

**AVISTA UTILITIES**  
2020  
Washington Electric  
Schedule 75  
Annual Decoupling Rate Adjustment Filing

**ATTACHMENT A**

Rate Calculation for  
August 1, 2020 – July 31, 2021

May 29, 2020

**Avista Utilities**  
**Calculation of Decoupling Mechanism Surcharge or Rebate Amortization Rates**  
**Effective August 1, 2020 - July 31, 2021**

<b>Residential Electric</b>					
Line No.	Date	Unamortized Balance (1)	Interest (2)	Forecast Usage	
1		0.00228	4.75%		
2	Jul-20	\$5,506,450			
3	Aug-20	\$5,108,068	\$20,966	183,924,856	
4	Sep-20	\$4,778,429	\$19,528	153,143,680	
5	Oct-20	\$4,398,423	\$18,127	174,619,343	
6	Nov-20	\$3,897,596	\$16,387	226,848,272	
7	Dec-20	\$3,263,619	\$14,145	284,264,001	
8	Jan-21	\$2,639,729	\$11,661	278,750,554	
9	Feb-21	\$2,128,387	\$9,418	228,403,217	
10	Mar-21	\$1,637,124	\$7,438	218,728,556	
11	Apr-21	\$1,244,196	\$5,691	174,832,932	
12	May-21	\$889,193	\$4,214	157,551,494	
13	Jun-21	\$542,271	\$2,828	153,398,728	
14	Jul-21	\$121,289	\$1,311	185,216,284	
15	Annual Total		\$131,714	2,419,681,916	
16	Incremental Rate to Recover Estimated Interest		\$0.00005		
17	Estimated Rate to Recover Deferral Balance		\$0.00228		
18	Rate before Gross-up for Revenue-related items		\$0.00233		
19	Times: Gross-up for Revenue-related items (3)		1.045603		
20	Preliminary Proposed Decoupling Rate		\$0.00244		
21	3% Test Rate Adjustment (4)		\$0.00000		
22	Final Proposed Decoupling Rate		\$0.00244	Surcharge Rate	
23	Adjusted for Revenue Related Expenses		\$0.00233	Amortization Rate	
24	Estimated Carryover Balance due to 3% test (5)		\$0		

Notes

- (1) Deferral balance at the end of the month, Rate of \$0.00228 to recover the July 2020 balance of \$5,506,450 over 12 months. See page 2 and 5 of Attachment A for July 2020 balance calculation.
- (2) Interest computed on average balance between beginning and end of month at the present FERC rate. The FERC interest rate is updated quarterly.  
<http://www.ferc.gov/enforcement/acct-matts/interest-rates.asp>
- (3) 2019 Commission Basis conversion factor, see page 8 of Attachment A.
- (4) See pages 6 and 7 of Attachment A for earnings test and 3% test adjustment calculations.
- (5) See page 2 of Attachment A for estimated carryover balance calculations.

**Avista Utilities**  
**Calculation of Decoupling Mechanism Surcharge or Rebate Amortization Rates**  
**Effective August 1, 2020 - July 31, 2021**

