



Avista Corp.

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April 30, 2024

Public Utility Commission of Oregon
Attn: Filing Center
201 High Street SE, Suite 100
Salem, OR 97301-3612

RE: Avista Corp. Oregon Division Results of Operations

The enclosed filing is Avista's combined earnings report meant to satisfy the reporting requirements associated with UM-903 (associated Order 99-272), AR-357 Rulemaking (associated Order 99-284) as well as the standard Oregon annual reporting requirements. For UM-903 purposes, Avista makes no adjustment to normalize weather, per the stipulation approved by Order No. 98-543.

Please see the attached report for the twelve-months ended December 31, 2023, along with accompanying workpapers, for the Oregon Division of Avista Corp. The results of the report are as follows:

	Per UM-903	Annual Report After All Type I	Annual Report After Type II
Rate of Return	6.35%	6.35%	6.10%
Implied Return on Equity	7.83%	7.83%	7.32%

If you have any questions regarding this filing, please contact me at (509) 495-2482 or kaylene.schultz@avistacorp.com.

Sincerely,

/s/ Kaylene Schultz

Kaylene Schultz
Manager of Regulatory Affairs

TABLE I

AVISTA UTILITIES
Oregon
Twelve Months Ending December 31, 2023

	Per Results Reports	Earnings Test Adjustments (fr/ Table II)	Earnings Test Results UM-903	Weather Normalization Sales/Purch	Total Type I Results	Total Type II Adjustments (fr/ Table III)	Earnings Test Incl. Type II Adj.	
	A	B	C	D	E	F	G	
OPERATING REVENUES								
1	Total General Business	\$146,220,364	0	\$146,220,364	\$4,520,260	\$150,740,624	0	\$150,740,624
2	Transportation	2,506,520	0	2,506,520	0	2,506,520	0	2,506,520
3	Other	22,610,473	0	22,610,473	(2,557,190)	20,053,283	(2,888,930)	17,164,353
4	Total Operating Revenues	171,337,357	0	171,337,357	1,963,070	173,300,427	(2,888,930)	170,411,497
OPERATING EXPENSES								
5	Gas Purchased	88,131,250	0	88,131,250	1,907,393	90,038,643	(1,784,463)	88,254,180
6	Operations & Maintenance	16,621,187	(27,945)	16,593,242	11,451	16,604,693	0	16,604,693
7	Administrative & General	14,759,904	(333,638)	14,426,266	10,357	14,436,623	0	14,436,623
8	Taxes Other Than Income	12,497,294	0	12,497,294	43,080	12,540,374	0	12,540,374
9	Depreciation & Amortization	18,188,224	0	18,188,224	0	18,188,224	0	18,188,224
10	Total Operating Expenses	150,197,859	(361,583)	149,836,276	1,972,281	151,808,557	(1,784,463)	150,024,094
11	OPERATING INCOME BEFORE INCOME TAX	21,139,498	361,583	21,501,081	(9,211)	21,491,870	(1,104,467)	20,387,403
INCOME TAXES								
12	Current Federal Income Taxes	4,174,884	274,650	4,449,534	(1,934)	4,447,600	(231,938)	4,215,662
13	Deferred Federal Income Taxes	(5,150,174)	0	(5,150,174)	0	(5,150,174)	0	(5,150,174)
14	State Income Taxes	80,016	0	80,016	0	80,016	0	80,016
15	Total Income Taxes	(895,274)	274,650	(620,624)	(1,934)	(622,558)	(231,938)	(854,496)
16	NET OPERATING INCOME	\$22,034,772	\$86,933	\$22,121,705	(\$7,277)	\$22,114,428	(\$872,529)	\$21,241,899
AVERAGE RATE BASE								
17	Utility Plant in Service	\$596,232,664	(67,651)	\$596,165,013	\$0	\$596,165,013	0	\$596,165,013
18	Less: Accumulated Depreciation & Amortization	(178,244,262)	0	(178,244,262)	0	(178,244,262)	0	(178,244,262)
19	Net Utility Plant	417,988,402	(67,651)	417,920,751	0	417,920,751	0	417,920,751
20	Accumulated Deferred Federal Income Taxes	(67,685,483)	0	(67,685,483)	0	(67,685,483)	0	(67,685,483)
21	Inventory and Other	(1,757,984)	0	(1,757,984)	0	(1,757,984)	0	(1,757,984)
22	TOTAL AVERAGE RATE BASE	\$348,544,935	(\$67,651)	\$348,477,284	\$0	\$348,477,284	\$0	\$348,477,284
23	RATE OF RETURN	6.32%		6.35%		6.35%		6.10%
(4)	IMPLIED RETURN ON EQUITY	7.77%		7.83%		7.83%		7.32%
UM-903 Earnings Test Calculation								
25	EARNINGS THRESHOLD - Return on Equity			10.60% ⁽¹⁾				
26	EQUITY EARNINGS AT THRESHOLD RATE			\$17,917,433				
27	EQUITY EARNINGS ACTUAL			\$13,235,236				
28	100% OF NOI EXCEEDING THRESHOLD			(\$4,682,197)				
29	100% OF REVENUE EXCEEDING THRESHOLD			(\$6,122,568)				
30								
32	33% REVENUE ADJ DUE TO SPRING REVIEW () = Under Threshold			(\$2,020,447)				
33								
34	Conversion factor			0.764744				
AVISTA COST OF CAPITAL								
	Capital Structure (2)	Cost (3)	Weighted Cost					
Long-Term Debt and Preferred Securities	51.49%	4.94%	2.55%					
Common Equity	48.51%	9.40%	4.56%					
Total	100.00%		7.11%					

