

AVISTA UTILITIES

2021

Washington Electric

Schedule 75

Annual Decoupling Rate Adjustment Filing

ATTACHMENT A

Rate Calculation for
August 1, 2021 – July 31, 2022

May 26, 2021

Avista Utilities
Calculation of Decoupling Mechanism Surcharge or Rebate Amortization Rates
Effective August 1, 2021 - July 31, 2022

Residential Electric					
Line No.	Date	Unamortized Balance (1)	Interest (2)	Forecast Usage	
1		-0.00042	3.25%		
2	Jul-21	(\$1,037,194)			
3	Aug-21	(\$957,821)	(\$2,698)	195,408,992	
4	Sep-21	(\$895,295)	(\$2,506)	154,836,044	
5	Oct-21	(\$822,214)	(\$2,323)	179,532,895	
6	Nov-21	(\$728,283)	(\$2,097)	228,638,854	
7	Dec-21	(\$608,812)	(\$1,808)	288,759,665	
8	Jan-22	(\$488,858)	(\$1,484)	289,139,802	
9	Feb-22	(\$390,526)	(\$1,189)	236,954,906	
10	Mar-22	(\$298,116)	(\$931)	222,240,496	
11	Apr-22	(\$225,061)	(\$708)	175,624,821	
12	May-22	(\$158,896)	(\$519)	158,772,217	
13	Jun-22	(\$94,459)	(\$343)	154,236,624	
14	Jul-22	(\$15,717)	(\$149)	187,835,270	
15	Annual Total		(\$16,755)	2,471,980,588	
16	Incremental Rate to Recover Estimated Interest		(\$0.00001)		
17	Estimated Rate to Recover Deferral Balance		(\$0.00042)		
18	Rate before Gross-up for Revenue-related items		(\$0.00043)		
19	Times: Gross-up for Revenue-related items (3)		1.044905		
20	Preliminary Proposed Decoupling Rate		(\$0.00045)		
21	3% Test Rate Adjustment (4)		\$0.00000		
22	Final Proposed Decoupling Rate		(\$0.00045)	Rebate Rate	
23	Adjusted for Revenue Related Expenses		(\$0.00043)	Amortization Rate	
24	Estimated Carryover Balance due to 3% test (5)		\$0		

Notes

- (1) Deferral balance at the end of the month, Rate of -\$0.00042 to recover the July 2021 balance of - \$1,037,194 over 12 months. See page 2 and 5 of Attachment A for July 2021 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) 2020 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, 2021 - July 31, 2022

Residential Electric

Calculate Estimated Monthly Balances through July 2022

Line No.		Ending Balance	Interest	Amortization	Interest Rate
1		Dec-20	(\$810,734)		
2	Earnings Sharing Adjustment		\$0		
3	Adjusted December Balance		(\$810,734)		
4		Jan-21	(\$812,930)	(\$2,196)	3.25%
5		Feb-21	(\$815,132)	(\$2,202)	3.25%
6		Mar-21	(\$817,339)	(\$2,208)	3.25%
7		Apr-21	(\$819,553)	(\$2,214)	3.25%
8		May-21	(\$821,773)	(\$2,220)	3.25%
9		Jun-21	(\$823,998)	(\$2,226)	3.25%
10		Jul-21	(\$826,230)	(\$2,232)	3.25%
14	Prior Year Carryover Balance		(\$210,964)		
15		Aug-21	(\$955,864)	(\$2,695)	(\$84,026) 3.25%
16		Sep-21	(\$891,783)	(\$2,499)	(\$66,579) 3.25%
17		Oct-21	(\$816,894)	(\$2,311)	(\$77,199) 3.25%
18		Nov-21	(\$720,659)	(\$2,079)	(\$98,315) 3.25%
19		Dec-21	(\$598,276)	(\$1,784)	(\$124,167) 3.25%
20		Jan-22	(\$475,398)	(\$1,452)	(\$124,330) 3.25%
21		Feb-22	(\$374,657)	(\$1,150)	(\$101,891) 3.25%
22		Mar-22	(\$279,979)	(\$885)	(\$95,563) 3.25%
23		Apr-22	(\$205,116)	(\$656)	(\$75,519) 3.25%
24		May-22	(\$137,307)	(\$463)	(\$68,272) 3.25%
25		Jun-22	(\$71,267)	(\$282)	(\$66,322) 3.25%
26		Jul-22	\$9,418	(\$84)	(\$80,769) 3.25%
27		Total		(\$31,835)	(\$1,062,952)

Summary

28	2020 Deferred Revenue	(\$810,734)
29	Less Earnings Sharing	\$0
30	Add Prior Year Carryover Balance	(\$210,964)
31	Add Interest through 7/31/2022	(\$31,835)
32	Add Revenue Related Expense Adj.	<u>(\$58,858)</u>
33	Total Requested Rebate	(\$1,112,391)
34	Customer Rebate Revenue	(\$1,112,391)
35	Carryover Deferred Revenue	\$0