**Residential Electric**

**Calculate Estimated Monthly Balances through July 2021**

Line No.		Ending Balance	Interest	Amortization	Interest Rate	
1		Dec-19	\$1,182,033			
2	Earnings Sharing Adjustment		\$0			
3	Adjusted December Balance		\$1,182,033			
4		Jan-20	\$1,186,918	\$4,886	4.96%	
5		Feb-20	\$1,191,824	\$4,906	4.96%	
6		Mar-20	\$1,196,751	\$4,926	4.96%	
7		Apr-20	\$1,201,488	\$4,737	4.75%	
8		May-20	\$1,206,244	\$4,756	4.75%	
9		Jun-20	\$1,211,018	\$4,775	4.75%	
10		<b>Jul-20</b>	<b>\$1,215,812</b>	<b>\$4,794</b>	<b>4.75%</b>	
14	<b>Prior Year Carryover Balance</b>		<b>\$4,290,638</b>			
15		Aug-20	\$5,098,853	\$20,948	\$428,545	4.75%
16		Sep-20	\$4,761,505	\$19,477	\$356,825	4.75%
17		Oct-20	\$4,372,685	\$18,042	\$406,863	4.75%
18		Nov-20	\$3,860,391	\$16,262	\$528,556	4.75%
19		Dec-20	\$3,212,025	\$13,970	\$662,335	4.75%
20		Jan-21	\$2,573,965	\$11,429	\$649,489	4.75%
21		Feb-21	\$2,050,921	\$9,135	\$532,179	4.75%
22		Mar-21	\$1,548,393	\$7,110	\$509,638	4.75%
23		Apr-21	\$1,146,355	\$5,323	\$407,361	4.75%
24		May-21	\$783,071	\$3,811	\$367,095	4.75%
25		Jun-21	\$428,045	\$2,392	\$357,419	4.75%
26		<b>Jul-21</b>	<b>(\$2,669)</b>	<b>\$840</b>	<b>\$431,554</b>	<b>4.75%</b>
27		Total		\$162,519	\$5,637,859	
<b>Summary</b>						
28	2019 Deferred Revenue		\$1,182,033			
29	Less Earnings Sharing		\$0			
30	Add Prior Year Carryover Balance		\$4,290,638			
31	Add Interest through 7/31/2021		\$162,519			
32	Add Revenue Related Expense Adj.		\$268,834			
33	Total Requested Recovery		\$5,904,024			
34	Customer Surcharge Revenue		\$5,904,024			
35	Carryover Deferred Revenue		\$0			

**Avista Utilities**  
**Calculation of Decoupling Mechanism Surcharge or Rebate Amortization Rates**  
**Effective August 1, 2020 - July 31, 2021**

**Non-Residential Electric**

Line No.	Date	Unamortized Balance (1)	Interest (2)	Forecast Usage
1		0.00427	4.75%	
2	Jul-20	\$9,219,200		
3	Aug-20	\$8,388,330	\$34,779	202,728,111
4	Sep-20	\$7,680,007	\$31,739	173,316,652
5	Oct-20	\$6,960,619	\$28,919	175,247,631
6	Nov-20	\$6,233,901	\$26,063	176,295,048
7	Dec-20	\$5,446,650	\$23,072	189,771,379
8	Jan-21	\$4,667,506	\$19,978	187,148,080
9	Feb-21	\$3,982,560	\$17,086	164,410,216
10	Mar-21	\$3,260,948	\$14,308	172,346,603
11	Apr-21	\$2,587,606	\$11,552	160,396,839
12	May-21	\$1,872,893	\$8,811	169,443,373
13	Jun-21	\$1,113,467	\$5,899	179,232,957
14	Jul-21	\$228,076	\$2,650	207,972,107
15	Annual Total		\$224,856	2,158,308,998
16	Incremental Rate to Recover Estimated Interest		\$0.00010	
17	Estimated Rate to Recover Deferral Balance		\$0.00427	
18	Rate before Gross-up for Revenue-related items		\$0.00437	
19	Times: Gross-up for Revenue-related items (3)		1.045603	
20	Preliminary Proposed Decoupling Rate		\$0.00457	
21	3% Test Rate Adjustment (4)		(\$0.00092)	
22	Final Proposed Decoupling Rate		\$0.00365	Surcharge Rate
23	Adjusted for Revenue Related Expenses		\$0.00349	Amortization Rate
24	Estimated Carryover Balance due to 3% test (5)		\$1,952,241	

Notes

- (1) Deferral balance at the end of the month, Rate of \$0.00427 to recover the July 2020 balance of \$9,219,200 over 12 months. See page 4 and 5 of Attachment A for July 2020 balance calculation.
- (2) Interest computed on average balance between beginning and end of month at the present FERC rate. The FERC interest rate is updated quarterly.  
<http://www.ferc.gov/enforcement/acct-matts/interest-rates.asp>
- (3) 2019 Commission Basis conversion factor, see page 8 of Attachment A.
- (4) See pages 6 and 7 of Attachment A for earnings test and 3% test adjustment calculations.
- (5) See page 4 of Attachment A for estimated carryover balance calculations.

