

Avista Corp.

1411 East Mission P.O. Box 3727
Spokane, Washington 99220-3727
Telephone 509-489-0500
Toll Free 800-727-9170

RECEIVED
2021 JUL 30 PM 12:17
IDAHO PUBLIC
UTILITIES COMMISSION



July 30, 2021

State of Idaho
Idaho Public Utilities Commission
11331 W. Chinden Blvd
Bldg 8 Suite 201-A
Boise, ID 83714

Attention: Commission Secretary

Re: **Case No. AVU-E-21-08**
Electric Fixed Cost Adjustment Annual Rate Filing of Avista Corporation

In accordance with Case No. GNR-U-20-01, Order No. 34602, which suspends the requirement to file physical copies, the Company has attached for electronic filing with the Commission the following revised tariff sheets:

Fifth Revision Sheet 75 canceling Fourth Revision Sheet 75

These tariff sheets reflect Avista's electric Fixed Cost Adjustment (FCA) annual rate adjustment filing. This filing consists of Avista's Application, Exhibit A (the Company's proposed tariffs), Exhibit B (rate calculation), Exhibit C (18-months ending June 30, 2021 deferral), and Exhibit D (customer communications) in support of the Application. The Company requests that the proposed tariff sheets be made effective October 1, 2021.

Electronic versions of the Company's filing were emailed to the Commission, and the Service List, on July 30, 2021.

Please direct any questions on this matter to me at (509) 495-8620 or Joel Anderson at (509) 495-2811.

Sincerely,

/s/ Patrick Ehrbar

Patrick D. Ehrbar
Director of Regulatory Affairs

1 DAVID J. MEYER
2 VICE PRESIDENT AND CHIEF COUNSEL FOR
3 REGULATORY AND GOVERNMENTAL AFFAIRS
4 AVISTA CORPORATION
5 1411 E. MISSION AVENUE
6 P. O. BOX 3727
7 SPOKANE, WASHINGTON 99220
8 PHONE: (509) 495-4316, FAX: (509) 495-8851

9

10 BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

11	IN THE MATTER OF THE FIXED COST)	
12	ADJUSTMENT MECHANISM (FCA))	CASE NO. AVU-E-21-08
13	ANNUAL RATE ADJUSTMENT FILING)	APPLICATION OF AVISTA
14	OF AVISTA CORPORATION)	CORPORATION

15
16

17 **I. INTRODUCTION**

18 In accordance with Idaho Code §61-502, Commission Order No. 33437, and RP
19 052, Avista Corporation, doing business as Avista Utilities (hereinafter “Avista” or
20 “Company”), at 1411 East Mission Avenue, Spokane, Washington, respectfully makes
21 application to the Idaho Public Utilities Commission (“Commission”) for an order
22 approving the level of electric Fixed Cost Adjustment Mechanism (FCA) revenue deferred
23 during the eighteen month period from January 2020 through June 2021 and authorizing
24 FCA rates for electric service from October 1, 2021 through September 30, 2022, and to
25 approve the Company’s corresponding modifications to Schedule 75, “Fixed Cost
26 Adjustment Mechanism – Electric”. The FCA rate for the Residential Group (Schedule 1)
27 is proposed to change from a present surcharge rate of 0.028¢ to a proposed rebate rate of
28 0.189¢ per kilowatt-hour. The FCA rate for the Non-Residential Group (Schedules 11, 12,
29 21, 22, 31 and 32) is proposed to change from a present surcharge rate of 0.011¢ to a

proposed surcharge rate of 0.197¢ per kilowatt-hour. The Residential Group rate change represents a \$2.7 million, or 2.2%, decrease to Schedule 1 customers, and the Non-Residential group rate change represents a \$1.9 million, or 2.0% increase. The combined effect of expiring FCA rates and the proposed 2021 rates are shown on the table below.

Table No. 1 – Summary of Proposed FCA Change by Group

	Expiring Present FCA Revenue	Proposed FCA Revenue	Proposed FCA Change
Residential	\$ 344,208	\$ (2,323,407)	\$ (2,667,615)
Non-Residential	\$ 114,430	\$ 2,049,329	\$ 1,934,900

The Company has requested an October 1, 2021 effective date.

The Company requests that this filing be processed under the Commission's Modified Procedure Rules (RP 201-204) through the use of written comments.

Communications in reference to this Application should be addressed to:

David J. Meyer, Esq.
Vice President and Chief Counsel for
Regulatory & Governmental Affairs
Avista Corporation
P.O. Box 3727, MSC-10
1411 E. Mission Ave
Spokane, WA 99220-3727
Phone: (509) 495-4316
David.Meyer@avistacorp.com

Patrick Ehrbar
Director of Regulatory Affairs
Avista Utilities
P.O. Box 3727, MSC-27
1411 E. Mission Ave
Spokane, WA 99220-3727
Phone: (509) 495-8620
patrick.ehrbar@avistacorp.com

Electronically
Dockets@Avistacorp.com

II. BACKGROUND

The purpose of the electric FCA is to adjust the Company's Commission-authorized revenues from kilowatt-hour ("kWh") sales, such that the Company's revenues will be recognized based on the number of customers served under the applicable electric service schedules. The FCA allows the Company to: 1) defer the difference between actual FCA-related revenue received from customers through volumetric rates, and the FCA-related revenue approved for recovery in the Company's last general rate case on a per-customer basis; and 2) file a tariff to surcharge or rebate, by rate group, the total deferred amount accumulated in the deferred revenue accounts for the prior January through December time period.

In Case Nos. AVU-E-15-05 and AVU-G-15-01, the Commission in Order No. 33437 approved for Avista a Fixed Cost Adjustment Mechanism. On page 10 of Order No. 33437, the Commission stated:

The parties have also agreed upon a three-year¹ FCA pilot for electric and natural gas operations. The FCA will compare actual FCA revenues to allowed FCA revenues determined on a per-customer basis. Any differences will be deferred for a rebate or surcharge. There are a number of customer safeguards, including that an FCA surcharge cannot exceed a 3% annual rate adjustment. Any unrecovered balances will be carried forward to recover in future years. Further, there is no limit to the level of the FCA rebate. As part of the Stipulation, Staff and other interested parties, will review the efficacy of the FCA after its second full year to ensure it is functioning as intended. Fixed cost adjustment mechanisms are intended to encourage conservation and allow customers more control over their bills. Further, the proposed FCA will remove any financial disincentive of the Company to encourage energy conservation.

Section 13 of the Stipulation and Settlement, as amended by Addendum to the Stipulation approved by the Commission in Order No. 34085 on June 15, 2018, provided further

¹ On June 15, 2018, the Idaho Public Utilities Commission approved an Addendum to the Stipulation which extended the term of the pilot for an additional year by Order No. 34085.

1 details, reproduced below, regarding the mechanics of the fixed cost adjustment
2 mechanism.

3 A. FCA Mechanisms Term. The Parties agree to an initial FCA term of 4 years,
4 with a review of how the mechanisms have functioned conducted by Avista, Staff,
5 and other interested parties following the end of the third full year. Avista may
6 seek to extend the term of the mechanism prior to its expiration.²
7

8 B. Rate Groups. There will be two rate groups established for both the electric
9 FCA and natural gas FCA:

10
11 Electric Customer Rate Groups:

- 12 1. Residential – Schedule 1
13 2. Commercial – Schedules 11, 12, 21, 22, 31, 32
14

15 Natural Gas Rate Groups:

- 16 1. Residential – Schedule 101
17 2. Commercial – Schedules 111 and 112
18

19 C. Existing Customers and New Customers. The Parties have agreed that revenue
20 related to certain items discussed below would not be included in the FCA for new
21 customers. The result is that the Fixed Cost Adjustment Revenue-Per-Customer
22 for new customers will be less than the Fixed Cost Adjustment Revenue-Per-
23 Customer for existing customers. For new electric customers added after the test
24 period, recovery of incremental revenue related to fixed production and
25 transmission costs would be excluded from the electric FCA. For new natural gas
26 customers added after the test period, recovery of incremental revenue related to
27 fixed production and underground storage facility costs would be excluded. These
28 modifications are included in Appendices B and C to the Stipulation.
29

30 D. Quarterly Reporting. Avista will file, within 45 days of the end of each quarter,
31 a report detailing the FCA activity by month.³ The reporting will also include
32 information related to the deferrals by rate group, what the deferrals would have
33 been if tracked by rate schedule, use and revenue-per-customer for existing and
34 new customers, and other summary financial information. Avista will provide such

² Review of the mechanisms took place at a workshop March 27, 2019, and the Company filed a separate application with the Commission which extended the term of the FCA Mechanisms through March 31, 2025. See also discussion starting at page 6 of this application.

³ As stated in Order No. 34502 Case No. AVU-E-19-06, the Company altered its quarterly reporting from 45 days to 60 days from the end of each quarter.

1 other information as may be reasonably requested, from time to time, in the future
2 quarterly reports.
3

4 E. Annual Filings. On or before July 1, the Company will file a proposed rate
5 adjustment surcharge or rebate based on the amount of deferred revenue recorded
6 for the prior January through December time period.⁴ The rate adjustment would
7 be calculated separately for each Rate Group, with the applicable surcharge or
8 rebate recovered from each group on a uniform cents per kWh or per therm basis.
9 The proposed tariff (Schedule 75 for electric, Schedule 175 for natural gas)
10 included with that filing would include a rate adjustment that recovers/rebates the
11 appropriate deferred revenue amount over a twelve-month period effective on
12 October 1 for electric (to match with Power Cost Adjustment and Residential
13 Exchange annual rate adjustments time period) and November 1st for natural gas
14 (to match with the annual Purchased Gas Cost Adjustment rate adjustment time
15 period). The deferred revenue amount approved for recovery or rebate would be
16 transferred to a balancing account and the revenue surcharged or rebated during the
17 period would reduce the deferred revenue in the balancing account. After
18 determining the amount of deferred revenue that can be recovered through a
19 surcharge (or refunded through a rebate) by Rate Group, the proposed rates under
20 Schedules 75 and 175 would be determined by dividing the deferred revenue to be
21 recovered by Rate Group by the estimated kWh sales (Electric FCA) or therm sales
22 (Natural Gas FCA) for each Rate Group during the twelve-month recovery period.
23 Any deferred revenue remaining in the balancing account at the end of the
24 amortization period would be added to the new revenue deferrals to determine the
25 amount of the proposed surcharge/rebate for the following year.
26

27 F. Interest. Interest will be accrued on the unamortized balance in the FCA
28 balancing accounts at the Customer Deposit Rate.
29

30 G. Accounting. Avista will record the deferral in account 186 – Miscellaneous
31 Deferred Debits. The amount approved for recovery or rebate would then be
32 transferred into a Regulatory Asset or Regulatory Liability account for
33 amortization. On the income statement, the Company would record both the
34 deferred revenue and the amortization of the deferred revenue through Account 456
35 (Other Electric Revenue), or Account 495 (Other Gas Revenue), in separate sub-
36 accounts. The Company would file quarterly reports with the Commission showing
37 pertinent information regarding the status of the current deferral. This report would
38 include a spreadsheet showing the monthly revenue deferral calculation for each
39 month of the deferral period (January - December), as well as the current and
40 historical monthly balance in the deferral account.
41

⁴ As stated in Order No. 34502 Case No. AVU-E-19-06, The company altered the deferral period of its FCA extension to July through June by using a one-time 18-month deferral period of January 1, 2020 through June 30, 2021. See also discussion starting at page 6 of this application.

1 H. 3% Rate Increase Cap. An FCA surcharge, by rate group, cannot exceed a 3%
2 annual rate adjustment, and any unrecovered balances will be carried forward to
3 future years for recovery. There is no limit to the level of the FCA rebate.
4

5 **Order No. 34502 Implications**
6

7 On July 1, 2019, Avista Corporation ("Company") applied to the Commission
8 requesting approval to: 1) extend its Fixed Cost Adjustment ("FCA") mechanisms for
9 electric and natural gas service through March 31, 2025; 2) modify its upcoming deferral
10 period to run from January 1, 2020 through June 30, 2021; 3) implement an annual true-up
11 to its FCA mechanisms. The Commission approved this request on December 13, 2019 in
12 Order No. 34502.

