

AVISTA UTILITIES
2022
Washington Natural Gas
Schedule 175
Annual Decoupling Rate Adjustment Filing

ATTACHMENT C

Excerpts from Avista's Q4 2021 Quarterly
Decoupling Update Filing

May 27, 2022

**Avista Corporation Decoupling Mechanism
Washington Jurisdiction
Quarterly Report for 4th Quarter 2021**

**New Customers Excluded from Decoupling Mechanism
UG-190335 Base effective 4/1/2020 & UG-200901 Base effective 10/1/2021**

Line No.	Description	Jan-21	Feb-21	Mar-21	Apr-21	May-21	Jun-21	Jul-21	Aug-21	Sep-21	Oct-21	Nov-21	Dec-21	2021 Total	2021 Average
1	No. of Excluded Customer Bills - Residential	6,135	5,922	6,787	6,599	6,840	6,970	7,188	7,394	7,540	4,403	4,679	4,909	75,366	11,595
2	New Customer Usage - Residential	701,592	695,498	639,367	402,019	201,657	114,045	68,683	57,571	77,980	116,188	292,557	513,683	3,880,842	
3	New Customer Use per Customer - Residential	114	117	94	61	29	16	10	8	10	26	63	105	51	
4	No. of Excluded Customer Bills - Non-Residential	46	49	58	56	63	62	65	69	74	37	41	48	668	103
5	New Customer Usage - Non-Residential	185,880	212,999	245,547	124,307	86,274	49,014	36,011	31,807	39,268	21,805	44,814	174,933	1,252,659	
6	New Customer Use per Customer - Non-Residential	4,041	4,347	4,234	2,220	1,369	791	554	461	531	589	1,093	3,644	1,875	
7	Base Rate Revenue from Excluded Customers - Residential	\$ 389,558	\$ 384,688	\$ 360,703	\$ 241,488	\$ 152,690	\$ 115,222	\$ 98,471	\$ 94,893	\$ 105,266	\$ 95,884	\$ 192,178	\$ 316,498	\$ 2,547,539	\$ 220
8	Base Rate Revenue from Excluded Customers - Non-Residential	\$ 50,878	\$ 58,186	\$ 67,909	\$ 39,485	\$ 31,604	\$ 18,933	\$ 15,856	\$ 14,821	\$ 17,540	\$ 9,059	\$ 16,526	\$ 49,759	\$ 390,557	\$ 3,800
9	Total New Customer Revenue	\$ 440,437	\$ 442,874	\$ 428,612	\$ 280,974	\$ 184,294	\$ 134,155	\$ 114,327	\$ 109,715	\$ 122,806	\$ 104,943	\$ 208,705	\$ 366,257	\$ 2,938,096	
10	Variable Gas Costs	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
11	Depreciation Expense (1)	\$ 65,806	\$ 67,749	\$ 69,945	\$ 72,174	\$ 74,763	\$ 77,775	\$ 80,164	\$ 82,198	\$ 84,815	\$ 53,285	\$ 55,504	\$ 57,947	\$ 842,123	
12	Property Tax Expense (1)	\$ 32,278	\$ 33,231	\$ 34,309	\$ 35,403	\$ 36,673	\$ 38,151	\$ 39,323	\$ 40,322	\$ 41,606	\$ 26,147	\$ 27,236	\$ 28,435	\$ 413,112	
13	Customer Accounting Cost (2)	\$ 11,809	\$ 11,378	\$ 12,472	\$ 11,990	\$ 12,138	\$ 12,182	\$ 12,353	\$ 12,645	\$ 12,830	\$ 7,474	\$ 8,007	\$ 8,251	\$ 133,530	
14	Customer Service Cost (3)	\$ 2,286	\$ 2,229	\$ 2,524	\$ 2,371	\$ 2,330	\$ 2,201	\$ 2,161	\$ 2,307	\$ 2,254	\$ 1,257	\$ 1,350	\$ 1,308	\$ 24,578	
15	Excise Tax	\$ 16,901	\$ 16,995	\$ 16,448	\$ 10,782	\$ 7,072	\$ 5,148	\$ 4,387	\$ 4,210	\$ 4,713	\$ 4,029	\$ 8,013	\$ 14,061	\$ 112,759	
16	Uncollectibles	\$ 1,665	\$ 1,675	\$ 1,621	\$ 1,062	\$ 697	\$ 507	\$ 432	\$ 415	\$ 464	\$ 349	\$ 694	\$ 1,218	\$ 10,800	
17	Commission Fees	\$ 881	\$ 886	\$ 857	\$ 562	\$ 369	\$ 268	\$ 229	\$ 219	\$ 246	\$ 210	\$ 417	\$ 733	\$ 5,876	
