



**Avista Corp.**

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Toll Free 800-727-9170

April 21, 2021

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, 2020, along with accompanying workpapers, for the Oregon Division of Avista Corp. The results of the report are as follows:

	<b>Per UM-903</b>	<b>Annual Report After All Type I</b>	<b>Annual Report After Type II</b>
<b>Rate of Return</b>	<b>6.26%</b>	<b>6.26%</b>	<b>6.21%</b>
<b>Implied Return on Equity</b>	<b>7.41%</b>	<b>7.41%</b>	<b>7.31%</b>

Per the requirements of UM 1286, Order No. 14-238 the Company is to file concurrently with the annual Results of Operations a notice of an "intent to request amortization effective November 1" for any non-gas deferral it intends to amortize with the PGA, that requires a separate earnings test. Please allow this letter to serve as notice the Company intends to propose an amortization for the deferral associated with the Oregon Corporate Activities Tax (CAT) effective November 1, 2021.

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](mailto:Kaylene.schultz@avistacorp.com)



TABLE I

**AVISTA UTILITIES**  
**Oregon**  
**Twelve Months Ending December 31, 2020**

	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
<b>OPERATING REVENUES</b>							
1	Total General Business	\$95,473,872	0	\$95,473,872	\$1,382,924	\$96,856,796	\$96,856,796
2	Transportation	2,659,301	0	2,659,301	0	2,659,301	2,659,301
3	Other	40,132,993	0	40,132,993	(890,098)	(10,507,376)	28,735,519
4	<b>Total Operating Revenues</b>	<b>138,266,166</b>	<b>0</b>	<b>138,266,166</b>	<b>492,827</b>	<b>138,758,993</b>	<b>128,251,616</b>
<b>OPERATING EXPENSES</b>							
5	Gas Purchased	69,364,123	0	69,364,123	477,182	(10,339,644)	59,501,661
6	Operations & Maintenance	15,769,495	(301,158)	15,468,337	2,217	0	15,470,554
7	Administrative & General	13,524,293	(288,026)	13,236,267	2,255	0	13,238,522
8	Taxes Other Than Income	9,843,927	0	9,843,927	10,422	0	9,854,349
9	Depreciation & Amortization	10,542,282	0	10,542,282	0	0	10,542,282
10	<b>Total Operating Expenses</b>	<b>119,044,120</b>	<b>(589,184)</b>	<b>118,454,936</b>	<b>492,076</b>	<b>(10,339,644)</b>	<b>108,607,368</b>
11	<b>OPERATING INCOME BEFORE INCOME TAX</b>	<b>19,222,046</b>	<b>589,184</b>	<b>19,811,230</b>	<b>751</b>	<b>(167,732)</b>	<b>19,644,249</b>
<b>INCOME TAXES</b>							
12	Current Federal Income Taxes	(2,282,077)	176,659	(2,105,418)	158	(35,224)	(2,140,484)
13	Deferred Federal Income Taxes	3,578,120	0	3,578,120	0	0	3,578,120
14	State Income Taxes	70,026	0	70,026	0	0	70,026
15	<b>Total Income Taxes</b>	<b>1,366,069</b>	<b>176,659</b>	<b>1,542,728</b>	<b>158</b>	<b>(35,224)</b>	<b>1,507,662</b>
16	<b>NET OPERATING INCOME</b>	<b>\$17,855,977</b>	<b>\$412,525</b>	<b>\$18,268,502</b>	<b>\$593</b>	<b>\$18,269,095</b>	<b>\$18,136,587</b>
<b>AVERAGE RATE BASE</b>							
17	Utility Plant in Service	\$507,429,699	(143,153)	\$507,286,546	\$0	0	\$507,286,546
18	Less: Accumulated Depreciation & Amortization	(146,922,721)	0	(146,922,721)	0	0	(146,922,721)
19	<b>Net Utility Plant</b>	<b>360,506,978</b>	<b>(143,153)</b>	<b>360,363,825</b>	<b>0</b>	<b>0</b>	<b>360,363,825</b>
20	Accumulated Deferred Income Taxes	(76,202,666)	0	(76,202,666)	0	0	(76,202,666)
21	Inventory and Other	7,899,888	0	7,899,888	0	0	7,899,888
22	<b>TOTAL AVERAGE RATE BASE</b>	<b>\$292,204,200</b>	<b>(\$143,153)</b>	<b>\$292,061,047</b>	<b>\$0</b>	<b>\$292,061,047</b>	<b>\$0</b>
23	<b>RATE OF RETURN</b>	<b>6.11%</b>		<b>6.26%</b>		<b>6.26%</b>	<b>6.21%</b>
(4)	<b>IMPLIED RETURN ON EQUITY</b>	<b>7.11%</b>		<b>7.41%</b>		<b>7.41%</b>	<b>7.31%</b>
<b>UM-903 Earnings Test Calculation</b>							
25	EARNINGS THRESHOLD - Return on Equity			<b>10.40%</b> <sup>(1)</sup>			
26	EQUITY EARNINGS AT THRESHOLD RATE			\$15,125,818			
27	EQUITY EARNINGS ACTUAL			\$10,777,146			
28	100% OF NOI EXCEEDING THRESHOLD			(\$4,348,672)			
29	100% OF REVENUE EXCEEDING THRESHOLD			(\$5,666,517)			
30							
32	33% REVENUE ADJ DUE TO SPRING REVIEW ( ) = Under Threshold			(\$1,869,951)			
33							
34	Conversion factor			0.767433			
<b>AVISTA COST OF CAPITAL</b>							
		Capital Structure (2)	Cost (3)	Weighted Cost			
	Long-Term Debt and Preferred Securities	<b>50.20%</b>	<b>5.13%</b>	<b>2.57%</b>			
	Common Equity	<b>49.80%</b>	<b>9.40%</b>	<b>4.68%</b>			
	Total	100.00%		7.25%			

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 15, 2021 with Avista's amount 10.40%.