**Avista Utilities**  
**Calculation of Decoupling Mechanism Surcharge or Rebate Amortization Rates**  
**Effective August 1, 2020 - July 31, 2021**

**Non-Residential Electric**

**Calculate Estimated Monthly Balances through July 2021**

Line No.		Ending Balance	Interest	Amortization	Interest Rate	
1		Dec-19	\$6,859,634			
2	Earnings Sharing Adjustment		\$0			
3	Adjusted December Balance		\$6,859,634			
4		Jan-20	\$6,887,987	\$28,353	4.96%	
5		Feb-20	\$6,916,458	\$28,470	4.96%	
6		Mar-20	\$6,945,046	\$28,588	4.96%	
7		Apr-20	\$6,972,536	\$27,491	4.75%	
8		May-20	\$7,000,136	\$27,600	4.75%	
9		Jun-20	\$7,027,845	\$27,709	4.75%	
10		<b>Jul-20</b>	<b>\$7,055,663</b>	<b>\$27,819</b>	<b>4.75%</b>	
14	<b>Prior Year Carryover Balance</b>		<b>\$2,163,536</b>			
15		Aug-20	\$8,546,771	\$35,092	\$707,521	4.75%
16		Sep-20	\$7,974,530	\$32,634	\$604,875	4.75%
17		Oct-20	\$7,393,271	\$30,355	\$611,614	4.75%
18		Nov-20	\$6,806,048	\$28,047	\$615,270	4.75%
19		Dec-20	\$6,169,376	\$25,630	\$662,302	4.75%
20		Jan-21	\$5,539,357	\$23,128	\$653,147	4.75%
21		Feb-21	\$4,986,356	\$20,791	\$573,792	4.75%
22		Mar-21	\$4,403,414	\$18,547	\$601,490	4.75%
23		Apr-21	\$3,859,951	\$16,322	\$559,785	4.75%
24		May-21	\$3,282,702	\$14,109	\$591,357	4.75%
25		Jun-21	\$2,668,935	\$11,756	\$625,523	4.75%
26		<b>Jul-21</b>	<b>\$1,952,241</b>	<b>\$9,128</b>	<b>\$725,823</b>	<b>4.75%</b>
27		Total		\$461,569	\$7,532,498	

**Summary**

28	2019 Deferred Revenue	\$6,859,634
29	Less Earnings Sharing	\$0
30	Add Prior Year Carryover Balance	\$2,163,536
31	Add Interest through 7/31/2021	\$461,569
32	Add Revenue Related Expense Adj.	\$345,329
33	Total Requested Recovery	\$9,830,069
34	Customer Surcharge Revenue	\$7,877,828
35	Carryover Deferred Revenue	\$1,952,241

**Avista Utilities**  
**Decoupling Mechanism Prior Surcharge or Rebate Amortization**  
**Effective November 1, 2019 - July 31, 2020**  
**Docket No. UE-190708**

**Residential Electric Surcharge**

Line No.	Date	Regulatory Asset Beginning Balance	Interest	Amortization	Regulatory Asset Ending Balance	Interest Rate	May - July Forecast Usage
1	Nov-19	\$ 8,996,478.07	\$39,401.60	\$ (545,755.04)	\$ 8,490,124.63	5.42%	
2	Dec-19	\$ 8,490,124.63	\$36,797.56	\$ (686,128.56)	\$ 7,840,793.63	5.42%	
3	Jan-20	\$ 7,840,793.63	\$30,989.94	\$ (686,453.23)	\$ 7,185,330.34	4.96%	
4	Feb-20	\$ 7,185,330.34	\$28,457.84	\$ (600,737.84)	\$ 6,613,050.34	4.96%	
5	Mar-20	\$ 6,613,050.34	\$26,132.29	\$ (581,444.52)	\$ 6,057,738.11	4.96%	
6	Apr-20	\$ 6,057,738.11	\$22,987.42	\$ (500,778.40)	\$ 5,579,947.13	4.75%	
7	May-20	\$ 5,579,947.13	\$21,250.88	\$ (422,609.06)	\$ 5,178,588.95	4.75%	158,280,545
8	Jun-20	\$ 5,178,588.95	\$19,664.33	\$ (421,518.33)	\$ 4,776,734.95	4.75%	157,872,034
9	Jul-20	\$ 4,776,734.95	\$17,910.40	\$ (504,007.16)	<b>\$ 4,290,638.19</b>	4.75%	188,766,727