18	Total New Customer Expense	\$ 131,626	\$ 134,142	\$ 138,175	\$ 134,343	\$ 134,041	\$ 136,233	\$ 139,048	\$ 142,316	\$ 146,927	\$ 92,751	\$ 101,221	\$ 111,953	\$ 1,542,777	
19	Operating Income Before FIT	\$ 308,810	\$ 308,732	\$ 290,437	\$ 146,630	\$ 50,253	\$ (2,078)	\$ (24,722)	\$ (32,601)	\$ (24,121)	\$ 12,192	\$ 107,483	\$ 254,304	\$ 1,395,319	
20	Income Tax	\$ 64,850	\$ 64,834	\$ 60,992	\$ 30,792	\$ 10,553	\$ (436)	\$ (5,192)	\$ (6,846)	\$ (5,065)	\$ 2,560	\$ 22,571	\$ 53,404	\$ 293,017	
21	Tax Benefit of Interest	\$ (15,100)	\$ (15,541)	\$ (16,037)	\$ (16,492)	\$ (17,156)	\$ (17,807)	\$ (18,176)	\$ (18,659)	\$ (19,300)	\$ (11,546)	\$ (11,978)	\$ (12,612)	\$ (190,403)	
22	Operating Income	\$ 259,060	\$ 259,439	\$ 245,482	\$ 132,330	\$ 56,856	\$ 16,165	\$ (1,354)	\$ (7,096)	\$ 245	\$ 21,177	\$ 96,890	\$ 213,512	\$ 1,292,705	
23	Plant Investment Associated with New Customers Since Test Year (1)	\$ 33,763,183	\$ 34,813,712	\$ 35,986,655	\$ 37,070,957	\$ 38,608,245	\$ 40,121,199	\$ 41,027,504	\$ 42,181,207	\$ 43,677,675	\$ 27,597,059	\$ 28,607,781	\$ 30,070,564	\$ 36,127,145	
24	Accumulated Depreciation (1)	\$ (800,699)	\$ (868,448)	\$ (938,393)	\$ (1,010,566)	\$ (1,085,329)	\$ (1,163,103)	\$ (1,243,267)	\$ (1,325,465)	\$ (1,410,280)	\$ (1,283,646)	\$ (1,339,477)	\$ (1,397,092)	\$ (1,155,480)	
25	Accumulated Deferred Taxes (1)	\$ (401,450)	\$ (434,232)	\$ (466,554)	\$ (498,407)	\$ (529,717)	\$ (560,394)	\$ (590,569)	\$ (620,317)	\$ (649,516)	\$ (541,654)	\$ (532,365)	\$ (522,701)	\$ (528,990)	
26	Rate Base	\$ 32,561,034	\$ 33,511,031	\$ 34,581,708	\$ 35,561,984	\$ 36,993,200	\$ 38,397,702	\$ 39,193,668	\$ 40,235,425	\$ 41,617,879	\$ 25,771,758	\$ 26,735,938	\$ 28,150,771	\$ 34,442,675	
27	Allowed ROR	7.21%	7.21%	7.21%	7.21%	7.21%	7.21%	7.21%	7.21%	7.21%	7.12%	7.12%	7.12%		
28	Weighted Cost of Debt	2.65%	2.65%	2.65%	2.65%	2.65%	2.65%	2.65%	2.65%	2.65%	2.56%	2.56%	2.56%		
29	Return Requirement	\$ 195,638	\$ 201,345	\$ 207,778	\$ 213,668	\$ 222,267	\$ 230,706	\$ 235,489	\$ 241,748	\$ 250,054	\$ 152,912	\$ 158,633	\$ 167,028	\$ 2,477,267	
30	NOI Sufficiency (Deficiency)	\$ 63,423	\$ 58,093	\$ 37,704	\$ (81,339)	\$ (165,412)	\$ (214,541)	\$ (236,843)	\$ (248,844)	\$ (249,809)	\$ (131,735)	\$ (61,744)	\$ 46,484	\$ (1,184,562)	
31	Gas Cost Excl from Base Rate Rev	-	-	-	-	-	-	-	-	-	-	-	-		
32	Excise Tax Rate	0.038374	0.038374	0.038374	0.038374	0.038374	0.038374	0.038374	0.038374	0.038374	0.038392	0.038392	0.038392		
33	Uncollectible Expense Rate	0.003781	0.003781	0.003781	0.003781	0.003781	0.003781	0.003781	0.003781	0.003781	0.003326	0.003326	0.003326		
34	Commission Fee Rate	0.002000	0.002000	0.002000	0.002000	0.002000	0.002000	0.002000	0.002000	0.002000	0.002000	0.002000	0.002000		
35	Federal Tax Rate	21%	21%	21%	21%	21%	21%	21%	21%	21%	21%	21%	21%		
36	Avg Cust Acctg Cost per Bill (1)	\$ 1.91	\$ 1.91	\$ 1.82	\$ 1.80	\$ 1.76	\$ 1.73	\$ 1.70	\$ 1.69	\$ 1.69	\$ 1.68	\$ 1.70	\$ 1.66		
37	Avg Cust Service Cost per Bill (2)	\$ 0.37	\$ 0.37	\$ 0.37	\$ 0.36	\$ 0.34	\$ 0.31	\$ 0.30	\$ 0.31	\$ 0.30	\$ 0.28	\$ 0.29	\$ 0.26		