13 The Company will use a one-time filing adjustment to modify the deferral period
14 in compliance with Order No. 34502. In prior years, the Company filed its previous year's
15 FCA adjustments by June 30 following the deferral period for rates that became effective
16 on October 1 (electric) and November 1 (natural gas). Under the Company's allowed
17 extension of the mechanism, the Company will use a one-time 18-month deferral period,
18 January 1, 2020 through June 30, 2021, to move the deferral period closer to the filing and
19 effective dates. After the initial deferral adjustment period, subsequent deferral periods
20 will run from July 1 through June 30. The new filing date will move from June 30, the
21 prior filing date, to July 31 of each year. Rates will still become effective on October 1
22 (electric) and November 1 (natural gas) as they previously have. Additionally, the
23 Commission approved to modify the FCA mechanisms to include an annual true-up of the
24 allowed FCA revenue, comparing average customer computed deferred revenue to the
25 monthly recorded deferred revenue.

26 As detailed above, the Commission approved the following procedural schedule for

1 administering the annual electric FCA filings:

2 July 31 - Company filing for prior January 1, 2020 – June 30, 2021 deferral period

3

4 October 1 - Commission Order and effective date of electric FCA rate adjustment.

5

6

7

III. DRIVERS OF ELECTRIC FCA DEFERRALS

8 The FCA rebate deferrals for residential customers for 18 months ended June 30,

9 2021 were the result of higher monthly use-per-customer than the use-per-customer that

10 was embedded in the 2018 test year (i.e., the FCA base). Residential average monthly use-

11 per-customer was higher by 16 kWhs. The FCA surcharge deferrals for non-residential

12 customers for 18 months ended June 30, 2021 were the result of lower monthly use-per-

13 customer than the use-per-customer that was embedded in the 2018 test year (i.e., the FCA

14 base). Non-residential average monthly use-per-customer was lower by 193 kWhs. The

15 Company has identified the primary drivers for the change in use-per-customer.

16 First, weather was warmer than normal during 18 months ended June 30, 2021,

17 fluctuating with offsetting impacts from less heating but more cooling throughout the

18 period, giving rise to a weather normalization adjustment⁵ that required the addition of 4.5

19 million kWhs to residential usage (2 kWhs per customer) and required 3.1 million less

20 kWhs (7 kWhs per customer) to non-residential usage. The estimated FCA revenue short

21 fall associated with weather was approximately \$0.5 million residential and a surplus of

22 \$0.3 million non-residential.

23 Since the 2018 test year used to set 2020 rates, Idaho customers have achieved

24 energy efficiency savings from participation in the Company's Demand Side Management

⁵ The 2020 weather normalization adjustment was included in the Company's WA Commission Basis Filing and the same process was applied to year-to-date June 2021.

1 programs. Estimated cumulative savings since the test year (derived from the Idaho 2018,
2 2019 and 2020 DSM Annual Reports) reduced residential usage for 18 months ended June
3 30, 2021 approximately 23 million kWhs and non-residential usage approximately 51
4 million kWhs. The estimated FCA revenue shortfall associated with energy efficiency
5 programmatic savings is \$2.4 million residential and \$4.1 million non-residential.

6 The “other” drivers are related to items not easily quantifiable, such as the effects
7 of non-programmatic energy efficiency, changes in business cycles, non-quantifiable
8 effects related to the COVID 19 pandemic, etc. The following table summarizes the impact
9 of these drivers on the FCA Revenues received from customers in the deferral period.

10 **Table No. 2 – Components of FCA Drivers (\$ in millions)**

11

Driver	Residential		Non-Residential	
	Use/Cust	FCA Revenue	Use/Cust	FCA Revenue
Total	16	\$2.3	(193)	(\$2.0)
Weather	(2)	(\$0.5)	7	\$0.3
Energy Efficiency	(11)	(\$2.4)	(112)	(\$4.1)
Other	29	\$5.2	(88)	\$1.8

12
13
14
15

16 **IV. RESIDENTIAL GROUP RATE DETERMINATION**

17 The Company recorded \$2,260,697 in the rebate direction in deferred revenue for
18 the electric residential customer group for 18 months ended June 30, 2021. The proposed
19 rate of 0.189 cents per kWh is designed to rebate \$2,323,407 to the Company’s residential
20 electric customers served under rate Schedule 1. The following table summarizes the
21 components of the Company’s request for rebate:

Table No. 3 – Residential Group FCA Summary

01.2020 – 06.2021 Deferred Revenue	(\$2,260,697)
Add: Prior Year Residual Balance	(\$35,117)
Add: Interest through 9/30/2022	(\$16,130)
Add: Revenue Related Expense Adj.	(\$11,463)
Total for Recovery	(\$2,323,407)
Customer Rebate Revenue	(\$2,323,407)
Carryover Deferred Revenue	\$0

Exhibit B, page 1 shows the derivation of the proposed rate to rebate revenue of \$2,323,407 based on projected sales volumes for Schedule 1 customers during the rebate/amortization period (October 2021 through September 2022). As identified on tariff Sheet 75B under Step 7 of “Calculation of Monthly FCA Deferral”, interest on the deferred balance accrues at the Customer Deposit Interest Rate.⁶ If the proposed rebate is approved by the Commission, the 18 months ended June 30, 2021 deferral balance, plus interest through September, and any outstanding balance approved for recovery in the prior year FCA rate filing will be transferred into a regulatory liability balancing account. The balance in the account will be reduced each month by the revenue collected under the tariff.

V. NON-RESIDENTIAL GROUP RATE DETERMINATION

The Company recorded \$2,011,841 in the surcharge direction in deferred revenue for the electric Non-Residential Group for 18 months ended June 30, 2021. The proposed surcharge rate of 0.197 cents per kWh is designed to recover \$2,049,329 from commercial and industrial customers served under rate Schedules 11, 12, 21, 22, 31, and 32. The following table summarizes the components of the Company’s request for recovery:

⁶ The Customer Deposit Interest Rate was 2.00% throughout 2020 and 1% beginning January 2021. The current rate of 1.00% has been used as an estimate for purposes of this rate determination.

Table No. 4 – Non-Residential Group FCA Summary

01.2020 – 06.2021 Deferred Revenue	\$2,011,841
Add: Prior Year Residual Balance	\$18,516
Add: Interest through 9/30/2022	\$15,170
Add: Revenue Related Expense Adj.	\$3,802
Total for Recovery	\$2,049,329
Customer Surcharge Revenue	\$2,049,329
Carryover Deferred Revenue	\$0

Exhibit B, page 3 shows the derivation of the proposed surcharge rate to recover revenue of \$2,049,329 based on projected sales volumes for Schedules 11, 12, 21, 22, 31, and 32 during the surcharge/amortization period (October 2021 through September 2022).

As identified on tariff Sheet 75B under Step 7 of “Calculation of Monthly FCA Deferral”, interest on the deferred balance accrues at the Customer Deposit Interest Rate.⁷ If the proposed surcharge is approved by the Commission, the deferral balance, plus interest through September, will be transferred into the regulatory asset balancing account. The balance in the account will be reduced each month by the revenue collected under the tariff.

Support showing the monthly calculation of the deferral balances for both the Residential and Non-Residential Groups is provided as Exhibit C. These calculations were also provided to the Commission in quarterly reports (except April through June 2021 which will be provided in the Q2 report by the end of August).

VI. 3% ANNUAL RATE INCREASE TEST

FCA rate adjustment surcharges are subject to a 3% annual rate increase limitation. There is no limit to rebate rate adjustments, therefore the reversal of any rebate rate is not included in the incremental surcharge test. As described in tariff Schedule 75 (see First

⁷ Ibid.

1 Revision Sheet 75C), the 3% annual rate increase limitation will be determined by dividing
2 the incremental annual revenue to be collected (proposed surcharge revenue less present
3 surcharge revenue) under this Schedule by the total “normalized” revenue for the two Rate
4 Groups for the most recent January through December time period. Normalized revenue
5 is determined by multiplying the weather-corrected usage for the period by the present rates
6 in effect. If the incremental amount of the proposed surcharge exceeds 3%, only a 3%
7 incremental rate increase will be proposed, and any remaining deferred balance will be
8 carried over to the following year.

9 Exhibit B, page 6 shows the 3% test for the two rate groups. The incremental
10 change from the existing surcharge to the proposed rebate for the residential group is a
11 decrease of \$2.7 million or approximately 2.2%. For the Non-Residential group, the
12 incremental change from the existing surcharge to the proposed surcharge is an increase of
13 \$1.9 million or approximately 2.0%. As the Residential deferral is a rebate not subject to
14 the 3% incremental surcharge test and the Non-Residential deferral incremental change is
15 less than 3.0% for 18 months ended June 30, 2021 there is no proposed carry over for either
16 rate class.

17 18 **VII. EXISTING CUSTOMERS AND NEW CUSTOMERS**

19 The mechanism approved by the Commission requires that electric customers that
20 have been added since the test year are subject to an FCA Revenue-Per-Customer that
21 excludes incremental revenue related to fixed production and transmission costs. Separate
22 calculations for new versus existing customers are clearly identified in the FCA base that
23 was approved in Order No. 34499 for rates effective since December 1, 2019.

1 Due to this segregation, Avista tracks the usage of new customers since January 1,
2 2019 as compared with existing customers.⁸ In general, the average usage of new
3 customers is lower compared to the average usage of existing customers. Avista has found
4 that new customer meters, on average, have less usage in the first six to 12 months after
5 meter installation, then generally see increases in their usage until their usage is more in
6 line with the average usage of existing customers after 12 months of service. This is due,
7 in part, to the lag that occurs between when a meter is installed and billing commences,
8 and when a customer moves into the premises. Avista will continue to track the usage of
9 new customers over the Fixed Cost Adjustment term.

10
11 **VIII. PROPOSED RATES TO BE EFFECTIVE OCTOBER 1, 2021**

12 The Company is proposing a per kilowatt-hour FCA rebate rate of 0.189¢ for the
13 Residential Group, and a per kilowatt-hour FCA surcharge rate of 0.197¢ for the Non-
14 Residential Group, both to become effective October 1, 2021. Exhibit B to this Application
15 provides the Residential and Non-Residential Rate Calculation, and Exhibit C provides the
16 support for the deferrals for the January 1, 2020 through June 30, 2021 deferral period.
17 Attached as Exhibit A is a copy of the proposed tariff, Schedule 75, which contains the
18 proposed FCA rates. Exhibit A also includes the proposed changes to Schedule 75 in
19 strike/underline format.

20 Residential customers using an average of 892 kilowatt-hours per month would see
21 their monthly bills decrease from \$85.63 to \$83.69, a decrease of \$1.94 per month, or 2.3%.

⁸ “Existing customers” were part of the test year used to set the December 1, 2019 rates (2018 calendar year). “New customers” consist of all new hookups after the test year.

1 **IX. COMMUNICATIONS AND SERVICE OF APPLICATION**

2 In conformance with RP 125, this Application will be brought to the attention of
3 the Company's customers. First, the Company has served a copy of this Application upon
4 the service list in Case Nos. AVU-E-15-05 and AVU-G-15-01, the cases that gave rise to
5 the FCA mechanisms. Second, a copy of Company's news release and customer notice is
6 provided as Attachment D. The news release will be issued on July 30, 2021, and the
7 customer notice will be inserted in customer bills starting in July and will run for a full
8 billing cycle.

9
10 **X. REQUEST FOR RELIEF**

11 The Company requests that the Commission issue an order approving FCA
12 deferrals for the period January 1, 2020 through June 30, 2021 and approve a per kilowatt-
13 hour FCA rebate rate of 0.189¢ for the Residential Group, and a per kilowatt-hour FCA
14 surcharge rate of 0.197¢ for the Non-Residential Group, both to become effective October
15 1, 2021. The Residential Group rebate represents a \$2.7 million, or 2.2%, decrease to
16 Schedule 1 customers, and the Non-Residential group surcharge results in a \$1.9 million,
17 or 2.0%, increase. The Company requests that the matter be processed under the
18 Commission's Modified Procedure rules through use of written comments.