**Non-Residential Electric Surcharge**

Line No.	Date	Regulatory Asset Beginning Balance	Interest	Amortization	Regulatory Asset Ending Balance	Interest Rate	May - July Forecast Usage
13	Nov-19	\$ 7,400,479.04	\$32,104.32	\$ (585,025.07)	\$ 6,847,558.29	5.42%	
14	Dec-19	\$ 6,847,558.29	\$29,571.80	\$ (601,085.21)	\$ 6,276,044.88	5.42%	
15	Jan-20	\$ 6,276,044.88	\$24,654.49	\$ (622,499.38)	\$ 5,678,199.99	4.96%	
16	Feb-20	\$ 5,678,199.99	\$22,263.34	\$ (583,816.39)	\$ 5,116,646.94	4.96%	
17	Mar-20	\$ 5,116,646.94	\$19,936.35	\$ (586,671.70)	\$ 4,549,911.59	4.96%	
18	Apr-20	\$ 4,549,911.59	\$17,040.26	\$ (490,007.95)	\$ 4,076,943.90	4.75%	
19	May-20	\$ 4,076,943.90	\$14,966.67	\$ (591,780.69)	\$ 3,500,129.88	4.75%	169,564,666
20	Jun-20	\$ 3,500,129.88	\$12,602.10	\$ (632,883.99)	\$ 2,879,847.99	4.75%	181,342,117
21	Jul-20	\$ 2,879,847.99	\$9,961.98	\$ (726,273.72)	<b>\$ 2,163,536.25</b>	4.75%	208,101,351

**Avista Utilities**  
**Decoupling Mechanism Earnings Test and 3% Test**  
**2019 Washington Electric Deferrals**

**2019 Commission Basis Earnings Test for Decoupling**

Line No.		Electric
1	Rate Base	\$ 1,658,143,000
2	Net Income	\$ 109,551,000
3	Calculated ROR	6.61%
4	Base ROR	7.50%
5	Excess ROR	-0.89%
6	Excess Earnings	\$ -
7	Conversion Factor	0.755545
8	Excess Revenue (Excess Earnings/CF)	\$ -
9	Sharing %	50%
10	2019 Total Earnings Test Sharing	<span style="border: 2px solid red; padding: 2px;">\$ -</span>

**Revenue From 2019 Normalized Loads and Customers at Present Billing Rates**

11	Residential Revenue	\$ 227,267,074	49.72%
12	Non-Residential Revenue	\$ 229,815,360	50.28%
13	Total Normalized Revenue	\$ 457,082,434	100.00%

<b>Earnings Test Sharing Adjustment</b>		Gross Revenue Adjustment	Net of Revenue Related Expenses
14	Residential	\$ -	\$ -
15	Non-Residential	\$ -	\$ -
16	Total	\$ -	\$ -

**Avista Utilities**  
**Decoupling Mechanism Earnings Test and 3% Test**  
**2019 Washington Electric Deferrals**

**3% Incremental Surcharge Test**

Line No.		Residential	Non-Residential
1	Revenue From 2019 Normalized Loads and Customers at Present Billing Rates (Note 1)	\$ 227,267,074	\$ 229,815,360
2	August 2020 - July 2021 Usage (kWhs)	2,419,681,916	2,158,308,998
3	Proposed Decoupling Recovery Rates	\$0.00244	\$0.00457
4	Present Decoupling Surcharge Recovery Rates	\$0.00279	\$0.00365
5	Incremental Decoupling Recovery Rates	-\$0.00035	\$0.00092
6	Incremental Decoupling Recovery	\$ (846,889)	\$ 1,985,644
7	Incremental Surcharge %	<b>-0.37%</b>	<b>0.86%</b>
8	3% Test Adjustment (Notes 2,3)	\$ -	\$ (1,985,644)
9	3% Test Rate Adjustment	\$0.00000	-\$0.00092
10	Adjusted Proposed Decoupling Recovery Rates	\$0.00244	\$0.00365
11	Adjusted Incremental Decoupling Recovery	\$ (846,889)	\$ 0
12	Adjusted Incremental Surcharge %	<b>-0.37%</b>	<b>0.00%</b>

Notes

(1) Revenue from 2019 normalized loads and customers at present billing rates effective since April 1, 2019.

