	21	(72)	(502)	(145)	(2)
17	Customer Accounting	-	-	-	-	-	(46)	(13)	-
18	Customer Service & Information	-	-	-	-	-	-	(22,555)	(5)
19	Sales Expenses	-	-	-	-	-	-	-	-
	Administrative & General								
20	Operating Expenses	(328)	-	(31)	-	-	(26)	(8)	(1,941)
21	Depreciation/Amortization	-	-	-	-	-	-	-	-
22	Regulatory Deferrals/Amortization	-	-	-	-	-	-	1,374	-
23	Taxes	-	-	-	-	-	-	-	-
24	Total Admin. & General	(328)	-	(31)	-	-	(26)	1,366	(1,941)
25	Total Electric Expenses	(328)	-	(31)	21	(72)	(574)	(11,927)	(1,949)
26	OPERATING INCOME BEFORE FIT	328	-	31	(21)	72	(1,710)	16,884	1,949
	FEDERAL INCOME TAX								
27	Current Accrual	69	-	7	(4)	15	(359)	3,546	409
28	Debt Interest	-	-	-	-	-	-	-	-
29	Deferred Income Taxes	-	-	-	-	-	-	-	-
30	Amortized ITC - Noxon	-	-	-	-	-	-	13,316	-
31	NET OPERATING INCOME	\$259	\$0	\$24	(\$17)	\$57	(\$1,351)	\$22	\$1,540
	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	-	-	-	-	-	-	-	-
	DEFERRED TAXES								
45	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
50	RATE OF RETURN								
51	REVENUE REQUIREMENT	(343)	-	(32)	22	(75)	1,789	(30)	(2,039)

AVISTA UTILITIES
WASHINGTON ELECTRIC RESULTS
TWELVE MONTHS ENDED DECEMBER 31, 2022
(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
		2.13	2.14	2.15	2.16	2.17	2.18	R-Ttl
		E-RI	E-RDI	E-EWPC	E-NPS	E-PMM	E-APS	
	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	\$8,187	\$0	\$0	\$0	\$561,096
2	Interdepartmental Sales	-	-	-	-	-	-	1,306
3	Sales for Resale	-	-	-	-	-	(44,130)	74,744
4	Total Sales of Electricity	-	-	8,187	-	-	(44,130)	637,146
5	Other Revenue	-	-	-	-	-	(62,774)	18,193
6	Total Electric Revenue	-	-	8,187	-	-	(106,904)	655,339
	EXPENSES							
	Production and Transmission							
7	Operating Expenses	-	-	44,471	(15)	1,787	(105,970)	158,977
8	Purchased Power	-	-	-	-	-	(47,675)	68,924
9	Depreciation/Amortization	-	-	-	-	-	-	44,753
10	Regulatory Amortization	-	-	-	-	-	-	(933)
11	Taxes	-	-	-	-	-	-	14,846
12	Total Production & Transmission	-	-	44,471	(15)	1,787	(153,645)	286,567
	Distribution							
13	Operating Expenses	-	-	-	-	-	-	33,396
14	Depreciation/Amortization	-	-	-	-	-	-	37,273
	Regulatory amortization							
15	Taxes	-	-	316	-	-	-	30,759
16	Total Distribution	-	-	316	-	-	-	101,428
17	Customer Accounting	-	-	27	-	-	-	5,314
18	Customer Service & Information	-	-	-	-	-	-	1,113
19	Sales Expenses	-	-	-	-	-	-	109
	Administrative & General							
20	Operating Expenses	172	-	16	-	-	-	84,564
21	Depreciation/Amortization	-	-	-	-	-	-	44,352
22	Regulatory Deferrals/Amortization	-	-	-	-	-	-	(6,941)
23	Taxes	-	-	-	-	-	-	4,278
24	Total Admin. & General	172	-	16	-	-	-	126,253
25	Total Electric Expenses	172	-	44,830	(15)	1,787	(153,645)	520,784
26	OPERATING INCOME BEFORE FIT	(172)	-	(36,643)	15	(1,787)	46,741	134,555
	FEDERAL INCOME TAX							
27	Current Accrual	(36)	318	1,644	3	(375)	9,816	12,147
28	Debt Interest	-	-	-	-	-	-	1
29	Deferred Income Taxes	-	-	(9,339)	-	-	-	(14,217)
30	Amortized ITC - Noxon	-	-	-	-	-	-	13,004
31	NET OPERATING INCOME	(136)	(318)	(\$28,948)	\$12	(\$1,412)	\$36,925	123,620
	RATE BASE							
	PLANT IN SERVICE							
32	Intangible	\$0	\$0	\$0	\$0	\$0	\$0	\$243,566
33	Production	-	-	-	-	-	-	982,617
34	Transmission	-	-	-	-	-	-	620,777
35	Distribution	-	-	-	-	-	-	1,433,972
36	General	-	-	-	-	-	-	308,131
37	Total Plant in Service	-	-	-	-	-	-	3,589,063
	ACCUMULATED DEPRECIATION/AMORT							
38	Intangible	-	-	-	-	-	-	(102,032)
39	Production	-	-	-	-	-	-	(452,489)
40	Transmission	-	-	-	-	-	-	(166,510)
41	Distribution	-	-	-	-	-	-	(441,942)
42	General	-	-	-	-	-	-	(109,267)
43	Total Accumulated Depreciation	-	-	-	-	-	-	(1,272,240)
44	NET PLANT	-	-	-	-	-	-	2,316,823
	DEFERRED TAXES							
45	Net Plant After DFIT	-	-	-	-	-	-	(396,585)
46	Net Plant After DFIT	-	-	-	-	-	-	1,920,238
47	DEFERRED DEBITS AND CREDITS & OTHER	-	-	-	-	-	-	24,157
48	WORKING CAPITAL	-	-	-	-	-	-	74,983
49	TOTAL RATE BASE	\$0	\$0	\$0	\$0	\$0	\$0	\$2,019,378
50	RATE OF RETURN							
51	REVENUE REQUIREMENT	180	421	38,335	(16)	1,870	(48,900)	19,477