19 Dated at Spokane, Washington this 30th day of July 2021.

20 AVISTA CORPORATION

21
22 BY /s/ Patrick Ehrbar
23 Patrick D. Ehrbar
24 Director of Regulatory Affairs

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that I have this 30th day of July, 2021, served the Application of Avista Corporation – Fixed Cost Rate Adjustment, upon the following parties, by electronic mailing a copy thereof to:

Jan Noriyuki, Secretary
Idaho Public Utilities Commission
11331 W. Chinden Blvd
Bldg 8 Suite 201-A
Boise, ID 83714
diane.hanian@puc.idaho.gov

John Hammond Jr.
Deputy Attorneys General
Idaho Public Utilities Commission
11331 W. Chinden Blvd
Bldg 8 Suite 201-A
Boise, ID 83714
John.Hammond@puc.idaho.gov

Larry A. Crowley
The Energy Strategies Institute, Inc.
3738 S. Harris Ranch Ave.
Boise, ID 83716
crowleyla@aol.com

Vicki M. Baldwin
Parsons Behle & Latimer
Walmart, Inc.
201 S. Main Street, Suite 1800
Salt Lake City, UT 84111
vbaldwin@parsonbehle.com

Ronald L. Williams
Williams Bradbury, P.C.
P. O. Box 388
802 W. Bannock, Suite LP 100
Boise, ID 83702
ron@williamsbradbury.com

Brad M. Purdy
Attorney at Law
2019 N 17th Street
Boise, ID 83702
bmpurdy@hotmail.com

Peter J. Richardson
Greg M. Adams
Richardson Adams
515 N. 27th Street
PO Box 7218
Boise, ID 83702
peter@richardsonadams.com
greg@richardsonsdams.com

Benjamin J. Otto
Idaho Conservation League
710 N. 6th St.
Boise, ID 83702
botto@idahoconservation.org

Dr. Don Reading
6070 Hill Road
Boise, ID 83703
dreading@mindspring.com

/s/ Patrick Ehrbar

Patrick D. Ehrbar
Director of Regulatory Affairs

AVISTA CORPORATION
dba Avista Utilities

SCHEDULE 75**FIXED COST ADJUSTMENT MECHANISM – ELECTRIC****PURPOSE:**

This Schedule establishes balancing accounts and implements an annual Fixed Cost Adjustment ("FCA") rate mechanism that separates the recovery of the Company's Commission authorized revenues from kilowatt-hour sales to customers served under the applicable electric service schedules.

TERM:

The FCA mechanism will remain in effect through March 31, 2025.

APPLICABLE:

To Customers in the State of Idaho where the Company has electric service available. This schedule shall be applicable to all retail customers taking service under Schedules 1, 11, 12, 21, 22, 31, and 32. This Schedule does not apply to Extra Large General Service Schedule 25, Extra Large General Service to Clearwater Paper Schedule 25P, or to Street and Area Light Schedules 41 through 49.

Applicable Customers will be segregated into two (2) distinct Rate Groups:

Group 1 – Schedule 1

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

Note – the recovery of incremental revenue related to fixed production and transmission costs will be excluded for new natural gas customers added after the FCA Base test year.

MONTHLY RATE:

Group 1 – (\$0.00189) per kWh

Group 2 – \$0.00197 per kWh

Issued July 30, 2021

Effective October 1, 2021

Issued by Avista Corporation

By

Patrick Ehrbar, Director of Regulatory Affairs



BEFORE THE
IDAHO PUBLIC UTILITIES COMMISSION

AVISTA UTILITIES

CASE NO. AVU-E-21-08

EXHIBIT B

**FCA Rate Calculation
October 1, 2021 – September 30, 2022
Electric Service**

July 30, 2021

Avista Utilities
Calculation of Fixed Cost Adjustment (FCA) Surcharge or Rebate Amortization Rates
Effective October 1, 2021 - September 30, 2022

Idaho Residential Electric				
Line No.	Date	Unamortized Balance (1)	Interest (2)	Forecast Usage
1		-0.00187	1.00%	
2	Sep-21	(\$2,301,470)		
3	Oct-21	(\$2,133,349)	(\$1,847)	90,787,777
4	Nov-21	(\$1,914,285)	(\$1,686)	117,911,884
5	Dec-21	(\$1,642,211)	(\$1,481)	146,117,712
6	Jan-22	(\$1,378,258)	(\$1,258)	141,660,882
7	Feb-22	(\$1,159,503)	(\$1,057)	117,410,956
8	Mar-22	(\$947,967)	(\$878)	113,459,709
9	Apr-22	(\$780,027)	(\$720)	90,088,248
10	May-22	(\$630,278)	(\$587)	80,301,538
11	Jun-22	(\$484,026)	(\$464)	78,367,329
12	Jul-22	(\$311,837)	(\$331)	92,151,000
13	Aug-22	(\$148,968)	(\$192)	87,097,761
14	Sep-22	(\$10,568)	(\$66)	73,961,036
15	Annual Total		(\$10,568)	1,229,315,830
16	Incremental Rate to Recover Estimated Interest		(\$0.00001)	
17	Estimated Rate to Recover Deferral Balance		(\$0.00187)	
18	Rate before Gross-up for Revenue-related items		(\$0.00188)	
19	Times: Gross-up for Revenue-related items (3)		1.004373	
20	Preliminary Proposed FCA Rate		(\$0.00189)	
21	3% Test Rate Adjustment (4)		\$0.00000	
22	Final Proposed FCA Rate		(\$0.00189)	Rebate Rate
23	Adjusted for Revenue Related Expenses		(\$0.00188)	Amortization Rate
24	Estimated Carryover Balance due to 3% test (5)		\$0	

Notes

(1)

Deferral balance at the end of the month, Rate of -\$0.00187 to rebate the September 2021 balance of -\$2,301,470 over 12 months. See page 2 and 5 of Exhibit B for September 2021 balance calculation.

(2) Interest computed on average balance between beginning and end of month at the present IPUC Consumer Deposit rate. The IPUC Consumer Deposit rate is updated annually.

<https://puc.idaho.gov/Fileroom/PublicFiles/electric/34866.pdf>

(3) AVU-E-21-01 conversion factor, see page 7 of Exhibit B.

(4) See page 6 of Exhibit B for 3% test adjustment calculations.

(5) See page 2 of Exhibit B for estimated carryover balance calculations.

Avista Utilities
Calculation of Fixed Cost Adjustment (FCA) Surcharge or Rebate Amortization Rates
Effective October 1, 2021 - September 30, 2022

Idaho Residential Electric

Calculate Estimated Monthly Balances through September 2022

Line No.		Ending Balance	Consumer Deposit Interest Rate 1.00%	Amortization
1	Jun-21	(\$2,260,697)		
2	Jul-21	(\$2,262,581)	(\$1,884)	
3	Aug-21	(\$2,264,467)	(\$1,885)	
4	Sep-21	(\$2,266,354)	(\$1,887)	
5	prior year residual	\$ (35,117)		
6	Oct-21	(\$2,132,446)	(\$1,817)	(\$170,842)
7	Nov-21	(\$1,912,247)	(\$1,685)	(\$221,883)
8	Dec-21	(\$1,638,766)	(\$1,479)	(\$274,960)
9	Jan-22	(\$1,373,448)	(\$1,255)	(\$266,573)
10	Feb-22	(\$1,153,559)	(\$1,052)	(\$220,941)
11	Mar-22	(\$940,927)	(\$872)	(\$213,505)
12	Apr-22	(\$772,115)	(\$713)	(\$169,525)
13	May-22	(\$621,586)	(\$580)	(\$151,109)
14	Jun-22	(\$474,573)	(\$457)	(\$147,469)
15	Jul-22	(\$301,489)	(\$323)	(\$173,407)
16	Aug-22	(\$137,774)	(\$183)	(\$163,898)
17	Sep-22	\$1,347	(\$57)	(\$139,178)
18	Total		(\$16,130)	(\$2,313,291)
Summary				
19	01.2020 - 06.2021 Deferred Revenue	(\$2,260,697)		
20	Add Prior Year Residual Balance	(\$35,117)		
21	Add Interest through 09/30/2022	(\$16,130)		
22	Add Revenue Related Expense Adj.	(\$11,463)		
23	Total Requested Recovery	(\$2,323,407)		
24	Customer Rebate Revenue	(\$2,323,407)		
25	Carryover Deferred Revenue	\$0		

Avista Utilities
Calculation of Fixed Cost Adjustment (FCA) Surcharge or Rebate Amortization Rates
Effective October 1, 2021 - September 30, 2022

Idaho Non-Residential Electric				
Line No.	Date	Unamortized Balance (1)	Interest (2)	Forecast Usage
1		0.00196	1.00%	
2	Sep-21	\$2,035,391		
3	Oct-21	\$1,875,171	\$1,629	82,719,176
4	Nov-21	\$1,708,799	\$1,493	85,794,158
5	Dec-21	\$1,521,600	\$1,345	96,363,474
6	Jan-22	\$1,334,969	\$1,190	95,993,188
7	Feb-22	\$1,171,194	\$1,044	84,237,504
8	Mar-22	\$1,000,935	\$905	87,479,950
9	Apr-22	\$847,582	\$770	78,770,374
10	May-22	\$691,653	\$641	80,021,470
11	Jun-22	\$532,260	\$510	81,724,846
12	Jul-22	\$346,534	\$366	95,110,031
13	Aug-22	\$163,990	\$213	93,404,888
14	Sep-22	\$10,177	\$73	78,649,624
15	Annual Total		\$10,177	1,040,268,684
16	Incremental Rate to Recover Estimated Interest		\$0.00001	
17	Estimated Rate to Recover Deferral Balance		\$0.00196	
18	Rate before Gross-up for Revenue-related items		\$0.00197	
19	Times: Gross-up for Revenue-related items (3)		1.004373	
20	Preliminary Proposed FCA Rate		\$0.00197	
21	3% Test Rate Adjustment (4)		\$0.00000	
22	Final Proposed FCA Rate		\$0.00197	Surcharge Rate
23	Adjusted for Revenue Related Expenses		\$0.00196	Amortization Rate
24	Estimated Carryover Balance due to 3% test (5)		\$0	

Notes

(1)

Deferral balance at the end of the month, Rate of \$0.00196 to recover the September 2021 balance of \$2,035,391 over 12 months. See page 4 and 5 of Exhibit B for September 2021 balance calculation.

(2) Interest computed on average balance between beginning and end of month at the present IPUC Consumer Deposit rate. The IPUC Consumer Deposit rate is updated annually.

<https://puc.idaho.gov/Fileroom/PublicFiles/electric/34866.pdf>

(3) AVU-E-21-01 conversion factor, see page 7 of Exhibit B.

(4) See page 6 of Exhibit B for 3% test adjustment calculations.

(5) See page 4 of Exhibit B for estimated carryover balance calculations.