Avista Utilities
Calculation of Decoupling Mechanism Surcharge or Rebate Amortization Rates
Effective August 1, 2021 - July 31, 2022

Non-Residential Electric

Line No.	Date	Unamortized Balance (1)	Interest (2)	Forecast Usage
1		0.00652	3.25%	
2	Jul-21	\$13,911,648		
3	Aug-21	\$12,637,744	\$35,904	200,890,808
4	Sep-21	\$11,552,496	\$32,713	171,466,468
5	Oct-21	\$10,435,069	\$29,735	175,944,961
6	Nov-21	\$9,331,185	\$26,731	173,407,188
7	Dec-21	\$8,133,659	\$23,618	187,292,065
8	Jan-22	\$6,939,325	\$20,384	186,306,368
9	Feb-22	\$5,882,368	\$17,339	164,769,328
10	Mar-22	\$4,787,545	\$14,429	170,130,781
11	Apr-22	\$3,782,802	\$11,590	155,879,211
12	May-22	\$2,708,616	\$8,779	166,098,877
13	Jun-22	\$1,568,668	\$5,784	175,725,842
14	Jul-22	\$227,875	\$2,430	206,015,755
15	Annual Total		\$229,435	2,133,927,654
16	Incremental Rate to Recover Estimated Interest		\$0.00011	
17	Estimated Rate to Recover Deferral Balance		\$0.00652	
18	Rate before Gross-up for Revenue-related items		\$0.00663	
19	Times: Gross-up for Revenue-related items (3)		1.044905	
20	Preliminary Proposed Decoupling Rate		\$0.00693	
21	3% Test Rate Adjustment (4)		(\$0.00014)	
22	Final Proposed Decoupling Rate		\$0.00679	Surcharge Rate
23	Adjusted for Revenue Related Expenses		\$0.00650	Amortization Rate
24	Estimated Carryover Balance due to 3% test (5)		\$271,257	

Notes

- (1) Deferral balance at the end of the month, Rate of \$0.00652 to recover the July 2021 balance of \$13,911,648 over 12 months. See page 4 and 5 of Attachment A for July 2021 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) 2020 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, 2021 - July 31, 2022

Non-Residential Electric

Calculate Estimated Monthly Balances through July 2022

Line No.		Ending Balance	Interest	Amortization	Interest Rate	
1		Dec-20	\$11,263,209			
2	Earnings Sharing Adjustment		\$0			
3	Adjusted December Balance		\$11,263,209			
4		Jan-21	\$11,293,714	\$30,505	3.25%	
5		Feb-21	\$11,324,301	\$30,587	3.25%	
6		Mar-21	\$11,354,971	\$30,670	3.25%	
7		Apr-21	\$11,385,724	\$30,753	3.25%	
8		May-21	\$11,416,560	\$30,836	3.25%	
9		Jun-21	\$11,447,480	\$30,920	3.25%	
10		Jul-21	\$11,478,484	\$31,004	3.25%	
14	Prior Year Carryover Balance		\$2,433,164			
15		Aug-21	\$12,641,767	\$35,909	\$1,305,790	3.25%
16		Sep-21	\$11,559,964	\$32,729	\$1,114,532	3.25%
17		Oct-21	\$10,446,081	\$29,760	\$1,143,642	3.25%
18		Nov-21	\$9,345,699	\$26,765	\$1,127,147	3.25%
19		Dec-21	\$8,151,964	\$23,663	\$1,217,398	3.25%
20		Jan-22	\$6,961,411	\$20,438	\$1,210,991	3.25%
21		Feb-22	\$5,907,814	\$17,404	\$1,071,001	3.25%
22		Mar-22	\$4,816,466	\$14,503	\$1,105,850	3.25%
23		Apr-22	\$3,814,924	\$11,673	\$1,013,215	3.25%
24		May-22	\$2,744,151	\$8,870	\$1,079,643	3.25%
25		Jun-22	\$1,607,819	\$5,885	\$1,142,218	3.25%
26		Jul-22	\$271,257	\$2,541	\$1,339,102	3.25%
27		Total		\$445,414	\$13,870,530	
Summary						
28	2020 Deferred Revenue		\$11,263,209			
29	Less Earnings Sharing		\$0			
30	Add Prior Year Carryover Balance		\$2,433,164			
31	Add Interest through 7/31/2022		\$445,414			
32	Add Revenue Related Expense Adj.		\$618,839			
33	Total Requested Recovery		<u>\$14,760,626</u>			
34	Customer Surcharge Revenue		\$14,489,369			
35	Carryover Deferred Revenue		\$271,257			

