



Avista Corp.

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

April 22, 2022

Attention: Filing Center
Public Utility Commission of Oregon
201 High St SE
Suite 100
Salem, OR 97301

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, 2021, 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	6.63%	6.63%	6.63%
Implied Return on Equity	8.24%	8.24%	8.24%

Please direct any questions on this matter to me at (509) 495-2482.

Sincerely,

/s/ Kaylene Schultz

Kaylene Schultz
Manager of Regulatory Affairs
Kaylene.schultz@avistacorp.com

TABLE I

AVISTA UTILITIES
Oregon
Twelve Months Ending December 31, 2021

	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	\$103,884,076	0	\$103,884,076	(\$422,323)	\$103,461,753	0	\$103,461,753
2	Transportation	2,923,782	0	2,923,782	0	2,923,782	0	2,923,782
3	Other	54,504,256	0	54,504,256	341,380	54,845,636	(5,006,139)	49,839,497
4	Total Operating Revenues	161,312,114	0	161,312,114	(80,943)	161,231,171	(5,006,139)	156,225,032
OPERATING EXPENSES								
5	Gas Purchased	83,945,549	0	83,945,549	(78,057)	83,867,492	(5,004,867)	78,862,625
6	Operations & Maintenance	15,593,122	(225,371)	15,367,751	(426)	15,367,325	0	15,367,325
7	Administrative & General	13,796,340	(641,919)	13,154,421	(396)	13,154,025	0	13,154,025
8	Taxes Other Than Income	10,525,125	0	10,525,125	(1,676)	10,523,449	0	10,523,449
9	Depreciation & Amortization	15,982,597	0	15,982,597	0	15,982,597	0	15,982,597
10	Total Operating Expenses	139,842,733	(867,290)	138,975,443	(80,555)	138,894,888	(5,004,867)	133,890,021
11	OPERATING INCOME BEFORE INCOME TAX	21,469,381	867,290	22,336,671	(388)	22,336,283	(1,272)	22,335,011
INCOME TAXES								
12	Current Federal Income Taxes	(1,691,372)	210,612	(1,480,760)	(81)	(1,480,841)	(267)	(1,481,108)
13	Deferred Federal Income Taxes	3,616,631	0	3,616,631	0	3,616,631	0	3,616,631
14	State Income Taxes	70,088	0	70,088	0	70,088	0	70,088
15	Total Income Taxes	1,995,347	210,612	2,205,959	(81)	2,205,878	(267)	2,205,611
16	NET OPERATING INCOME	\$19,474,034	\$656,678	\$20,130,712	(\$307)	\$20,130,405	(\$1,005)	\$20,129,400
AVERAGE RATE BASE								
17	Utility Plant in Service	\$534,030,116	(79,197)	\$533,950,919	\$0	\$533,950,919	0	\$533,950,919
18	Less: Accumulated Depreciation & Amortization	(156,213,892)	0	(156,213,892)	0	(156,213,892)	0	(156,213,892)
19	Net Utility Plant	377,816,224	(79,197)	377,737,027	0	377,737,027	0	377,737,027
20	Accumulated Deferred Income Taxes	(72,738,864)	0	(72,738,864)	0	(72,738,864)	0	(72,738,864)
21	Inventory and Other	(1,378,480)	0	(1,378,480)	0	(1,378,480)	0	(1,378,480)
22	TOTAL AVERAGE RATE BASE	\$303,698,880	(\$79,197)	\$303,619,683	\$0	\$303,619,683	\$0	\$303,619,683
23	RATE OF RETURN	6.41%		6.63%		6.63%		6.63%
(4)	IMPLIED RETURN ON EQUITY	7.79%		8.24%		8.24%		8.24%
UM-903 Earnings Test Calculation								
25	EARNINGS THRESHOLD - Return on Equity			10.50% ⁽¹⁾				
26	EQUITY EARNINGS AT THRESHOLD RATE			\$15,910,704				
27	EQUITY EARNINGS ACTUAL			\$12,486,114				
28	100% OF NOI EXCEEDING THRESHOLD			(\$3,424,590)				
29	100% OF REVENUE EXCEEDING THRESHOLD			(\$4,463,204)				
30								
32	33% REVENUE ADJ DUE TO SPRING REVIEW () = Under Threshold			(\$1,472,857)				
33								
34	Conversion factor			0.767294				
AVISTA COST OF CAPITAL								
		Capital Structure (2)	Cost (3)	Weighted Cost				
	Long-Term Debt and Preferred Securities	50.09%	5.02%	2.52%				
	Common Equity	49.91%	9.40%	4.69%				
	Total	100.00%		7.21%				

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 Moya Enright/Curtis Dlouhy/Brian Fjeldheim dated January 14, 2022 with Avista's amount 10.50%.

(2) Five-quarter Average Actual Capital Structure.

(3) Five-quarter Actual Average Cost.