Note (1) All plant related new customer costs are derived from "New Revenue - Growth" project category transfers to plant cumulative additions since the test year.

Note (2) Reflects 12ME Customer Accounting Expenses per Bill (excludes Uncollectible Accounts Expense).

Note (3) Reflects 12ME Customer Service and Info Expenses per Bill (excludes Public Purpose Tariff Rider and Limited Income Tax Refund Program expense offsets).

Avista Corporation Decoupling Mechanism
Washington Jurisdiction
Quarterly Report for 4th Quarter 2021

The Company will maintain and present data and a brief explanatory narrative for 30-, 20-, 15-, and 10-year moving averages for purposes of decoupling in its annual decoupling report.

Explanatory Narrative:

Heating degree-day and Cooling degree-day moving averages provide an updated determination of "normal" or expected weather each year. In the context of a general rate case, changing these assumptions impacts the normalized test year usage that new rates are based on, the same costs spread over less usage will result in higher charges per kWh to achieve the same revenue per customer (RPC) and vice-versa. In the context of the Company's decoupling mechanism the allowed decoupled RPC is determined in the development of current effective rates in a general rate proceeding. Once the RPC is set, assumptions regarding what proportion of decoupling deferrals are associated with weather have no impact on the deferrals in total, only the portion explained by "abnormal" weather.

The data shown below indicates that if 2021 were a test year in a future general rate case the definition of "normal" weather would impact both the overall normalized usage and the monthly shape of normalized usage (impacting the Decoupling monthly RPC). Natural gas usage is only sensitive to heating, therefore changes to cooling expectations have no impact to the normalized test year usage. Generally, the data below shows that the shorter the moving average periods, the less heating degree-days and more cooling degree-days. Both residential and non-residential natural gas service would have the highest normalized usage under the 30-year moving average assumption (lowest rate per therm for the same RPC) and the lowest normalized usage under the 10-year moving average assumption (highest rate per therm for the same RPC).