(2) Five-quarter Average Actual Capital Structure.

(3) Five-quarter Actual Average Cost.

**AVISTA UTILITIES**  
**Oregon**  
**Type I Adjustments**  
**Twelve Months Ending December 31, 2020**

	Uncollectible Expense Adj.	Salaries & Wages Adj.	Incentive Pay Adj.	Memberships & Dues Adj.	Miscellaneous True Ups Adj.	Restate Debt Interest	Total Type I Adjustments
	(1a)	(1b)	(1c)	(1d)	(1e)	(1f)	
<b>OPERATING REVENUES</b>							
1	-	-	-	-	-	-	-
2	-	-	-	-	-	-	-
3	-	-	-	-	-	-	-
4	-	-	-	-	-	-	-
<b>OPERATING EXPENSES</b>							
5	-	-	-	-	-	-	-
6	(113,288)	(247,714)	-	-	59,844	-	(301,158)
7	-	-	(265,067)	(22,959)	-	-	(288,026)
8	-	-	-	-	-	-	-
9	-	-	-	-	-	-	-
10	(113,288)	(247,714)	(265,067)	(22,959)	59,844	-	(589,184)
11	113,288	247,714	265,067	22,959	(59,844)	-	589,184
<b>INCOME TAXES</b>							
12	23,790	52,020	55,664	4,821	(12,567)	52,931	176,659
13	-	-	-	-	-	-	-
14	-	-	-	-	-	-	-
15	23,790	52,020	55,664	4,821	(12,567)	52,931	176,659
16	89,498	195,694	209,403	18,138	(47,277)	(52,931)	412,525
<b>AVERAGE RATE BASE</b>							
17	-	(143,153)	-	-	-	-	(143,153)
18	-	-	-	-	-	-	-
19	-	(143,153)	-	-	-	-	(143,153)
20	-	-	-	-	-	-	-
21	-	-	-	-	-	-	-
22	-	(143,153)	-	-	-	-	(143,153)

TABLE III

**AVISTA UTILITIES**  
**Oregon**  
**Type II Adjustments**  
**Twelve Months Ending December 31, 2020**

	<b>Gas Cost Adjustment</b>	<b>Total Type II Adjustments</b>
	(2a)	
<b>OPERATING REVENUES</b>		
1 Total General Business	-	-
2 Transportation	-	-
3 Other	(10,507,376)	(10,507,376)
4 Total Operating Revenues	<u>(10,507,376)</u>	<u>(10,507,376)</u>
<b>OPERATING EXPENSES</b>		
5 Gas Purchased	(10,339,644)	(10,339,644)
6 Operations & Maintenance	-	-
7 Administrative & General	-	-
8 Taxes Other Than Income	-	-
9 Depreciation & Amortization	-	-
10 Total Operating Expenses	<u>(10,339,644)</u>	<u>(10,339,644)</u>
11 OPERATING INCOME BEFORE INCOME TAX	(167,732)	(167,732)
<b>INCOME TAXES</b>		
12 Current Federal Income Taxes	(35,224)	(35,224)
13 Deferred Federal Income Taxes	-	-
14 State Income Taxes	-	-
15 Total Income Taxes	<u>(35,224)</u>	<u>(35,224)</u>
16 NET OPERATING INCOME	<u>(132,508)</u>	<u>(132,508)</u>
<b>AVERAGE RATE BASE</b>		
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, 2020**  
**Results of Operations**

	Rate	Adjustments
<b>OPERATING REVENUES</b>		
1	Total General Business	\$ 95,473,872
2	Transportation	2,659,301
3	Other	40,132,993
4	Total Operating Revenues	138,266,166
<b>OPERATING EXPENSES</b>		
5	Gas Purchased	69,364,123
6	Operations & Maintenance	15,769,495
	Uncollectible expense adjustment	-
7	Administrative & General	13,524,293
	Commission fees adjustment	-
	Energy Resource Supplier Assessment adj	-
8	Taxes Other Than Income	9,843,927
	Franchise Fee	-
9	Depreciation & Amortization	10,542,282
10	Total Operating Expenses	119,044,120
11	OPERATING INCOME BEFORE INCOME TAX	19,222,046
<b>INCOME TAXES</b>		
12	Current Federal Income Taxes	(2,282,077)
13	Deferred Federal Income Taxes	3,578,120
14	State Income Taxes	70,026
15	Total Income Taxes	1,366,069
16	NET OPERATING INCOME	\$ 17,855,977
<b>AVERAGE RATE BASE</b>		
17	Utility Plant in Service	\$ 507,429,699
18	Less: Accumulated Depreciation & Amortization	(146,922,721)
19	Net Utility Plant	360,506,978
20	Accumulated Deferred Income Taxes	(76,202,666)
21	Inventory and Other	7,899,888
22	TOTAL AVERAGE RATE BASE	\$ 292,204,200