Avista Utilities
Calculation of Fixed Cost Adjustment (FCA) Surcharge or Rebate Amortization Rates
Effective October 1, 2021 - September 30, 2022

Idaho Non-Residential Electric

Calculate Estimated Monthly Balances through September 2022

Line No.		Ending Balance	Consumer Deposit Interest Rate 1.00%	Amortization
1	Jun-21	\$2,011,841		
2	Jul-21	\$2,013,518	\$1,677	
3	Aug-21	\$2,015,196	\$1,678	
4	Sep-21	\$2,016,875	\$1,679	
5	prior year residual	\$ 18,516		
6	Oct-21	\$1,874,757	\$1,613	\$162,247
7	Nov-21	\$1,707,970	\$1,492	\$168,279
8	Dec-21	\$1,520,306	\$1,345	\$189,009
9	Jan-22	\$1,333,211	\$1,188	\$188,283
10	Feb-22	\$1,169,028	\$1,042	\$165,225
11	Mar-22	\$998,345	\$903	\$171,585
12	Apr-22	\$844,611	\$768	\$154,502
13	May-22	\$688,293	\$638	\$156,956
14	Jun-22	\$528,503	\$507	\$160,297
15	Jul-22	\$342,315	\$363	\$186,551
16	Aug-22	\$159,317	\$209	\$183,206
17	Sep-22	\$5,121	\$68	\$154,265
18	Total		\$15,170	\$2,040,407

Summary

19	01.2020 - 06.2021 Deferred Revenue	\$2,011,841
20	Add Prior Year Residual Balance	\$18,516
21	Add Interest through 09/30/2022	\$15,170
22	Add Revenue Related Expense Adj.	<u>\$3,802</u>
23	Total Requested Recovery	\$2,049,329
24	Customer Surcharge Revenue	\$2,049,329
25	Carryover Deferred Revenue	\$0

Avista Utilities
Fixed Cost Adjustment (FCA) Prior Surcharge or Rebate Amortization
Effective October 1, 2020 - September 30, 2021

Residential Natural Gas Surcharge

Line No.	Date	Regulatory Asset Beginning Balance	Interest	Amortization	Regulatory Asset Beginning Balance	Interest Rate	July - Sept Forecast Usage
1	Oct-20	\$ 308,088.59	\$492.69	\$ (24,953.55)	\$ 283,627.73	2.00%	
2	Nov-20	\$ 283,627.73	\$444.93	\$ (33,344.68)	\$ 250,727.98	2.00%	
3	Dec-20	\$ 250,727.98	\$385.66	\$ (38,664.77)	\$ 212,448.87	2.00%	
4	Jan-21	\$ 212,448.87	\$161.94	\$ (36,238.83)	\$ 176,371.98	1.00%	
5	Feb-21	\$ 176,371.98	\$132.77	\$ (34,103.94)	\$ 142,400.81	1.00%	
6	Mar-21	\$ 142,400.81	\$105.86	\$ (30,738.82)	\$ 111,767.85	1.00%	
7	Apr-21	\$ 111,767.85	\$82.46	\$ (25,622.31)	\$ 86,228.00	1.00%	
8	May-21	\$ 86,228.00	\$62.14	\$ (23,321.42)	\$ 62,968.72	1.00%	
9	Jun-21	\$ 62,968.72	\$41.19	\$ (27,087.24)	\$ 35,922.67	1.00%	
10	Jul-21	\$ 35,922.67	\$19.15	\$ (25,877.71)	\$ 10,064.11	1.00%	92,420,406
11	Aug-21	\$ 10,064.11	(\$1.85)	\$ (24,561.04)	\$ (14,498.78)	1.00%	87,718,007
12	Sep-21	\$ (14,498.78)	(\$20.66)	\$ (20,597.25)	\$ (35,116.69)	1.00%	73,561,616

Non-Residential Natural Gas Surcharge

Line No.	Date	Regulatory Asset Beginning Balance	Interest	Amortization	Regulatory Asset Beginning Balance	Interest Rate	July - Sept Forecast Usage
13	Oct-20	\$ 133,137.35	\$216.59	\$ (6,362.25)	\$ 126,991.69	2.00%	
14	Nov-20	\$ 126,991.69	\$203.29	\$ (10,029.88)	\$ 117,165.10	2.00%	
15	Dec-20	\$ 117,165.10	\$186.67	\$ (10,322.02)	\$ 107,029.75	2.00%	
16	Jan-21	\$ 107,029.75	\$85.24	\$ (9,484.33)	\$ 97,630.66	1.00%	
17	Feb-21	\$ 97,630.66	\$77.33	\$ (9,681.23)	\$ 88,026.76	1.00%	
18	Mar-21	\$ 88,026.76	\$69.14	\$ (10,119.63)	\$ 77,976.27	1.00%	
19	Apr-21	\$ 77,976.27	\$61.28	\$ (8,871.37)	\$ 69,166.18	1.00%	
20	May-21	\$ 69,166.18	\$53.62	\$ (9,655.90)	\$ 59,563.90	1.00%	
21	Jun-21	\$ 59,563.90	\$45.02	\$ (11,069.54)	\$ 48,539.38	1.00%	
22	Jul-21	\$ 48,539.38	\$35.96	\$ (10,765.77)	\$ 37,809.57	1.00%	97,870,676
23	Aug-21	\$ 37,809.57	\$27.10	\$ (10,586.97)	\$ 27,249.70	1.00%	96,245,208
24	Sep-21	\$ 27,249.70	\$19.06	\$ (8,752.75)	\$ 18,516.01	1.00%	79,570,461

Avista Utilities
Fixed Cost Adjustment (FCA) 3% Test
January 2020 through June 2021 Idaho Electric Deferrals

Line No.		Residential	Non-Residential	Total
1	Revenue From 2020 Normalized Loads and Customers at Present Billing Rates (Note 1)	\$119,798,122	\$92,590,512	\$212,388,634
2	October 2021 - September 2022 Usage	1,229,315,830	1,040,268,684	
3	Proposed FCA Recovery Rates	-\$0.00189	\$0.00197	
4	Present FCA Recovery Rates	\$0.00028	\$0.00011	
5	Incremental FCA Recovery Rates	-\$0.00217	\$0.00186	
6	Incremental FCA Recovery	(\$2,667,615)	\$1,934,900	(\$732,716)
7	Incremental Surcharge %	-2.23%	2.09%	
8	3% Test Adjustment (Note 2)	\$0	\$0	
9	3% Test Rate Adjustment	\$0.00000	\$0.00000	
10	Adjusted Proposed FCA Recovery Rates	-\$0.00189	\$0.00197	
11	Adjusted Incremental FCA Recovery	(\$2,667,615)	\$1,934,900	(\$732,716)
12	Adjusted Incremental Surcharge %	-2.23%	2.09%	

Notes

(1) Total 2020 weather normalized billing determinants priced at the present billing rates effective since 10/01/2020.

(2) Any carryover balances will differ from the 3% adjustment amounts due to the revenue related expense gross up combined with additional interest on the outstanding balance during the amortization period.

AVISTA UTILITIES
Revenue Conversion Factor
Idaho - Electric System
TWELVE MONTHS ENDED DECEMBER 31, 2019

Line No.	Description	Factor	
1	Revenues	1.000000	1.000000
	Expense:		
2	Uncollectibles	0.002401	0.002401
3	Commission Fees	0.001953	0.001953
4	Idaho Income Tax	0.046024	
5	Total Expense	0.050378	0.004354
6	Net Operating Income Before FIT	0.949622	0.995646
7	Federal Income Tax @ 21%	0.199421	
8	REVENUE CONVERSION FACTOR	0.750201	0.995646
9	Gross Up Factor		1.004373

From Case No. AVU-E-21-01 Final Stipulation and Settlement

Avista Utilities
Idaho Jurisdiction
2021 FCA Schedule 75 Filing
Electric Service

Type of Service	Schedule Number	FCA Billing Determinants	Present FCA Rate	Present FCA Revenue	Proposed FCA Decrease	Proposed FCA Revenue	Proposed FCA Rate	Incremental Rate Change
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)
Residential	1	1,229,315,830	\$ 0.00028	\$ 344,208	\$ (2,667,615)	\$ (2,323,407)	\$ (0.00189)	\$ (0.0)
General Service	11/12	410,274,679	\$ 0.00011	\$ 45,130	\$ 763,111	\$ 808,241	\$ 0.00197	\$ 0.0
Large General Service	21/22	568,237,152	\$ 0.00011	\$ 62,506	\$ 1,056,921	\$ 1,119,427	\$ 0.00197	\$ 0.0
Pumping Service	31/32	61,756,853	\$ 0.00011	\$ 6,793	\$ 114,868	\$ 121,661	\$ 0.00197	\$ 0.0
Excluded Schedules		778,836,252						
Total		3,048,420,766		\$ 458,638	\$ (732,716)	\$ (274,078)		
Non-Residential Group Sub-Totals		1,040,268,684		\$ 114,430	\$ 1,934,900	\$ 2,049,329		

Average Residential Bill		@892 k
Basic Charge	\$6.00	\$
First 600 kWhs	\$0.08584	\$
Over 600 kWhs	\$0.09635	\$
Residential Bill at 6/1/2021 rates		\$
Proposed rate change	\$ (0.00217)	\$
Residential Bill at Proposed rates		\$
Proposed Percent Increase		%

EXHIBIT B

BEFORE THE
IDAHO PUBLIC UTILITIES COMMISSION

AVISTA UTILITIES

CASE NO. AVU-E-21-08

EXHIBIT C

**FCA 18 months ended 6.2021 Deferred Revenue Calculation
Electric Service**

July 30, 2021

Avista Utilities
Electric Fixed Cost Adjustment Mechanism (Idaho)
Development of Electric Deferrals (18 Months Ended June 2021)
AVU-E-19-04 FCA Base - Rates Effective 12/1/2019

Line No.	Source	Jan-20	Feb-20	Mar-20	Apr-20	May-20	Jun-20	Jul-20	A
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)
Residential Group									
1	Total Actual Billed Customers	Revenue Reports	111,133	111,092	111,247	111,211	111,298	111,448	111,529
2	Total Actual Usage (kWhs)	Revenue Reports	131,977,333	112,660,996	108,927,664	98,367,238	79,792,374	78,582,678	92,912,910
3	Total Actual Base Rate Revenue	Revenue Reports	\$ 12,566,377	\$ 10,835,284	\$ 10,456,628	\$ 9,448,781	\$ 7,682,373	\$ 7,590,479	\$ 8,923,193
4	Total Actual Fixed Charge Revenue	Revenue Reports	\$ 669,949	\$ 668,430	\$ 670,323	\$ 670,034	\$ 670,494	\$ 673,125	\$ 673,340
Existing Customers									
5	Actual Customers on System During Test Year	(1) - (16)	108,935	108,550	108,632	108,397	108,270	108,257	108,080
6	Monthly Fixed Cost Adj. Revenue per Customer	Page 3	\$86.90	\$66.14	\$70.62	\$54.97	\$45.15	\$44.18	\$54.18
7	Fixed Cost Adjustment Revenue	(5) x (6)	\$ 9,466,646	\$ 7,179,997	\$ 7,671,493	\$ 5,959,106	\$ 4,888,343	\$ 4,782,392	\$ 5,855,637
8	Actual Base Rate Revenue	(3) - (19)	\$ 12,384,893	\$ 10,635,224	\$ 10,270,623	\$ 9,266,556	\$ 7,544,032	\$ 7,455,845	\$ 8,770,822
9	Actual Fixed Charge Revenue	(4) - (20)	\$ 657,188	\$ 653,894	\$ 655,651	\$ 653,992	\$ 653,548	\$ 655,119	\$ 653,965
10	Actual Usage (kWhs)	(2) - (21)	130,113,763	110,604,250	107,023,186	96,505,662	78,410,961	77,247,655	91,394,800
11	Load Change Adjustment Rate (\$/kWh)	Page 1	\$ 0.02212	\$ 0.02212	\$ 0.02212	\$ 0.02212	\$ 0.02212	\$ 0.02212	\$ 0.02212
12	Variable Power Supply Revenue	(10) x (11)	\$ 2,878,116	\$ 2,446,566	\$ 2,367,353	\$ 2,134,705	\$ 1,734,450	\$ 1,708,718	\$ 2,021,653
13	Customer Fixed Cost Adjustment Revenue	(8) - (9) - (12)	\$ 8,849,588	\$ 7,534,764	\$ 7,247,619	\$ 6,477,859	\$ 5,156,034	\$ 5,092,007	\$ 6,095,204
14	Residential Revenue Per Customer Received		\$81.24	\$69.41	\$66.72	\$59.76	\$47.62	\$47.04	\$56.40
15	Existing Customer Deferral - Surcharge (Rebate)	(7) - (13)	\$ 617,057	\$ (354,767)	\$ 423,874	\$ (518,752)	\$ (267,691)	\$ (309,615)	\$ (239,567)
New Customers									
16	Actual Customers New Since Test Year	Revenue Reports	2,198	2,542	2,615	2,814	3,028	3,191	3,449
17	Monthly Fixed Cost Adj. Revenue per Customer	Page 3	\$54.48	\$41.47	\$44.27	\$34.46	\$28.30	\$27.69	\$33.97
18	Fixed Cost Adjustment Revenue	(16) x (17)	\$ 119,746	\$ 105,408	\$ 115,771	\$ 96,982	\$ 85,707	\$ 88,373	\$ 117,146
19	Actual Base Rate Revenue	Revenue Reports	\$ 181,484	\$ 200,060	\$ 186,005	\$ 182,225	\$ 138,341	\$ 134,634	\$ 152,370
20	Actual Fixed Charge Revenue	Revenue Reports	\$ 12,761	\$ 14,536	\$ 14,672	\$ 16,042	\$ 16,947	\$ 18,005	\$ 19,375
21	Actual Usage (kWhs)	Revenue Reports	1,863,569	2,056,747	1,904,478	1,861,576	1,381,412	1,335,023	1,518,110
22	Load Change Adjustment Rate (\$/kWh)	Page 1	\$ 0.02212	\$ 0.02212	\$ 0.02212	\$ 0.02212	\$ 0.02212	\$ 0.02212	\$ 0.02212
23	Variable Power Supply Revenue	(21) x (22)	\$ 41,222	\$ 45,495	\$ 42,127	\$ 41,178	\$ 30,557	\$ 29,531	\$ 33,581
24	Fixed Production and Transmission Rate per kWh	Page 1	\$ 0.02511	\$ 0.02511	\$ 0.02511	\$ 0.02511	\$ 0.02511	\$ 0.02511	\$ 0.02511
25	Fixed Production and Transmission Revenue	(23) x (24)	\$ 46,794	\$ 51,645	\$ 47,821	\$ 46,744	\$ 34,687	\$ 33,522	\$ 38,120
26	Customer Fixed Cost Adjustment Revenue	19) - (20) - (23) - (2)	\$ 80,707	\$ 88,384	\$ 81,385	\$ 78,261	\$ 56,150	\$ 53,576	\$ 61,295
27	Residential Revenue Per Customer Received		\$36.72	\$34.77	\$31.12	\$27.81	\$18.54	\$16.79	\$17.77
28	New Customer Deferral - Surcharge (Rebate)	(7) - (26)	\$ 39,039	\$ 17,024	\$ 34,386	\$ 18,722	\$ 29,556	\$ 34,798	\$ 55,851
29	Total Residential Deferral - Surcharge (Rebate)	(15) + (28)	\$ 656,097	\$ (337,743)	\$ 458,260	\$ (500,031)	\$ (238,135)	\$ (274,818)	\$ (183,716)
30	Deferral - Revenue Related Expenses	Rev Conv Factor	\$ (3,576)	\$ 1,841	\$ (2,498)	\$ 2,726	\$ 1,298	\$ 1,498	\$ 1,001
31	Customer Deposit Rate		2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%
32	Interest on Deferral	Avg Balance Calc	\$ 544	\$ 809	\$ 910	\$ 877	\$ 266	\$ (158)	\$ (539)
33	Monthly Residential Deferral Totals		\$ 653,064	\$ (335,094)	\$ 456,672	\$ (496,428)	\$ (236,570)	\$ (273,478)	\$ (183,253)
34	Cumulative Residential Deferral (Rebate)/Surcharge	Σ((29), (30), (32))	\$ 653,064	\$ 317,971	\$ 774,643	\$ 278,214	\$ 41,644	\$ (231,834)	\$ (415,087)
35	Prior Calendar Year Subset Interest								
36	Prior Calendar Year Subset Balance								
37	Current Calendar Year Subset Interest								

