

**BEFORE THE WASHINGTON  
UTILITIES & TRANSPORTATION COMMISSION**

WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION,

Complainant,

v.

AVISTA CORPORATION D/B/A/ AVISTA UTILITIES

Respondent.

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DOCKETS UE-220053, UG-220054, and UE-210854 (Consolidated)

**SEBASTIAN COPPOLA  
ON BEHALF OF THE  
WASHINGTON STATE OFFICE OF THE ATTORNEY GENERAL  
PUBLIC COUNSEL UNIT**

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**EXHIBIT SC-8**

Public Counsel Calculation of Insurance Costs for 2023 and 2024

**July 29, 2022**

Avista Corporation  
U-220053 and U-220054

Exhibit SC-8

Public Counsel Adjustment to Insurance Expense for Rate Year 1 and Rate Year 2

Line #	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	Explanations	
Insurance Costs - System			2019	2020	9/30/2021	2022	RY1 2023	RY2 2024		
			Actual	Actual	Actual	Projected	Projected	Projected		
1	<b>Avista As Filed</b>				\$ 9,200,631		\$ 16,435,979	\$ 18,828,214	Exh. EMA-2 and EMA-3, PF-3.12 and 5.05	
2										
3	Insurance Expense Adjustment:									
4	WA-E						4,292,023	1,511,690		
5	WA-G						503,394	101,147		
6										
7	<b>Avista As Updated 4-20-2022</b>			\$ 5,628,342	\$ 6,654,546	9,282,946	13,759,799	15,534,129	17,170,815	PC DR 103C (Exh SC-6 CONF)
8	% Increase			18%	39%	48%	13%	11%		
9	% cumulative since 2019				65%	144%	176%	205%		
10										
11	Insurance Expense Adjustment:									
12	WA-E						3,454,923	1,051,001		
13	WA-G						613,489	132,209		
14										
15	<b>Avista Proposed Update Adjustment:</b>									
16	Insurance Expense Adjustment:									
17	WA-E						(837,100)	(460,689)	Line 12 - Line 4	
18	WA-G						110,095	31,062	Line 13 - Line 5	
19										
20										
21	<b>PC Projected Insurance Costs-System</b>				9,282,946	13,759,799	14,090,034	14,414,105	2022 amount x 1.024 Inflation for 2023 x 1.023 for 2024	
22	Increase over Historical Test Period						4,807,088		Line 31, columns (g) - Line 1, column (e)	
23	Wildfire Premium Increase						1,680,558		\$4,8707088 x 34.96% per PC DR 103C 4-20-22 update	
24	Non-Wildfire Increase						3,126,530		Line 22- Line 23	
25	Increase over Prior Year							324,071	2024: \$14,414,105 - 14,090,034	
26	Wildfire Premium Increase							165,438	\$324,071 x 51.05 % per PC DR 103C	
27	Non-Wildfire Increase							158,633	Line 25 - Line 26	
28										
29	<b>WA Insurance Expense Adjustment:</b>									
30	WA-E	0.69998	0.68266				2,656,785	190,269	WA share of insurance expense - electric	
31	WA-G	0.20695	0.72915				471,786	23,937	WA share of insurance expense - gas	
32										
33	<b>PC Proposed Insurance Expense</b>									
34	<b>Adjustment from Avista Filed Amount</b>									
35	WA-E						\$ (1,635,238)	\$ (1,321,421)	Line 30 - Line 4	
36	WA-G						\$ (31,608)	\$ (77,210)	Line 31 - Line 5	
37										
38										
39	<b>PC Revenue Requirement Adjustment:</b>									
40	WA-E	CF	0.755294				\$ (2,165,035)	\$ (1,749,545)	Line 35 x CF	
41	WA-G	CF	0.755294				\$ (41,849)	\$ (102,225)	Line 36 x CF	