Avista Utilities
Decoupling Mechanism Prior Surcharge or Rebate Amortization
Effective August 1, 2020 - July 31, 2021
Docket No. UE-200497

Residential Electric Surcharge

Line No.	Date	Regulatory Asset Beginning Balance	Interest	Amortization	Regulatory Asset Ending Balance	Interest Rate	May - July Forecast Usage
1	Aug-20	\$ 5,503,902.71	\$15,043.32	\$ (481,866.08)	\$ 5,037,079.95	3.43%	
2	Sep-20	\$ 5,037,079.95	\$13,834.34	\$ (394,152.69)	\$ 4,656,761.60	3.43%	
3	Oct-20	\$ 4,656,761.60	\$12,063.13	\$ (405,363.43)	\$ 4,263,461.30	3.25%	
4	Nov-20	\$ 4,263,461.30	\$10,818.48	\$ (537,894.44)	\$ 3,736,385.34	3.25%	
5	Dec-20	\$ 3,736,385.34	\$9,251.27	\$ (641,065.50)	\$ 3,104,571.11	3.25%	
6	Jan-21	\$ 3,104,571.11	\$7,609.64	\$ (589,719.35)	\$ 2,522,461.40	3.25%	
7	Feb-21	\$ 2,522,461.40	\$6,063.34	\$ (567,377.80)	\$ 1,961,146.94	3.25%	
8	Mar-21	\$ 1,961,146.94	\$4,583.94	\$ (537,229.39)	\$ 1,428,501.49	3.25%	
9	Apr-21	\$ 1,428,501.49	\$3,315.17	\$ (408,874.95)	\$ 1,022,941.71	3.25%	
10	May-21	\$ 1,022,941.71	\$2,152.55	\$ (456,307.46)	\$ 568,786.80	3.25%	195,408,992
11	Jun-21	\$ 568,786.80	\$1,050.85	\$ (361,563.92)	\$ 208,273.73	3.25%	154,836,044
12	Jul-21	\$ 208,273.73	(\$3.64)	\$ (419,234.54)	\$ (210,964.45)	3.25%	179,532,895

Non-Residential Electric Surcharge

Line No.	Date	Regulatory Asset Beginning Balance	Interest	Amortization	Regulatory Asset Ending Balance	Interest Rate	May - July Forecast Usage
13	Aug-20	\$ 9,421,895.91	\$26,025.73	\$ (633,365.26)	\$ 8,814,556.38	3.43%	
14	Sep-20	\$ 8,814,556.38	\$24,334.00	\$ (602,410.23)	\$ 8,236,480.15	3.43%	
15	Oct-20	\$ 8,236,480.15	\$21,425.78	\$ (650,847.06)	\$ 7,607,058.87	3.25%	
16	Nov-20	\$ 7,607,058.87	\$19,883.04	\$ (531,260.64)	\$ 7,095,681.27	3.25%	
17	Dec-20	\$ 7,095,681.27	\$18,422.13	\$ (587,329.65)	\$ 6,526,773.75	3.25%	
18	Jan-21	\$ 6,526,773.75	\$16,887.67	\$ (582,649.57)	\$ 5,961,011.85	3.25%	
19	Feb-21	\$ 5,961,011.85	\$15,398.69	\$ (550,684.30)	\$ 5,425,726.24	3.25%	
20	Mar-21	\$ 5,425,726.24	\$13,899.41	\$ (587,273.43)	\$ 4,852,352.22	3.25%	
21	Apr-21	\$ 4,852,352.22	\$12,405.83	\$ (543,473.35)	\$ 4,321,284.70	3.25%	
22	May-21	\$ 4,321,284.70	\$10,753.21	\$ (701,739.82)	\$ 3,630,298.09	3.25%	200,890,808
23	Jun-21	\$ 3,630,298.09	\$9,020.97	\$ (598,956.47)	\$ 3,040,362.59	3.25%	171,466,468
24	Jul-21	\$ 3,040,362.59	\$7,402.04	\$ (614,600.47)	\$ 2,433,164.16	3.25%	175,944,961

Avista Utilities
Decoupling Mechanism Earnings Test and 3% Test
2020 Washington Electric Deferrals

2020 Commission Basis Earnings Test for Decoupling

Line No.		Electric
1	Rate Base	\$ 1,700,977,000
2	Net Income	\$ 108,650,000
3	Calculated ROR	6.39%
4	Base ROR	7.28%
5	Excess ROR	-0.89%
6	Excess Earnings	\$ -
7	Conversion Factor	0.756050
8	Excess Revenue (Excess Earnings/CF)	\$ -
9	Sharing %	50%
10	2020 Total Earnings Test Sharing	\$ -