Line No.	Description	Jan-21	Feb-21	Mar-21	Apr-21	May-21	Jun-21	Jul-21	Aug-21	Sep-21	Oct-21	Nov-21	Dec-21	2021 Total
1	Actual Degree Days Heating	970	999	723	467	263	72	-	25	128	503	736	1,152	6,038
2	Actual Degree Days Cooling	-	-	-	-	10	264	394	209	42	-	-	-	919
30-Year Weather Assumption														
3	30-Year Normal DDH	1,094	921	772	541	291	131	25	27	161	536	868	1,118	6,485
4	30-Year Normal DDC	-	-	-	-	15	61	217	188	42	1	-	-	524
5	Normal - Actual DDH	124	(78)	49	74	28	59	25	2	33	33	132	(34)	447
6	Normal - Actual DDC	-	-	-	-	5	(203)	(177)	(21)	-	1	-	-	(395)
7	30-Year Residential Usage Adjustment	2,406,829	(1,513,973)	951,085	1,299,017	491,317	1,036,601	512,388	41,032	676,736	581,850	2,328,859	(666,408)	8,145,333
8	30-Year Non-Residential Usage Adjustment	809,878	(509,440)	320,033	430,589	162,094	341,786	191,418	15,294	252,308	192,965	776,018	(227,241)	2,755,702
Deferred Decoupled Revenue														
9	Residential Weather Component	\$ 1,120,283	\$ (704,694)	\$ 442,692	\$ 604,640	\$ 228,688	\$ 482,496	\$ 238,496	\$ 19,099	\$ 314,994	\$ 303,644	\$ 1,215,338	\$ (347,772)	\$ 3,917,904
10	Residential Non-Weather	\$ (201,857)	\$ (1,186,307)	\$ 387,768	\$ 428,594	\$ 664,042	\$ (162,490)	\$ (5,406)	\$ (21,839)	\$ (65,857)	\$ 1,006,012	\$ 1,509,210	\$ 520,576	\$ 2,872,447
11	Total Residential Decoupling Deferral	\$ 918,426	\$ (1,891,001)	\$ 830,460	\$ 1,033,234	\$ 892,730	\$ 320,006	\$ 233,090	\$ (2,740)	\$ 249,137	\$ 1,309,656	\$ 2,724,548	\$ 172,804	\$ 6,790,351
12	Non-Residential Weather Component	\$ 228,288	\$ (143,601)	\$ 90,211	\$ 121,374	\$ 45,691	\$ 96,343	\$ 53,957	\$ 4,311	\$ 71,121	\$ 54,227	\$ 218,077	\$ (63,859)	\$ 776,140
13	Non-Residential Non-Weather	\$ 396,247	\$ 157,062	\$ (438,793)	\$ (8,318)	\$ 122,639	\$ 60,093	\$ 38,635	\$ 95,026	\$ 27,966	\$ 260,643	\$ 612,428	\$ 381,805	\$ 1,705,433
14	Total Non-Residential Decoupling Deferral	\$ 624,535	\$ 13,461	\$ (348,582)	\$ 113,056	\$ 168,330	\$ 156,436	\$ 92,592	\$ 99,337	\$ 99,087	\$ 314,870	\$ 830,505	\$ 317,946	\$ 2,481,573
20-Year Weather Assumption														
15	20-Year Normal DDH	1,089	924	775	535	283	122	16	19	154	526	855	1,114	6,412
16	20-Year Normal DDC	-	-	-	-	16	73	246	200	44	1	-	-	580
17	Normal - Actual DDH	119	(75)	52	68	20	50	16	(6)	26	23	119	(38)	374
18	Normal - Actual DDC	-	-	-	-	6	(191)	(148)	(9)	2	1	-	-	(339)
19	20-Year Residential Usage Adjustment	2,309,779	(1,455,743)	1,009,315	1,193,691	350,940	878,476	327,929	(123,096)	533,186	405,532	2,099,502	(744,809)	6,784,702
20	20-Year Non-Residential Usage Adjustment	777,221	(489,846)	339,626	395,676	115,781	289,650	122,507	(45,881)	198,789	134,492	699,593	(253,975)	2,283,633
Deferred Decoupled Revenue														
21	Residential Weather Component	\$ 1,075,110	\$ (677,590)	\$ 469,796	\$ 555,615	\$ 163,349	\$ 408,895	\$ 152,638	\$ (57,296)	\$ 248,177	\$ 211,631	\$ 1,095,646	\$ (388,686)	\$ 3,257,285
22	Residential Non-Weather	\$ (156,684)	\$ (1,213,411)	\$ 360,664	\$ 477,619	\$ 729,381	\$ (88,889)	\$ 80,452	\$ 54,556	\$ 960	\$ 1,098,025	\$ 1,628,902	\$ 561,490	\$ 3,533,066
23	Total Residential Decoupling Deferral	\$ 918,426	\$ (1,891,001)	\$ 830,460	\$ 1,033,234	\$ 892,730	\$ 320,006	\$ 233,090	\$ (2,740)	\$ 249,137	\$ 1,309,656	\$ 2,724,548	\$ 172,804	\$ 6,790,351
24	Non-Residential Weather Component	\$ 219,083	\$ (138,078)	\$ 95,734	\$ 111,533	\$ 32,636	\$ 81,647	\$ 34,532	\$ (12,933)	\$ 56,035	\$ 37,795	\$ 196,600	\$ (71,372)	\$ 643,212
25	Non-Residential Non-Weather	\$ 405,452	\$ 151,539	\$ (444,316)	\$ 1,523	\$ 135,694	\$ 74,789	\$ 58,060	\$ 112,270	\$ 43,052	\$ 277,075	\$ 633,905	\$ 389,318	\$ 1,838,361
26	Total Non-Residential Decoupling Deferral	\$ 624,535	\$ 13,461	\$ (348,582)	\$ 113,056	\$ 168,330	\$ 156,436	\$ 92,592	\$ 99,337	\$ 99,087	\$ 314,870	\$ 830,505	\$ 317,946	\$ 2,481,573