A - For June only, see Annual Avg Cust Adj workpaper for FCA revenue calculations.

Avista Utilities
Electric Fixed Cost Adjustment Mechanism (Idaho)
Development of Electric Deferrals (18 Months Ended June 2021)
AVU-E-19-04 FCA Base - Rates Effective 12/1/2019

Line No.	Source	Revised		Revised		Revised		Apr-21	May-21
		Dec-20	Jan-21	Feb-21	Mar-21	Mar-21	Apr-21		
(a)	(b)	(c)	(o)	(p)	(q)	(r)	(s)	(t)	
Residential Group									
1	Total Actual Billed Customers	Revenue Reports	113,144	113,403	113,403	113,403	113,778	113,721	
2	Total Actual Usage (kWhs)	Revenue Reports	138,839,650	130,191,674	122,388,588	110,359,217	92,016,869	83,750,381	
3	Total Actual Base Rate Revenue	Revenue Reports	\$ 13,304,821	\$ 12,441,010	\$ 11,735,531	\$ 10,621,319	\$ 8,855,219	\$ 8,083,554	\$
4	Total Actual Fixed Charge Revenue	Revenue Reports	\$ 681,764	\$ 650,701	\$ 661,618	\$ 736,009	\$ 684,903	\$ 684,801	\$
Existing Customers									
5	Actual Customers on System During Test Year	(1) - (16)	108,581	108,666	108,799	108,003	108,372	108,137	
6	Monthly Fixed Cost Adj. Revenue per Customer	Page 3	\$89.20	\$86.90	\$66.14	\$70.62	\$54.97	\$45.15	
7	Fixed Cost Adjustment Revenue	(5) x (6)	\$ 9,685,777	\$ 9,443,269	\$ 7,196,467	\$ 7,627,074	\$ 5,957,732	\$ 4,882,338	\$
8	Actual Base Rate Revenue	(3) - (19)	\$ 12,922,726	\$ 12,011,935	\$ 11,341,899	\$ 10,197,643	\$ 8,515,192	\$ 7,816,033	\$
9	Actual Fixed Charge Revenue	(4) - (20)	\$ 655,560	\$ 623,262	\$ 634,998	\$ 704,806	\$ 654,141	\$ 652,774	\$
10	Actual Usage (kWhs)	(2) - (21)	134,885,664	125,742,562	118,315,842	105,983,377	88,534,735	81,060,386	
11	Load Change Adjustment Rate (\$/kWh)	Page 1	\$ 0.02212	\$ 0.02212	\$ 0.02212	\$ 0.02212	\$ 0.02212	\$ 0.02212	\$
12	Variable Power Supply Revenue	(10) x (11)	\$ 2,983,671	\$ 2,781,425	\$ 2,617,146	\$ 2,344,352	\$ 1,958,388	\$ 1,793,056	\$
13	Customer Fixed Cost Adjustment Revenue	(8) - (9) - (12)	\$ 9,283,495	\$ 8,607,248	\$ 8,089,754	\$ 7,148,485	\$ 5,902,663	\$ 5,370,204	\$
14	Residential Revenue Per Customer Received		\$85.50	\$79.21	\$74.36	\$66.19	\$54.47	\$49.66	
15	Existing Customer Deferral - Surcharge (Rebate)	(7) - (13)	\$ 402,281	\$ 836,021	\$ (893,287)	\$ 478,589	\$ 55,069	\$ (487,866)	\$
New Customers									
16	Actual Customers New Since Test Year	Revenue Reports	4,563	4,737	4,604	5,400	5,406	5,584	
17	Monthly Fixed Cost Adj. Revenue per Customer	Page 3	\$55.92	\$54.48	\$41.47	\$44.27	\$34.46	\$28.30	
18	Fixed Cost Adjustment Revenue	(16) x (17)	\$ 255,174	\$ 258,070	\$ 190,913	\$ 239,068	\$ 186,314	\$ 158,053	\$
19	Actual Base Rate Revenue	Revenue Reports	\$ 382,094	\$ 429,075	\$ 393,632	\$ 423,676	\$ 340,027	\$ 267,521	\$
20	Actual Fixed Charge Revenue	Revenue Reports	\$ 26,204	\$ 27,439	\$ 26,619	\$ 31,204	\$ 30,762	\$ 32,027	\$
21	Actual Usage (kWhs)	Revenue Reports	3,953,985	4,449,112	4,072,746	4,375,841	3,482,134	2,689,995	
22	Load Change Adjustment Rate (\$/kWh)	Page 1	\$ 0.02212	\$ 0.02212	\$ 0.02212	\$ 0.02212	\$ 0.02212	\$ 0.02212	\$
23	Variable Power Supply Revenue	(21) x (22)	\$ 87,462	\$ 98,414	\$ 90,089	\$ 96,794	\$ 77,025	\$ 59,503	\$
24	Fixed Production and Transmission Rate per kWh	Page 1	\$ 0.02511	\$ 0.02511	\$ 0.02511	\$ 0.02511	\$ 0.02511	\$ 0.02511	\$
25	Fixed Production and Transmission Revenue	(23) x (24)	\$ 99,285	\$ 111,717	\$ 102,267	\$ 109,877	\$ 87,436	\$ 67,546	\$
26	Customer Fixed Cost Adjustment Revenue	19) - (20) - (23) - (2)	\$ 169,144	\$ 191,504	\$ 174,657	\$ 185,801	\$ 144,804	\$ 108,445	\$
27	Residential Revenue Per Customer Received		\$37.07	\$40.43	\$37.94	\$34.41	\$26.79	\$19.42	
28	New Customer Deferral - Surcharge (Rebate)	(7) - (26)	\$ 86,030	\$ 66,566	\$ 16,255	\$ 53,267	\$ 41,509	\$ 49,608	\$
29	Total Residential Deferral - Surcharge (Rebate)	(15) + (28)	\$ 488,311	\$ 902,587	\$ (877,032)	\$ 531,855	\$ 96,579	\$ (438,257)	\$
30	Deferral - Revenue Related Expenses	Rev Conv Factor	\$ (2,662)	\$ (4,920)	\$ 4,781	\$ (2,899)	\$ (526)	\$ 2,389	\$
31	Customer Deposit Rate		2.00%	1.00%	1.00%	1.00%	1.00%	1.00%	
32	Interest on Deferral	Avg Balance Calc	\$ (2,090)	\$ (471)	\$ (460)	\$ (604)	\$ (344)	\$ (486)	\$
33	Monthly Residential Deferral Totals		\$ 483,559	\$ 897,196	\$ (872,712)	\$ 528,352	\$ 95,708	\$ (436,354)	\$
34	Cumulative Residential Deferral (Rebate)/Surcharge	Σ((29), (30), (32))	\$ (1,013,475)	\$ (116,278)	\$ (988,990)	\$ (460,637)	\$ (364,929)	\$ (801,283)	\$
35	Prior Calendar Year Subset Interest			\$ (845)	\$ (845)	\$ (846)	\$ (847)	\$ (847)	\$
36	Prior Calendar Year Subset Balance			\$ (1,014,319)	\$ (1,015,164)	\$ (1,016,010)	\$ (1,016,857)	\$ (1,017,704)	\$
37	Current Calendar Year Subset Interest			\$ 374	\$ 385	\$ 242	\$ 503	\$ 362	\$
A - For June only, see Annual Avg Cust Adj workpaper for FCA revenue cal									

Avista Utilities
Electric Fixed Cost Adjustment Mechanism (Idaho)
Development of Electric Deferrals (18 Months Ended June 2021)
AVU-E-19-04 FCA Base - Rates Effective 12/1/2019

