

AVISTA CORPORATION
dba Avista Utilities

SCHEDULE 75

DECOUPLING MECHANISM – ELECTRIC

PURPOSE:

This Schedule establishes balancing accounts and implements an annual rate adjustment mechanism that decouples or separates the recovery of the Company's Commission authorized revenues from kilowatt-hour sales to customers served under the applicable electric service schedules.

APPLICABLE:

To Customers in the State of Washington where the Company has electric service available. This schedule shall be applicable to all retail customers taking service under Schedules 1, 2, 11, 12, 21, 22, 31, and 32. This Schedule does not apply to Extra Large General Service Schedule 25 or to Street and Area Light Schedules 41 through 48. Applicable Customers will be segregated into two (2) distinct Rate Groups:

- Group 1 – Schedules 1, 2
- Group 2 – Schedules 11, 12, 21, 22, 31, 32

MONTHLY RATE:

- Group 1 – \$0.00244 per kWh
- Group 2 – \$0.00365 per kWh

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Issued May 29, 2020

Effective August 1, 2020

Issued by Avista Corporation

By

Patrick Ehrbar, Director of Regulatory Affairs



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SCHEDULE 75C
DECOUPLING MECHANISM – ELECTRIC (continued)

ANNUAL ELECTRIC DECOUPLING RATE ADJUSTMENT:

On or before June 1st each year, the Company will file a request with the Commission to surcharge or rebate, by Rate Group, the amount accumulated in the deferred revenue accounts for the prior January through December time period. The amount of deferred revenue that the Company can request to surcharge is subject to limitation based on the Earnings Test.

The proposed tariff revisions included with that filing would include a rate adjustment that recovers/rebates the appropriate deferred revenue amount over a twelve-month period effective on August 1st. The deferred revenue amount approved for recovery or rebate would be transferred to a balancing account and the revenue surcharged or rebated during the period would reduce the deferred revenue in the balancing account. Any deferred revenue remaining in the balancing account at the end of the calendar year would be added to the new revenue deferrals to determine the amount of the proposed surcharge/rebate for the following year.

After determining the amount of deferred revenue that can be recovered through a surcharge (or refunded through a rebate) by Rate Group, the proposed rates under this Schedule will be determined by dividing the deferred revenue to be recovered by Rate Group by the estimated kWh sales for each Rate Group during the twelve month recovery period. The deferred revenue amount to be recovered will be transferred to a Decoupling Balancing Account and the actual revenue received under this Schedule will be applied to the Account to reduce (amortize) the balance. Interest will be accrued on the unamortized balance in the Decoupling Balancing Account at the quarterly rate published by the FERC.

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