**Avista Corporation Decoupling Mechanism
Washington Jurisdiction
Quarterly Report for 4th Quarter 2021**

Line No.	Description	Jan-21	Feb-21	Mar-21	Apr-21	May-21	Jun-21	Jul-21	Aug-21	Sep-21	Oct-21	Nov-21	Dec-21	2021 Total
1	Actual Degree Days Heating	970	999	723	467	263	72	-	25	128	503	736	1,152	6,038
2	Actual Degree Days Cooling	-	-	-	-	10	264	394	209	42	-	-	-	919
	15-Year Weather Assumption													
27	15-Year Normal DDH	1,102	928	774	537	267	121	14	18	145	525	846	1,121	6,398
28	15-Year Normal DDC	-	-	-	1	17	76	248	213	48	1	-	-	604
29	Normal - Actual DDH	132	(71)	51	70	4	49	14	(7)	17	22	110	(31)	360
30	Normal - Actual DDC	-	-	-	1	7	(188)	(146)	4	6	1	-	-	(315)
31	15-Year Residential Usage Adjustment	2,562,108	(1,378,103)	989,905	1,228,800	70,188	860,906	286,938	(143,613)	348,622	387,900	1,940,715	(607,606)	6,546,760
32	15-Year Non-Residential Usage Adjustment	862,129	(463,721)	333,094	407,314	23,156	283,856	107,194	(53,527)	129,977	128,643	646,683	(207,190)	2,197,608
	Deferred Decoupled Revenue													
33	Residential Weather Component	\$ 1,192,559	\$ (641,452)	\$ 460,761	\$ 571,957	\$ 32,670	\$ 400,717	\$ 133,558	\$ (66,846)	\$ 162,270	\$ 202,429	\$ 1,012,782	\$ (317,085)	\$ 3,144,320
34	Residential Non-Weather	\$ (274,133)	\$ (1,249,549)	\$ 369,699	\$ 461,277	\$ 860,060	\$ (80,711)	\$ 99,532	\$ 64,106	\$ 86,867	\$ 1,107,227	\$ 1,711,766	\$ 489,889	\$ 3,646,031
35	Total Residential Decoupling Deferral	\$ 918,426	\$ (1,891,001)	\$ 830,460	\$ 1,033,234	\$ 892,730	\$ 320,006	\$ 233,090	\$ (2,740)	\$ 249,137	\$ 1,309,656	\$ 2,724,548	\$ 172,804	\$ 6,790,351
36	Non-Residential Weather Component	\$ 243,017	\$ (130,714)	\$ 93,893	\$ 114,814	\$ 6,527	\$ 80,013	\$ 30,216	\$ (15,088)	\$ 36,638	\$ 36,151	\$ 181,731	\$ (58,225)	\$ 618,973
37	Non-Residential Non-Weather	\$ 381,518	\$ 144,175	\$ (442,475)	\$ (1,758)	\$ 161,803	\$ 76,423	\$ 62,376	\$ 114,425	\$ 62,449	\$ 278,719	\$ 648,774	\$ 376,171	\$ 1,862,600