Revenue From 2020 Normalized Loads and Customers at Present Billing Rates

11	Residential Revenue	\$ 239,238,066	51.73%
12	Non-Residential Revenue	\$ 223,195,803	48.27%
13	Total Normalized Revenue	\$ 462,433,869	100.00%

		Gross Revenue	Net of Revenue
		Adjustment	Related Expenses
14	Residential	\$ -	\$ -
15	Non-Residential	\$ -	\$ -
16	Total	\$ -	\$ -

Avista Utilities
Decoupling Mechanism Earnings Test and 3% Test
2020 Washington Electric Deferrals

3% Incremental Surcharge Test			
Line No.		Residential	Non-Residential
1	Revenue From 2020 Normalized Loads and Customers at Present Billing Rates (Note 1)	\$ 239,238,066	\$ 223,195,803
2	August 2021 - July 2022 Usage (kWhs)	2,471,980,588	2,133,927,654
3	Proposed Decoupling Recovery Rates	-\$0.00045	\$0.00693
4	Present Decoupling Surcharge Recovery Rates	\$0.00244	\$0.00365
5	Incremental Decoupling Recovery Rates	-\$0.00289	\$0.00328
6	Incremental Decoupling Recovery	\$ (7,144,024)	\$ 6,999,283
7	Incremental Surcharge %	-2.99%	3.14%
8	3% Test Adjustment (Notes 2)	\$ -	\$ (303,409)
9	3% Test Rate Adjustment	\$0.00000	-\$0.00014
10	Adjusted Proposed Decoupling Recovery Rates	-\$0.00045	\$0.00679
11	Adjusted Incremental Decoupling Recovery	\$ (7,144,024)	\$ 6,700,533
12	Adjusted Incremental Surcharge %	-2.99%	3.00%

Notes

(1) Revenue from 2020 normalized loads and customers at present billing rates effective since April 1, 2021.

(2) 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, 2020

Line No.	Description	Factor
1	Revenues	<i>1.000000</i>
	Expense:	
2	Uncollectibles	<i>0.002332</i>
3	Commission Fees	<i>0.002000</i>
4	Washington Excise Tax	<i>0.038644</i>
5	Total Expense	<u><i>0.042975</i></u>
6	Net Operating Income Before FIT	<i>0.957025</i>
7	Federal Income Tax @ 21%	<u><i>0.200975</i></u>
8	REVENUE CONVERSION FACTOR	<u><u><i>0.756050</i></u></u>
9	Gross Up Factor	1.044905

2020 Commission Basis Conversion Factor

**Avista Utilities
Washington Jurisdiction
2021 Decoupling Schedule 75 Filing
Electric Service**

Type of Service	Schedule Number	Decoupling Billing Determinants	Present Decoupling Rate	Present Decoupling Revenue	Proposed Decoupling Incr./ (Decr.)	Proposed Decoupling Revenue	Proposed Decoupling Rate	Incremental Rate change	Present Billing Revenue	
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)		
Residential	1/2	2,471,980,588	\$ 0.00244	\$ 6,031,633	\$ (7,144,024)	\$ (1,112,391)	\$ (0.00045)	\$ (0.00289)	\$ 239,238,066	-2.99%
General Service	11/12/13	658,351,305	\$ 0.00365	\$ 2,402,982	\$ 2,067,223	\$ 4,470,205	\$ 0.00679	\$ 0.00314	\$ 79,232,027	2.61%
Large General Service	21/22/23	1,328,213,987	\$ 0.00365	\$ 4,847,981	\$ 4,170,592	\$ 9,018,573	\$ 0.00679	\$ 0.00314	\$ 130,707,704	3.19%
Pumping Service	30/31/32	147,362,362	\$ 0.00365	\$ 537,873	\$ 462,718	\$ 1,000,590	\$ 0.00679	\$ 0.00314	\$ 13,256,072	3.49%
Extra Large General Service	25	N/A							\$ 62,808,728	0.00%
ST & Area Lighting	41 - 48	N/A							\$ 6,626,668	0.00%
Total		4,605,908,241		\$ 13,820,469	\$ (443,491)	\$ 13,376,978			\$ 531,869,265	-0.08%
Non-Residential Group Sub-Totals		2,133,927,654		\$ 7,788,836	\$ 6,700,533	\$ 14,489,369			\$ 223,195,803	3.00%

Average Residential Bill	@914 kWhs	
Basic Charge	\$9.00	\$9.00
First 800 kWhs	\$0.08076	\$64.61
Next 700 kWhs	\$0.09400	\$10.72
Over 1,500 kWhs	\$0.11026	\$0.00
Residential Bill at 4/1/2021 rates		\$84.33
Proposed rate change	\$ (0.00289)	(\$2.64)
Residential Bill at Proposed rates		\$81.69
Proposed Percent Decrease		-3.13%