Line No.		Source	Jan-20	Feb-20	Mar-20	Apr-20	May-20	Jun-20	Jul-20	A
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	
Non-Residential Group										
1	Total Actual Billed Customers	Revenue Reports	24,888	24,752	24,984	24,936	24,861	25,138	25,090	25,138
2	Total Actual Usage (kWhs)	Revenue Reports	92,614,536	90,671,360	87,881,683	74,691,345	74,938,667	81,961,766	92,465,399	89,950,000
3	Total Actual Base Rate Revenue	Revenue Reports	\$ 7,535,753	\$ 7,668,756	\$ 7,487,987	\$ 6,514,069	\$ 6,439,375	\$ 6,996,148	\$ 8,160,557	\$ 7,650,000
4	Total Actual Fixed Charge Revenue	Revenue Reports	\$ 755,783	\$ 754,251	\$ 759,496	\$ 751,930	\$ 715,675	\$ 707,815	\$ 701,163	\$ 690,000
Existing Customers										
5	Actual Customers on System During Test Year	(1) - (16)	24,255	24,072	24,232	24,134	24,000	24,190	24,124	24,124
6	Monthly Fixed Cost Adj. Revenue per Customer	Page 3	\$207.66	\$209.77	\$196.11	\$184.70	\$181.30	\$188.69	\$214.33	\$188.69
7	Fixed Cost Adjustment Revenue	(5) x (6)	\$ 5,036,677	\$ 5,049,538	\$ 4,752,185	\$ 4,457,456	\$ 4,351,291	\$ 4,564,386	\$ 5,170,481	\$ 4,800,000
8	Actual Base Rate Revenue	(3) - (19)	\$ 7,426,968	\$ 7,556,683	\$ 7,365,341	\$ 6,386,003	\$ 6,322,809	\$ 6,835,059	\$ 7,994,268	\$ 7,470,000
9	Actual Fixed Charge Revenue	(4) - (20)	\$ 746,134	\$ 744,375	\$ 747,698	\$ 739,254	\$ 701,970	\$ 692,234	\$ 685,303	\$ 680,000
10	Actual Usage (kWhs)	(2) - (21)	91,434,788	89,492,445	86,616,861	73,313,274	73,674,610	80,235,313	90,620,709	87,930,000
11	Load Change Adjustment Rate (\$/kWh)	Page 1	\$ 0.02212	\$ 0.02212	\$ 0.02212	\$ 0.02212	\$ 0.02212	\$ 0.02212	\$ 0.02212	\$ 0.02212
12	Variable Power Supply Revenue	(10) x (11)	\$ 2,022,538	\$ 1,979,573	\$ 1,915,965	\$ 1,621,690	\$ 1,629,682	\$ 1,774,805	\$ 2,004,530	\$ 1,940,000
13	Customer Fixed Cost Adjustment Revenue	(8) - (9) - (12)	\$ 4,658,297	\$ 4,832,736	\$ 4,701,679	\$ 4,025,059	\$ 3,991,157	\$ 4,368,020	\$ 5,304,435	\$ 4,850,000
14	Non-Residential Revenue Per Customer Received		\$192.06	\$200.76	\$194.03	\$166.78	\$166.30	\$180.57	\$219.88	\$188.69
15	Existing Customer Deferral - Surcharge (Rebate)	(7) - (13)	\$ 378,380	\$ 216,802	\$ 50,507	\$ 432,397	\$ 360,135	\$ 196,366	\$ (133,954)	\$ (40,000)
New Customers										
16	Actual Customers New Since Test Year	Revenue Reports	633	680	752	802	861	948	966	966
17	Monthly Fixed Cost Adj. Revenue per Customer	Page 3	\$112.05	\$113.19	\$105.82	\$99.66	\$97.83	\$101.82	\$115.65	\$115.65
18	Fixed Cost Adjustment Revenue	(16) x (17)	\$ 70,928	\$ 76,969	\$ 79,578	\$ 79,928	\$ 84,232	\$ 96,521	\$ 111,719	\$ 100,000
19	Actual Base Rate Revenue	Revenue Reports	\$ 108,785	\$ 112,073	\$ 122,646	\$ 128,066	\$ 116,566	\$ 161,089	\$ 166,288	\$ 170,000
20	Actual Fixed Charge Revenue	Revenue Reports	\$ 9,649	\$ 9,876	\$ 11,799	\$ 12,676	\$ 13,705	\$ 15,580	\$ 15,860	\$ 16,000
21	Actual Usage (kWhs)	Revenue Reports	1,179,747	1,178,914	1,264,823	1,378,072	1,264,057	1,726,453	1,844,691	2,020,000
22	Load Change Adjustment Rate (\$/kWh)	Page 1	\$ 0.02212	\$ 0.02212	\$ 0.02212	\$ 0.02212	\$ 0.02212	\$ 0.02212	\$ 0.02212	\$ 0.02212
23	Variable Power Supply Revenue	(21) x (22)	\$ 26,096	\$ 26,078	\$ 27,978	\$ 30,483	\$ 27,961	\$ 38,189	\$ 40,805	\$ 40,000
24	Fixed Production and Transmission Rate per kWh	Page 1 wtd avg	\$ 0.02484	\$ 0.02484	\$ 0.02484	\$ 0.02484	\$ 0.02484	\$ 0.02484	\$ 0.02484	\$ 0.02484
25	Fixed Production and Transmission Revenue	(23) x (24)	\$ 29,305	\$ 29,284	\$ 31,418	\$ 34,231	\$ 31,399	\$ 42,885	\$ 45,822	\$ 50,000
26	Customer Fixed Cost Adjustment Revenue	19) - (20) - (23) - (2)	\$ 43,735	\$ 46,835	\$ 51,451	\$ 50,676	\$ 43,501	\$ 64,434	\$ 63,802	\$ 60,000
27	Non-Residential Revenue Per Customer Received		\$69.09	\$68.87	\$68.42	\$63.19	\$50.52	\$67.97	\$66.05	\$66.05
28	New Customer Deferral - Surcharge (Rebate)	(7) - (26)	\$ 27,193	\$ 30,135	\$ 28,126	\$ 29,252	\$ 40,731	\$ 32,087	\$ 47,917	\$ 40,000
29	Total Non-Residential Deferral - Surcharge (Rebate)	(15) + (28)	\$ 405,573	\$ 246,937	\$ 78,633	\$ 461,649	\$ 400,866	\$ 228,453	\$ (86,037)	\$ (0)
30	Deferral - Revenue Related Expenses	Rev Conv Factor	\$ (2,211)	\$ (1,346)	\$ (429)	\$ (2,516)	\$ (2,185)	\$ (1,245)	\$ 469	\$ 0
31	Customer Deposit Rate		2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%
32	Interest on Deferral	Avg Balance Calc	\$ 336	\$ 877	\$ 1,149	\$ 1,598	\$ 2,316	\$ 2,841	\$ 2,964	\$ 2,964
33	Monthly Non-Residential Deferral Totals		\$ 403,698	\$ 246,468	\$ 79,353	\$ 460,731	\$ 400,997	\$ 230,049	\$ (82,604)	\$ (0)
34	Cumulative Non-Residential Deferral (Rebate)/Surcharge	Σ((29), (30), (32))	\$ 403,698	\$ 650,166	\$ 729,519	\$ 1,190,251	\$ 1,591,248	\$ 1,821,297	\$ 1,738,693	\$ 1,738,693
35	Prior Calendar Year Subset Interest									
36	Prior Calendar Year Subset Balance									
37	Current Calendar Year Subset Interest									
38	Total Cumulative Deferral	Res line(34) +Non-Res line (34)	\$ 1,056,762	\$ 968,137	\$ 1,504,162	\$ 1,468,465	\$ 1,632,892	\$ 1,589,463	\$ 1,323,606	\$ 970,000

A - For June only, see Annual Avg Cust Adj worksheet for FCA revenue calculations.

Avista Utilities
Electric Fixed Cost Adjustment Mechanism (Idaho)
Development of Electric Deferrals (18 Months Ended June 2021)
AVU-E-19-04 FCA Base - Rates Effective 12/1/2019

Line No.	Source	Revised		Revised		Revised		Apr-21	May-21
		Dec-20	Jan-21	Feb-21	Mar-21	Mar-21	Apr-21		
(a)	(b)	(c)	(o)	(p)	(q)	(r)	(s)	(t)	
Non-Residential Group									
1	Total Actual Billed Customers	Revenue Reports	25,370	25,275	25,275	25,275	25,540	25,382	
2	Total Actual Usage (kWhs)	Revenue Reports	94,357,472	86,719,350	88,513,433	92,525,291	81,116,364	88,290,900	
3	Total Actual Base Rate Revenue	Revenue Reports	\$ 7,826,269	\$ 7,158,546	\$ 7,441,545	\$ 7,972,821	\$ 6,952,692	\$ 7,537,231	\$
4	Total Actual Fixed Charge Revenue	Revenue Reports	\$ 701,386	\$ 643,776	\$ 656,919	\$ 781,817	\$ 696,622	\$ 687,729	\$
Existing Customers									
5	Actual Customers on System During Test Year	(1) - (16)	24,085	23,914	23,663	23,383	23,623	23,434	
6	Monthly Fixed Cost Adj. Revenue per Customer	Page 3	\$214.98	\$207.66	\$209.77	\$196.11	\$184.70	\$181.30	
7	Fixed Cost Adjustment Revenue	(5) x (6)	\$ 5,177,800	\$ 4,965,867	\$ 4,963,743	\$ 4,585,686	\$ 4,363,077	\$ 4,248,673	\$
8	Actual Base Rate Revenue	(3) - (19)	\$ 7,572,102	\$ 6,862,976	\$ 7,180,439	\$ 7,658,470	\$ 6,696,614	\$ 7,294,766	\$
9	Actual Fixed Charge Revenue	(4) - (20)	\$ 680,189	\$ 621,329	\$ 632,286	\$ 751,965	\$ 667,323	\$ 657,928	\$
10	Actual Usage (kWhs)	(2) - (21)	91,434,512	83,309,862	85,527,724	89,136,094	78,388,239	85,753,114	
11	Load Change Adjustment Rate (\$/kWh)	Page 1	\$ 0.02212	\$ 0.02212	\$ 0.02212	\$ 0.02212	\$ 0.02212	\$ 0.02212	\$
12	Variable Power Supply Revenue	(10) x (11)	\$ 2,022,531	\$ 1,842,814	\$ 1,891,873	\$ 1,971,690	\$ 1,733,948	\$ 1,896,859	\$
13	Customer Fixed Cost Adjustment Revenue	(8) - (9) - (12)	\$ 4,869,382	\$ 4,398,833	\$ 4,656,281	\$ 4,934,815	\$ 4,295,343	\$ 4,739,979	\$
14	Non-Residential Revenue Per Customer Received		\$202.17	\$183.94	\$196.77	\$211.04	\$181.83	\$202.27	
15	Existing Customer Deferral - Surcharge (Rebate)	(7) - (13)	\$ 308,418	\$ 567,034	\$ 307,462	\$ (349,129)	\$ 67,734	\$ (491,306)	\$
New Customers									
16	Actual Customers New Since Test Year	Revenue Reports	1,285	1,361	1,612	1,892	1,917	1,948	
17	Monthly Fixed Cost Adj. Revenue per Customer	Page 3	\$116.00	\$112.05	\$113.19	\$105.82	\$99.66	\$97.83	
18	Fixed Cost Adjustment Revenue	(16) x (17)	\$ 149,063	\$ 152,500	\$ 182,462	\$ 200,214	\$ 191,051	\$ 190,574	\$
19	Actual Base Rate Revenue	Revenue Reports	\$ 254,167	\$ 295,570	\$ 261,106	\$ 314,350	\$ 256,078	\$ 242,466	\$
20	Actual Fixed Charge Revenue	Revenue Reports	\$ 21,197	\$ 22,447	\$ 24,634	\$ 29,852	\$ 29,299	\$ 29,801	\$
21	Actual Usage (kWhs)	Revenue Reports	2,922,960	3,409,488	2,985,708	3,389,196	2,728,125	2,537,786	
22	Load Change Adjustment Rate (\$/kWh)	Page 1	\$ 0.02212	\$ 0.02212	\$ 0.02212	\$ 0.02212	\$ 0.02212	\$ 0.02212	\$
23	Variable Power Supply Revenue	(21) x (22)	\$ 64,656	\$ 75,418	\$ 66,044	\$ 74,969	\$ 60,346	\$ 56,136	\$
24	Fixed Production and Transmission Rate per kWh	Page 1 wtd avg	\$ 0.02484	\$ 0.02484	\$ 0.02484	\$ 0.02484	\$ 0.02484	\$ 0.02484	\$
25	Fixed Production and Transmission Revenue	(23) x (24)	\$ 72,606	\$ 84,692	\$ 74,165	\$ 84,188	\$ 67,767	\$ 63,039	\$
26	Customer Fixed Cost Adjustment Revenue	19) - (20) - (23) - (2)	\$ 95,708	\$ 113,014	\$ 96,263	\$ 125,342	\$ 98,667	\$ 93,490	\$
27	Non-Residential Revenue Per Customer Received		\$74.48	\$83.04	\$59.72	\$66.25	\$51.47	\$47.99	
28	New Customer Deferral - Surcharge (Rebate)	(7) - (26)	\$ 53,355	\$ 39,486	\$ 86,199	\$ 74,872	\$ 92,384	\$ 97,084	\$
29	Total Non-Residential Deferral - Surcharge (Rebate)	(15) + (28)	\$ 361,773	\$ 606,520	\$ 393,661	\$ (274,257)	\$ 160,117	\$ (394,222)	\$
30	Deferral - Revenue Related Expenses	Rev Conv Factor	\$ (1,972)	\$ (3,306)	\$ (2,146)	\$ 1,495	\$ (873)	\$ 2,149	\$
31	Customer Deposit Rate		2.00%	1.00%	1.00%	1.00%	1.00%	1.00%	
32	Interest on Deferral	Avg Balance Calc	\$ 3,529	\$ 2,169	\$ 2,585	\$ 2,637	\$ 2,592	\$ 2,497	\$
33	Monthly Non-Residential Deferral Totals		\$ 363,330	\$ 605,382	\$ 394,100	\$ (270,125)	\$ 161,836	\$ (389,576)	\$
34	Cumulative Non-Residential Deferral (Rebate)/Surcharge	Σ((29), (30), (32))	\$ 2,301,015	\$ 2,906,397	\$ 3,300,497	\$ 3,030,372	\$ 3,192,209	\$ 2,802,633	\$
35	Prior Calendar Year Subset Interest		\$	\$ 1,918	\$ 1,919	\$ 1,921	\$ 1,922	\$ 1,924	\$
36	Prior Calendar Year Subset Balance		\$	\$ 2,302,932	\$ 2,304,851	\$ 2,306,772	\$ 2,308,694	\$ 2,310,618	\$
37	Current Calendar Year Subset Interest		\$	\$ 251	\$ 666	\$ 716	\$ 669	\$ 573	\$
38	Total Cumulative Deferral	Res line(34) +Non-Res line (34)	\$ 1,287,540	\$ 2,790,119	\$ 2,311,508	\$ 2,569,735	\$ 2,827,280	\$ 2,001,350	\$