Type I: Adjustments for uncollectible estimate, debt synchronization, salaries, incentives, dues, prior period true-ups

Type II: Adjustment for Gas Cost Incentive

(1) Gas Earnings Threshold (GET) based on Oregon Staff Memo from Itayi Chipanera & Rose Pileggi dated January 12, 2024 with Avista's amount 10.60%.

(2) Five-quarter Average Actual Capital Structure.

(3) Five-quarter Actual Average Cost.

TABLE II

AVISTA UTILITIES
Oregon
Type I Adjustments
Twelve Months Ending December 31, 2023

	Uncollectible Expense Adj. (1a)	Salaries & Wages Adj. (1b)	Incentive Pay Adj. (1c)	Memberships & Dues & Dues Adj. (1d)	Miscellaneous True Ups Adj. (1e)	Restate Debt Interest (1f)	Total Type I Adjustments
OPERATING REVENUES							
1 Total General Business	-	-	-	-	-	-	-
2 Transportation	-	-	-	-	-	-	-
3 Other	-	-	-	-	-	-	-
4 Total Operating Revenues	-	-	-	-	-	-	-
OPERATING EXPENSES							
5 Gas Purchased	-	-	-	-	-	-	-
6 Operations & Maintenance	29,332	(59,078)	-	-	1,801	-	(27,945)
7 Administrative & General	-	-	(266,249)	(59,216)	(8,173)	-	(333,638)
8 Taxes Other Than Income	-	-	-	-	-	-	-
9 Depreciation & Amortization	-	-	-	-	-	-	-
10 Total Operating Expenses	29,332	(59,078)	(266,249)	(59,216)	(6,372)	-	(361,583)
11 OPERATING INCOME BEFORE INCOME TAX	(29,332)	59,078	266,249	59,216	6,372	-	361,583
INCOME TAXES							
12 Current Federal Income Taxes	(6,160)	12,406	55,912	12,435	1,338	198,719	274,650
13 Deferred Federal Income Taxes	-	-	-	-	-	-	-
14 State Income Taxes	-	-	-	-	-	-	-
15 Total Income Taxes	(6,160)	12,406	55,912	12,435	1,338	198,719	274,650
16 NET OPERATING INCOME	(23,172)	46,672	210,337	46,781	5,034	(198,719)	86,933
AVERAGE RATE BASE							
17 Utility Plant in Service	-	(67,651)	-	-	-	-	(67,651)
18 Less: Accumulated Depreciation & Amortization	-	-	-	-	-	-	-
19 Net Utility Plant	-	(67,651)	-	-	-	-	(67,651)
20 Accumulated Deferred Income Taxes	-	-	-	-	-	-	-
21 Inventory and Other	-	-	-	-	-	-	-
22 TOTAL AVERAGE RATE BASE	-	(67,651)	-	-	-	-	(67,651)