38	Total Non-Residential Decoupling Deferral	\$ 624,535	\$ 13,461	\$ (348,582)	\$ 113,056	\$ 168,330	\$ 156,436	\$ 92,592	\$ 99,337	\$ 99,087	\$ 314,870	\$ 830,505	\$ 317,946	\$ 2,481,573
	10-Year Weather Assumption													
39	10-Year Normal DDH	1,082	939	759	500	233	103	14	10	141	510	836	1,090	6,217
40	10-Year Normal DDC	-	-	-	1	19	94	267	232	46	-	-	-	659
41	Normal - Actual DDH	112	(60)	36	33	(30)	31	14	(15)	13	7	100	(62)	179
42	Normal - Actual DDC	-	-	-	1	9	(170)	(127)	23	4	-	-	-	(260)
43	10-Year Residential Usage Adjustment	2,173,910	(1,164,595)	698,757	579,292	(526,411)	544,654	286,938	(307,741)	266,593	123,423	1,764,287	(1,215,214)	3,223,893
44	10-Year Non-Residential Usage Adjustment	731,503	(391,877)	235,126	192,019	(173,671)	179,583	107,194	(114,703)	99,393	40,932	587,894	(414,381)	1,079,012
	Deferred Decoupled Revenue													
45	Residential Weather Component	\$ 1,011,868	\$ (542,072)	\$ 325,243	\$ 269,637	\$ (245,023)	\$ 253,515	\$ 133,558	\$ (143,241)	\$ 124,088	\$ 64,410	\$ 920,711	\$ (634,172)	\$ 1,538,522
46	Residential Non-Weather	\$ (93,442)	\$ (1,348,929)	\$ 505,217	\$ 763,597	\$ 1,137,753	\$ 66,491	\$ 99,532	\$ 140,501	\$ 125,049	\$ 1,245,246	\$ 1,803,837	\$ 806,976	\$ 5,251,829
47	Total Residential Decoupling Deferral	\$ 918,426	\$ (1,891,001)	\$ 830,460	\$ 1,033,234	\$ 892,730	\$ 320,006	\$ 233,090	\$ (2,740)	\$ 249,137	\$ 1,309,656	\$ 2,724,548	\$ 172,804	\$ 6,790,351
48	Non-Residential Weather Component	\$ 206,196	\$ (110,462)	\$ 66,277	\$ 54,126	\$ (48,954)	\$ 50,621	\$ 30,216	\$ (32,332)	\$ 28,017	\$ 11,503	\$ 165,210	\$ (116,449)	\$ 303,969
49	Non-Residential Non-Weather	\$ 418,339	\$ 123,923	\$ (414,859)	\$ 58,930	\$ 217,284	\$ 105,815	\$ 62,376	\$ 131,669	\$ 71,070	\$ 303,367	\$ 665,295	\$ 434,395	\$ 2,177,604
50	Total Non-Residential Decoupling Deferral	\$ 624,535	\$ 13,461	\$ (348,582)	\$ 113,056	\$ 168,330	\$ 156,436	\$ 92,592	\$ 99,337	\$ 99,087	\$ 314,870	\$ 830,505	\$ 317,946	\$ 2,481,573