A - For June only, see Annual Avg Cust Adj worksheet for FCA revenue cal

Avista Utilities
Electric Fixed Cost Adjustment Mechanism (Idaho)
Development of Electric Deferrals (18 Months Ended June 2021)
AVU-E-19-04 FCA Base - Rates Effective 12/1/2019

Purpose: As approved by Order No. 34502 in Case No. AVU-E-19-06, the Company will include a true-up to calculate FCA Adjustment (FCA) revenue using annual average customers compared to what was recorded using monthly customers and record the difference so that the annual FCA revenue is based on annual average customers.

Procedure: Separately for existing and new, residential and non-residential, calculated annual average customers are multiplied by sum of FCA revenue per customer (RPC) by month to calculate total FCA revenue for the period based on annual average customers (the initial true up is for the 18 month period from January 2020 through June 2021, future true-ups will be for 12 month through June annual periods). This was compared to the amount recorded using monthly actual customers and monthly RPC. The difference was recorded with the monthly FCA revenue for June 2021.

	18 month Ended	
	Existing	New
	Customers	Customers
Residential		
Average Actual Customers (average of line 5 or 16 in Deferral Calc)	108,368	
Sum of Monthly Fixed RPC (sum of line 6 or 17 in Deferral Calc)	\$ 1,095.14	\$
Total FCA Revenue using Average Existing Customers	\$ 118,677,471.02	\$ 2,791,114.18
Less Existing Customer FCA Revenue (sum of line 7 or 18 in Deferral Calc)	113,949,170.10	2,561,114.18
FCA Revenue to record for June to reflect true-up	\$ 4,728,300.93	\$ 230,000.00
June 2021 Actual Customers (line 5 or 16, column U in Deferral Calc)	108,072	
June 2021 Monthly Fixed RPC (line 6 or 17, column U in Deferral Calc)	\$ 44.18	\$
Total FCA Revenue for June 2021 using monthly actuals	\$ 4,774,219.07	\$ 10,000.00
Net increase/(decrease) to FCA Revenue due to Average Calculation	\$ (45,918.15)	\$ 10,000.00
Non-Residential		
Average Actual Customers (average of line 5 or 16 in Deferral Calc)	23,949	
Sum of Monthly Fixed RPC (sum of line 6 or 17 in Deferral Calc)	\$ 3,548.41	\$
Total FCA Revenue using Average Existing Customers	\$ 84,980,773.62	\$ 2,391,114.18
Less Existing Customer FCA Revenue (sum of line 7 or 18 in Deferral Calc)	80,537,114.45	2,161,114.18
FCA Revenue to record for June to reflect true-up	\$ 4,443,659.17	\$ 230,000.00
June 2021 Actual Customers (line 5 or 16, column U in Deferral Calc)	23,626	
June 2021 Monthly Fixed RPC (line 6 or 17, column U in Deferral Calc)	\$ 188.69	\$
Total FCA Revenue for June 2021 using monthly actuals	\$ 4,457,965.06	\$ 20,000.00
Net increase/(decrease) to FCA Revenue due to Average Calculation	\$ (14,305.89)	\$ 0.00

Avista Utilities
Electric Fixed Cost Adjustment Mechanism (Idaho)
Development of Fixed Cost Adjustment Revenue by Rate Schedule - Electric
AVU-E-19-04 Rates Effective 12/1/2019

	TOTAL	RESIDENTIAL SCHEDULE 1	GENERAL SVC. SCH. 11, 12	LG GEN. SVC. SCH. 21, 22	PUMPING SCH. 31, 32	EX LG GEN SVC SCHEDULE 25	EX LG GEN SVC CLEARWATER SCHEDULE 25P	ST & ARE. SCH. 41
1 Total Normalized Test Year Revenue	\$ 253,252,000	\$ 113,180,000	\$ 38,791,000	\$ 51,192,000	\$ 5,806,000	\$ 17,867,000	\$ 22,780,000	\$ 3,63
2 Year 1 Settlement Revenue Increase	\$ (7,188,000)	\$ (1,135,000)	\$ (3,262,000)	\$ (2,294,000)	\$ (90,000)	\$ (179,000)	\$ (228,000)	\$
3 Total Rate Revenue (January 1, 2019)	\$ 246,064,000	\$ 112,045,000	\$ 35,529,000	\$ 48,898,000	\$ 5,716,000	\$ 17,688,000	\$ 22,552,000	\$ 3,63
4 Normalized kWhs (Test Year)	3,006,061,265	1,165,926,163	374,817,531	627,396,080	62,444,249	317,270,583	446,649,200	11,55
5 Load Change Adjustment Rate (Ln 14)	\$ 0.02212	\$ 0.02212	\$ 0.02212	\$ 0.02212	\$ 0.02212	\$ 0.02212	\$ 0.02212	\$ 0.02212
6 Variable Power Supply Revenue (Ln 4 * Ln 5)	\$ 66,494,075	\$ 25,790,287	\$ 8,290,964	\$ 13,878,001	\$ 1,381,267	\$ 7,018,025	\$ 9,879,880	\$ 25
6A Fixed Production and Transmission Rate per kWh (New Customers Only)	\$ 0.02511	\$ 0.02615	\$ 0.02468	\$ 0.01858	\$ 0.01941	\$ 0.02061	\$ 0.02061	\$ 0.02061
6B Fixed Production and Transmission Revenue (New Customers Only)	\$ 71,225,349	\$ 29,281,530	\$ 9,802,632	\$ 15,485,384	\$ 1,160,009	\$ 6,157,142	\$ 9,206,636	\$ 13
7 Subtotal (Ln 3B - Ln 6) (Test Year Customers)	\$ 152,847,481	\$ 86,254,713	\$ 27,238,036	\$ 35,019,999	\$ 4,334,733			
7A Subtotal (Ln 3B - Ln 6 - Ln 6B) (New Customers)	\$ 97,117,926	\$ 56,973,183	\$ 17,435,404	\$ 19,534,614	\$ 3,174,724			
8 Customer Bills (Test Year)	1,584,781	1,295,164	259,400	13,147	17,070			
9 Settlement Fixed Charges	\$ 6.00	\$ 13.00	\$ 425.00	\$ 11.00				
10 Fixed Charge Revenue (Ln 8 * Ln 9)	\$ 16,918,429	\$ 7,770,984	\$ 3,372,200	\$ 5,587,475	\$ 187,770			
11 Fixed Cost Adjustment Revenue (Ln 7 - Ln 10) (Test Year Customers)	\$ 135,929,052	\$ 78,483,729	\$ 23,865,836	\$ 29,432,524	\$ 4,146,963			
11A Fixed Cost Adjustment Revenue (Ln 7A - Ln 10) (New Customers)	\$ 80,199,497	\$ 49,202,199	\$ 14,063,204	\$ 13,947,139	\$ 2,986,954			
12 Load Change Adjustment Rate	\$0.02200							
13 Gross Up Factor for Revenue Related Exp	100.55%							
14 Grossed Up Load Change Adjustment Rate	\$0.02212							
15 Average Number of Customers (Line 8 / 12)		Residential 107,930	Non-Residential Group 24,135					
16 Annual kWh		1,165,926,163	1,064,657,860					
17 Basic Charge Revenues		7,770,984	9,147,445					
18 Customer Bills		1,295,164	289,617					
19 Average Basic Charge		\$6.00	\$31.58					

Excluded From Fixed Cost Adjustment

CASE NO. AVU-E-19-04 SETTLEMENT STIPULATION APPENDIX B

0.02511 0.02484

Avista Utilities
Electric Fixed Cost Adjustment Mechanism (Idaho)
Development of Annual Fixed Cost Adjustment Revenue Per Customer - Electric
AVU-E-19-04 Rates Effective 12/1/2019

Line No.		Source	Residential	Non-Residential Schedules*
	(a)	(b)	(c)	(d)
<u>Existing Customer FCA</u>				
1	Fixed Cost Adjustment Revenue	Page 1	\$ 78,483,729	\$ 57,445,323
2	Test Year Number of Customers	Revenue Data	107,930	24,135
3	Fixed Cost Adjustment Revenue Per Customer	(1) / (2)	\$ 727.17	\$ 2,380.19
<u>New Customer FCA</u>				
1	Fixed Cost Adjustment Revenue	Page 1	\$ 49,202,199	\$ 30,997,297
2	Test Year Number of Customers	Revenue Data	107,930	24,135
3	Fixed Cost Adjustment Revenue Per Customer	(1) / (2)	\$ 455.87	\$ 1,284.34
* Schedules 11, 12, 21, 22, 31, and 32.				
Revenues				
From revenue per customer			\$ 78,483,700	\$ 57,445,291
From basic charge			\$ 7,770,984	\$ 9,147,445
From power supply			\$ 25,790,287	\$ 23,550,232
Total			\$ 112,044,971	\$ 90,142,967

CASE NO. AVU-E-19-04 SETTLEMENT STIPULATION APPENDIX B

Page 2 - Fixed Cost Adjust. RPC

Avista Utilities
Electric Fixed Cost Adjustment Mechanism (Idaho)
Development of Monthly Fixed Cost Adjustment Revenue Per Customer - Electric
AVU-E-19-04 Rates Effective 12/1/2019

Line No.	Source	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)
1	Electric Sales										
2	Residential										
3	- Weather-2 Monthly Test Year	139,336,144	106,054,601	113,228,885	88,145,259	72,391,677	70,831,143	86,868,815	87,375,865	65,118,845	82,0
4	- % of Ann % of Total	11.95%	9.10%	9.71%	7.56%	6.21%	6.08%	7.45%	7.49%	5.59%	
5											
6	Non-Residential*										
7	- Weather-2 Monthly Test Year	92,884,079	93,829,173	87,720,792	82,614,489	81,097,105	84,400,477	95,869,411	89,019,133	83,505,276	86,9
8	- % of Ann % of Total	8.72%	8.81%	8.24%	7.76%	7.62%	7.93%	9.00%	8.36%	7.84%	
9											
10											
11	Monthly Fixed Cost Adjustment Revenue Per Customer ("RPC")										
12	For Test Year Existing Customers										
13	Residential										
14	- Fixed Co Page 2										
15	- Monthly (Line No.) x (14)	\$ 86.90	\$ 66.14	\$ 70.62	\$ 54.97	\$ 45.15	\$ 44.18	\$ 54.18	\$ 54.49	\$ 40.61	\$
16											
17	Non-Residential*										
18	- Fixed Co Page 2										
19	- Monthly (3) x (18)	\$ 207.66	\$ 209.77	\$ 196.11	\$ 184.70	\$ 181.30	\$ 188.69	\$ 214.33	\$ 199.01	\$ 186.69	\$
20											
21											
22	For New Customers										
23	Residential										
24	- Fixed Co Page 2										
25	- Monthly (Line No.) x (24)	\$ 54.48	\$ 41.47	\$ 44.27	\$ 34.46	\$ 28.30	\$ 27.69	\$ 33.97	\$ 34.16	\$ 25.46	\$
26											
27	Non-Residential*										
28	- Fixed Co Page 2										
29	- Monthly (3) x (28)	\$ 112.05	\$ 113.19	\$ 105.82	\$ 99.66	\$ 97.83	\$ 101.82	\$ 115.65	\$ 107.39	\$ 100.74	\$

* Schedules 11, 12, 21, 22, 31, and 32.