TABLE III

AVISTA UTILITIES
Oregon
Type II Adjustments
Twelve Months Ending December 31, 2023

	Gas Cost Adjustment	Total Type II Adjustments
	(2a)	
OPERATING REVENUES		
1 Total General Business	-	-
2 Transportation	-	-
3 Other	(2,888,930)	(2,888,930)
4 Total Operating Revenues	<u>(2,888,930)</u>	<u>(2,888,930)</u>
OPERATING EXPENSES		
5 Gas Purchased	(1,784,463)	(1,784,463)
6 Operations & Maintenance	-	-
7 Administrative & General	-	-
8 Taxes Other Than Income	-	-
9 Depreciation & Amortization	-	-
10 Total Operating Expenses	<u>(1,784,463)</u>	<u>(1,784,463)</u>
11 OPERATING INCOME BEFORE INCOME TAX	(1,104,467)	(1,104,467)
INCOME TAXES		
12 Current Federal Income Taxes	(231,938)	(231,938)
13 Deferred Federal Income Taxes	-	-
14 State Income Taxes	-	-
15 Total Income Taxes	<u>(231,938)</u>	<u>(231,938)</u>
16 NET OPERATING INCOME	<u>(872,529)</u>	<u>(872,529)</u>
AVERAGE RATE BASE		
17 Utility Plant in Service	-	-
18 Less: Accumulated Depreciation & Amortization	<u>-</u>	<u>-</u>
19 Net Utility Plant	<u>-</u>	<u>-</u>
20 Accumulated Deferred Income Taxes	-	-
21 Inventory and Other	<u>-</u>	<u>-</u>
22 TOTAL AVERAGE RATE BASE	<u>-</u>	<u>-</u>

AVISTA UTILITIES
Oregon
Twelve Months Ending December 31, 2023
Results of Operations

	Rate	Adjustments
OPERATING REVENUES		
1	Total General Business	\$ 146,220,364
2	Transportation	2,506,520
3	Other	22,610,473
4	Total Operating Revenues	<u>171,337,357</u>
OPERATING EXPENSES		
5	Gas Purchased	88,131,250
6	Operations & Maintenance	16,621,187
	Uncollectible expense adjustment	-
7	Administrative & General	14,759,904
	Commission fees adjustment	-
	Energy Resource Supplier Assessment adj	-
8	Taxes Other Than Income	12,497,294
	Franchise Fee	-
9	Depreciation & Amortization	18,188,224
10	Total Operating Expenses	<u>150,197,859</u>
11	OPERATING INCOME BEFORE INCOME TAX	21,139,498
INCOME TAXES		
12	Current Federal Income Taxes	4,174,884
13	Deferred Federal Income Taxes	(5,150,174)
14	State Income Taxes	80,016
15	Total Income Taxes	<u>(895,274)</u>
16	NET OPERATING INCOME	<u>\$ 22,034,772</u>
AVERAGE RATE BASE		
17	Utility Plant in Service	\$ 596,232,664
18	Less: Accumulated Depreciation & Amortization	<u>(178,244,262)</u>
19	Net Utility Plant	<u>417,988,402</u>
20	Accumulated Deferred Federal Income Taxes	(67,685,483)
21	Inventory and Other	<u>(1,757,984)</u>
22	TOTAL AVERAGE RATE BASE	<u>\$ 348,544,935</u>