(2) As a response to the COVID 19 economic impacts within the Company's service territory, the 3% increase limit has been replaced with a 0% increase limit for purposes of this filing. The result of this modification is an otherwise allowable increase of 0.092 cents per kWh (0.86% of normalized revenue) that would have recovered an additional \$2 million from the Non-Residential customer group during this amortization period will be carried over to a future amortization period.

(3) The carryover balances will differ from the 3% adjustment amounts due to the revenue related expense gross up partially offset by additional interest on the outstanding balance during the amortization period.



**AVISTA UTILITIES**  
**Revenue Conversion Factor**  
**Washington - Electric System**  
**TWELVE MONTHS ENDED December 31, 2019**

<b>Line No.</b>	<b>Description</b>	<b>Factor</b>
1	<b>Revenues</b>	<i>1.000000</i>
	<b>Expense:</b>	
2	Uncollectibles	<i>0.002996</i>
3	Commission Fees	<i>0.002000</i>
4	Washington Excise Tax	<i>0.038618</i>
5	Total Expense	<u><i>0.043614</i></u>
6	Net Operating Income Before FIT	<i>0.956386</i>
7	Federal Income Tax @ 21%	<u><i>0.200841</i></u>
8	<b>REVENUE CONVERSION FACTOR</b>	<u><u><i>0.755545</i></u></u>
9	Gross Up Factor	<b>1.045603</b>

2019 Commission Basis Conversion Factor

**Avista Utilities  
Washington Jurisdiction  
2020 Decoupling Schedule 75 Filing  
Electric Service**

Type of Service	Schedule Number	Decoupling Billing Determinants	Present Decoupling Rate	Present Decoupling Revenue	Proposed Decoupling Inc./ (Decr.)	Proposed Decoupling Revenue	Proposed Decoupling Rate	Incremental Rate change	Present Billing Revenue	
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)		
<b>Residential</b>	<b>1/2</b>	<b>2,419,681,916</b>	<b>\$ 0.00279</b>	<b>\$ 6,750,913</b>	<b>\$ (846,889)</b>	<b>\$ 5,904,024</b>	<b>\$ 0.00244</b>	<b>\$ (0.00035)</b>	<b>\$ 227,267,074</b>	<b>-0.37%</b>
General Service	11/12	631,537,581	\$ 0.00365	\$ 2,305,112	\$ -	\$ 2,305,112	\$ 0.00365	\$ -	\$ 80,143,433	0.00%
Large General Service	21/22	1,384,424,790	\$ 0.00365	\$ 5,053,150	\$ -	\$ 5,053,150	\$ 0.00365	\$ -	\$ 137,112,282	0.00%
Pumping Service	30/31/32	142,346,626	\$ 0.00365	\$ 519,565	\$ -	\$ 519,565	\$ 0.00365	\$ -	\$ 12,559,645	0.00%
Extra Large General Service	25	N/A							\$ 66,870,044	0.00%
ST & Area Lighting	41 - 48	N/A							\$ 6,883,240	0.00%
Total		4,577,990,914		\$ 14,628,740	\$ (846,889)	\$ 13,781,852			\$ 530,835,718	-0.16%
<b>Non-Residential Group Sub-Totals</b>		<b>2,158,308,998</b>		<b>\$ 7,877,828</b>	<b>\$ -</b>	<b>\$ 7,877,828</b>			<b>\$ 229,815,360</b>	<b>0.00%</b>

Average Residential Bill		@918 kWhs
Basic Charge	\$9.00	\$9.00
First 800 kWhs	\$0.07888	\$63.10
Next 700 kWhs	\$0.09212	\$10.87
Over 1,500 kWhs	\$0.10838	\$0.00
Residential Bill at 4/1/2020 rates		\$82.97
Proposed rate change	\$ (0.00035)	(\$0.32)
Residential Bill at Proposed rates		\$82.65
Proposed Percent Decrease		-0.39%