AVISTA UTILITIES ACTUAL COST OF CAPITAL WASHINGTON ELECTRIC DECEMBER 31, 2022			
Component	Capital Structure	Cost	Weighted Cost
Debt	53.52%	4.63%	2.48%
Equity	46.48%	9.40%	4.37%
Total	<u>100.00%</u>		<u>6.85%</u>

**AVISTA UTILITIES
REVENUE CONVERSION FACTOR
WASHINGTON ELECTRIC
TWELVE MONTHS ENDED DECEMBER 31, 2022**

Line No.	Description	Factor
1	Revenues	<i>1.000000</i>
	Expense:	
2	Uncollectibles	<i>0.003551</i>
3	Commission Fees	<i>0.002000</i>
4	Washington Excise Tax	<i>0.038596</i>
6	Total Expense	<u><i>0.044147</i></u>
7	Net Operating Income Before FIT	<i>0.955853</i>
8	Federal Income Tax @ 21%	<u><i>0.200729</i></u>
9	REVENUE CONVERSION FACTOR	<u><u><i>0.755124</i></u></u>

AVISTA UTILITIES

Commission Basis Report Washington Electric Adjustment Descriptions Twelve Months Ended December 31, 2022

1.00 Per Results of Operation (ROO) Report

ROO Report amounts are for the twelve months ended December 31, 2022. 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:

- 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 adjustment was made. The corresponding interest paid on customer deposits is recorded to an operating expense, at the UTC interest rate during 2022 of 4.67%. 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, 2022 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 2022 was adjusted to reflect the appropriate ISWC balance.

AVISTA UTILITIES

Commission Basis Report Washington Electric Adjustment Descriptions Twelve Months Ended December 31, 2022

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 2022, 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 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 2022 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).

AVISTA UTILITIES

Commission Basis Report Washington Electric Adjustment Descriptions Twelve Months Ended December 31, 2022

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).

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 2013 and December 31, 2022. 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)

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.

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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 2022 to reflect a six-year average of the actual expense as approved in Docket Nos. UE-170485 and UG-170486.

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 See footnote 1.

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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.

**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
2022	NA	\$ 4,238,420	\$ 4,138,235	NA	\$ 13,000,000	\$ 13,189,785	NA	\$ 17,238,420	\$ 17,328,020

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
2022	NA	\$ 250,000	\$ 180,696	NA	\$ 131,850	\$ 114,882	NA	\$ 640,494	\$ 431,787	NA	\$ 1,022,344	\$ 727,365

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