CASE NO. AVU-E-19-04 SETTLEMENT STIPULATION APPENDIX B

30	Normalized Test Year Usage										
31	Residential Schedule 001	139,336,144	106,054,601	113,228,885	88,145,259	72,391,677	70,831,143	86,868,815	87,375,865	65,118,845	82,0
32	General Svc Schedule 011/012	37,595,528	33,925,718	32,801,874	28,427,393	26,907,043	27,558,846	31,441,535	29,473,707	26,656,177	28,61
33	Large Gen Svc Schedule 021/022	51,613,732	56,345,742	51,447,626	50,752,544	49,952,726	50,332,196	56,093,075	49,911,474	49,172,437	53,1
34	Extra Large Gen Schedule 25	27,389,763	25,337,579	27,689,781	26,159,880	26,646,691	24,988,618	26,560,456	27,678,211	25,519,086	27,61
35	Extra Large Gen Schedule 25P	31,034,360	29,136,680	33,893,450	34,523,990	36,069,710	33,600,660	38,255,050	62,513,600	47,084,840	35,9
36	Pumping Schedule 31/52	3,674,819	3,557,713	3,471,292	3,434,553	4,237,336	6,509,435	8,334,800	9,633,952	7,676,661	5,2
37	Street and Area Lights	874,991	1,074,207	945,873	960,974	969,420	953,100	954,604	958,682	959,808	1,0
38	Total Normalized Test Year Usage	291,519,336	255,432,240	263,478,782	232,404,592	217,174,602	214,773,997	248,508,336	267,545,491	222,187,855	233,5
39											
40											
41	Normalized Test Year Customer Bills										
42	Residential Schedule 001	107,438	107,386	107,490	107,453	107,486	107,433	107,732	108,005	108,271	10
43	General Svc Schedule 011/012	21,439	21,526	21,555	21,542	21,548	21,590	21,592	21,622	21,607	2
44	Large Gen Svc Schedule 021/022	1,103	1,102	1,103	1,099	1,106	1,101	1,095	1,098	1,087	
45	Extra Large Gen Schedule 25	11	11	11	11	11	11	11	11	11	
46	Extra Large Gen Schedule 25P	1	1	1	1	1	1	1	1	1	
47	Pumping Schedule 31/52	1,409	1,421	1,412	1,423	1,424	1,429	1,420	1,425	1,417	
48	Street and Area Lights	122	204	167	167	168	170	170	170	173	
49	Total Normalized Test Year Customer Bills	131,523	131,651	131,739	131,696	131,744	131,735	132,021	132,332	132,567	1
50											
51	Test Year Average Usage per Customer										
52	Residential	1,297	988	1,053	820	673	659	806	809	601	
53	Non-Residential	3,878	3,902	3,644	3,433	3,368	3,499	3,977	3,687	3,463	

Sumcost		AVISTA UTILITIES						Idaho Jurisdiction		10/03/19			
Scenario: AVU-E-19-04 Settlement Case		Revenue to Cost by Functional Component Summary						Electric Utility					
Load Factor Peak Credit		For the Twelve Months Ended December 31, 2018											
Transmission by Demand		(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)	(m)
Description		System Total	Residential Service Sch 1	General Service Sch 11-12	Large Gen Service Sch 21-22	Extra Large Gen Service Sch 25	Extra Large Service CP Sch 25P	Pumping Service Sch 31-32	Street & Area Lights Sch 41-48				
Functional Cost Components at Current Return by Schedule													
1	Production	112,176,719	44,096,364	15,155,295	24,050,948	10,833,738	15,592,561	2,104,758	343,055				
2	Transmission	28,991,812	11,467,382	4,396,070	6,474,882	2,464,819	3,686,745	457,301	44,614				
3	Distribution	64,810,663	33,008,901	11,806,455	12,781,027	1,976,212	361,211	2,212,974	2,663,883				
4	Common	47,272,806	24,607,354	7,433,179	7,885,144	2,592,232	3,139,482	1,030,967	584,448				
5	Total Current Rate Revenue	253,252,000	113,180,000	38,791,000	51,192,000	17,867,000	22,780,000	5,806,000	3,636,000				
Expressed as \$/KWh													
6	Production	\$0.03732	\$0.03782	\$0.04043	\$0.03833	\$0.03415	\$0.03491	\$0.03384	\$0.02968				
7	Transmission	\$0.00965	\$0.00984	\$0.01173	\$0.01032	\$0.00777	\$0.00825	\$0.00735	\$0.00386				
8	Distribution	\$0.02156	\$0.02831	\$0.03150	\$0.02037	\$0.00623	\$0.00081	\$0.03558	\$0.23049				
9	Common	\$0.01573	\$0.02111	\$0.01983	\$0.01257	\$0.00817	\$0.00703	\$0.01658	\$0.05057				
10	Total Current Melded Rates	\$0.08425	\$0.09707	\$0.10349	\$0.08159	\$0.05631	\$0.05100	\$0.09335	\$0.31460				
Functional Cost Components at Uniform Current Return													
11	Production	112,215,071	45,619,214	13,847,825	23,715,648	11,011,130	15,575,469	2,127,463	318,323				
12	Transmission	29,089,149	12,589,789	3,510,794	6,239,292	2,575,637	3,675,971	470,718	36,947				
13	Distribution	64,509,275	35,427,603	9,856,317	12,357,357	2,054,737	360,278	2,269,072	2,183,910				
14	Common	47,428,504	25,647,887	6,669,317	7,753,026	2,643,651	3,135,326	1,044,426	534,871				
15	Total Uniform Current Cost	253,252,000	119,284,493	33,884,254	50,065,323	18,285,156	22,747,044	5,911,678	3,074,052				
Expressed as \$/KWh													
16	Production	\$0.03733	\$0.03913	\$0.03695	\$0.03780	\$0.03471	\$0.03487	\$0.03420	\$0.02754				
17	Transmission	\$0.00968	\$0.01080	\$0.00937	\$0.00994	\$0.00812	\$0.00823	\$0.00757	\$0.00320				
18	Distribution	\$0.02146	\$0.03039	\$0.02630	\$0.01970	\$0.00648	\$0.00081	\$0.03648	\$0.18896				
19	Common	\$0.01578	\$0.02200	\$0.01779	\$0.01236	\$0.00833	\$0.00702	\$0.01679	\$0.04628				
20	Total Current Uniform Melded Rates	\$0.08425	\$0.10231	\$0.09040	\$0.07980	\$0.05763	\$0.05093	\$0.09504	\$0.26598				
21	Revenue to Cost Ratio at Current Rates	1.00	0.95	1.14	1.02	0.98	1.00	0.98	1.18				
Functional Cost Components at Proposed Return by Schedule													
22	Production	110,127,575	43,812,980	14,286,016	23,368,117	10,751,751	15,474,250	2,085,408	343,052				
23	Transmission	27,581,860	11,258,837	3,807,579	5,995,268	2,417,416	3,612,266	445,879	44,614				
24	Distribution	62,114,420	32,559,376	10,510,061	11,918,502	1,942,618	354,760	2,165,213	2,663,890				
25	Common	46,240,145	24,413,807	6,925,343	7,616,112	2,570,215	3,110,724	1,019,500	584,444				
26	Total Proposed Rate Revenue	246,064,000	112,045,000	35,529,000	48,898,000	17,688,000	22,552,000	5,716,000	3,636,000				
Expressed as \$/KWh													
27	Production	\$0.03664	\$0.03758	\$0.03811	\$0.03725	\$0.03391	\$0.03465	\$0.03353	\$0.02968				
28	Transmission	\$0.00918	\$0.00966	\$0.01016	\$0.00956	\$0.00762	\$0.00809	\$0.00717	\$0.00386				
29	Distribution	\$0.02066	\$0.02793	\$0.02804	\$0.01900	\$0.00612	\$0.00079	\$0.03481	\$0.23049				
30	Common	\$0.01538	\$0.02094	\$0.01848	\$0.01214	\$0.00810	\$0.00696	\$0.01639	\$0.05057				
31	Total Proposed Melded Rates	\$0.08186	\$0.09610	\$0.09479	\$0.07794	\$0.05575	\$0.05049	\$0.09190	\$0.31460				
Functional Cost Components at Uniform Requested Return													
32	Production	110,133,720	44,773,074	13,590,977	23,275,773	10,806,897	15,286,577	2,088,003	312,419				
33	Transmission	27,658,451	11,966,469	3,336,975	5,930,385	2,448,117	3,493,974	447,413	35,118				
34	Distribution	61,909,376	34,084,269	9,473,385	11,801,820	1,964,374	344,514	2,171,625	2,069,388				
35	Common	46,362,453	25,069,821	6,519,281	7,579,726	2,584,460	3,065,089	1,021,039	523,037				
36	Total Uniform Cost	246,064,000	115,893,633	32,920,619	48,587,704	17,803,848	22,190,154	5,728,080	2,939,963				
Expressed as \$/KWh													
37	Production	\$0.03664	\$0.03840	\$0.03626	\$0.03710	\$0.03406	\$0.03423	\$0.03357	\$0.02703				
38	Transmission	\$0.00920	\$0.01026	\$0.00890	\$0.00945	\$0.00772	\$0.00782	\$0.00719	\$0.00304				
39	Distribution	\$0.02060	\$0.02923	\$0.02527	\$0.01881	\$0.00619	\$0.00077	\$0.03491	\$0.17905				
40	Common	\$0.01542	\$0.02150	\$0.01739	\$0.01208	\$0.00815	\$0.00686	\$0.01642	\$0.04526				
41	Total Uniform Melded Rates	\$0.08186	\$0.09940	\$0.08783	\$0.07744	\$0.05612	\$0.04968	\$0.09209	\$0.25438				
42	Revenue to Cost Ratio at Proposed Rates	1.00	0.97	1.08	1.01	0.99	1.02	1.00	1.24				
43	Current Revenue to Proposed Cost Ratio	1.03	0.98	1.18	1.05	1.00	1.03	1.01	1.24				
44	Target Revenue Increase	(7,188,000)	2,713,000	(5,870,000)	(2,604,000)	(63,000)	(590,000)	(78,000)	(696,000)				

File: IDElec COS Settlement Case AVU-E-19-04.xlsm / Sumcost Exhibits

Page 2 of 4

File: IDElec COS Settlement Case AVU-E-19-04.xlsm / Sumcost Exhibits

Page 2 of 4

CASE NO. AVU-E-19-04 SETTLEMENT STIPULATION APPENDIX B

Page 4 - Cost of Service

Exhibit C

Page 9 of 10

AVISTA UTILITIES
Revenue Conversion Factor
Idaho - Electric System
TWELVE MONTHS ENDED DECEMBER 31, 2018

Line No.	Description	Factor	
1	Revenues	1.000000	1.000000
	Expenses:		
2	Uncollectibles	0.002922	0.002922
3	Commission Fees	0.002529	0.002529
4	Idaho Income Tax	0.046864	
5	Total Expenses	<u>0.052315</u>	<u>0.005451</u>
6	Net Operating Income Before FIT	0.947685	0.994549
7	Federal Income Tax @ 21%	0.199014	
8	REVENUE CONVERSION FACTOR	<u>0.748671</u>	