AVISTA UTILITIES
Oregon
Type I Adjustments
Twelve Months Ending December 31, 2021

	Uncollectible Expense Adj.	Salaries & Wages & Adj.	Incentive Pay Adj.	Memberships & Dues & Dues Adj.	Miscellaneous True Ups Adj.	Restate Debt Interest	Total Type I Adjustments
	(1a)	(1b)	(1c)	(1d)	(1e)	(1f)	
OPERATING REVENUES							
1 Total General Business	-	-	-	-	-	-	-
2 Transportation	-	-	-	-	-	-	-
3 Other	-	-	-	-	-	-	-
4 Total Operating Revenues	-	-	-	-	-	-	-
OPERATING EXPENSES							
5 Gas Purchased	-	-	-	-	-	-	-
6 Operations & Maintenance	(122,152)	(128,095)	-	-	24,876	-	(225,371)
7 Administrative & General	-	-	(599,275)	(32,457)	(10,187)	-	(641,919)
8 Taxes Other Than Income	-	-	-	-	-	-	-
9 Depreciation & Amortization	-	-	-	-	-	-	-
10 Total Operating Expenses	(122,152)	(128,095)	(599,275)	(32,457)	14,689	-	(867,290)
11 OPERATING INCOME BEFORE INCOME TAX	122,152	128,095	599,275	32,457	(14,689)	-	867,290
INCOME TAXES							
12 Current Federal Income Taxes	25,652	26,900	125,848	6,816	(3,085)	28,481	210,612
13 Deferred Federal Income Taxes	-	-	-	-	-	-	-
14 State Income Taxes	-	-	-	-	-	-	-
15 Total Income Taxes	25,652	26,900	125,848	6,816	(3,085)	28,481	210,612
16 NET OPERATING INCOME	96,500	101,195	473,427	25,641	(11,604)	(28,481)	656,678
AVERAGE RATE BASE							
17 Utility Plant in Service	-	(79,197)	-	-	-	-	(79,197)
18 Less: Accumulated Depreciation & Amortization	-	-	-	-	-	-	-
19 Net Utility Plant	-	(79,197)	-	-	-	-	(79,197)
20 Accumulated Deferred Income Taxes	-	-	-	-	-	-	-
21 Inventory and Other	-	-	-	-	-	-	-
22 TOTAL AVERAGE RATE BASE	-	(79,197)	-	-	-	-	(79,197)

TABLE III

AVISTA UTILITIES
Oregon
Type II Adjustments
Twelve Months Ending December 31, 2021

	Gas Cost Adjustment	Total Type II Adjustments
	(2a)	
OPERATING REVENUES		
1 Total General Business	-	-
2 Transportation	-	-
3 Other	(5,006,139)	(5,006,139)
4 Total Operating Revenues	<u>(5,006,139)</u>	<u>(5,006,139)</u>
OPERATING EXPENSES		
5 Gas Purchased	(5,004,867)	(5,004,867)
6 Operations & Maintenance	-	-
7 Administrative & General	-	-
8 Taxes Other Than Income	-	-
9 Depreciation & Amortization	-	-
10 Total Operating Expenses	<u>(5,004,867)</u>	<u>(5,004,867)</u>
11 OPERATING INCOME BEFORE INCOME TAX	(1,272)	(1,272)
INCOME TAXES		
12 Current Federal Income Taxes	(267)	(267)
13 Deferred Federal Income Taxes	-	-
14 State Income Taxes	-	-
15 Total Income Taxes	<u>(267)</u>	<u>(267)</u>
16 NET OPERATING INCOME	<u>(1,005)</u>	<u>(1,005)</u>
AVERAGE RATE BASE		
17 Utility Plant in Service	-	-
18 Less: Accumulated Depreciation & Amortization	-	-
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, 2021
Results of Operations

	Rate	Adjustments
OPERATING REVENUES		
1	Total General Business	\$ 103,884,076
2	Transportation	2,923,782
3	Other	54,504,256
4	Total Operating Revenues	161,312,114
OPERATING EXPENSES		
5	Gas Purchased	83,945,549
6	Operations & Maintenance	15,593,122
	Uncollectible expense adjustment	-
7	Administrative & General	13,796,340
	Commission fees adjustment	-
	Energy Resource Supplier Assessment adj	-
8	Taxes Other Than Income	10,525,125
	Franchise Fee	-
9	Depreciation & Amortization	15,982,597
10	Total Operating Expenses	139,842,733
11	OPERATING INCOME BEFORE INCOME TAX	21,469,381
INCOME TAXES		
12	Current Federal Income Taxes	(1,691,372)
13	Deferred Federal Income Taxes	3,616,631
14	State Income Taxes	70,088
15	Total Income Taxes	1,995,347
16	NET OPERATING INCOME	\$ 19,474,034
AVERAGE RATE BASE		
17	Utility Plant in Service	\$ 534,030,116
18	Less: Accumulated Depreciation & Amortization	(156,213,892)
19	Net Utility Plant	377,816,224
20	Accumulated Deferred Income Taxes	(72,738,864)
21	Inventory and Other	(1,378,480)
22	TOTAL AVERAGE RATE BASE	\$ 303,698,880