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July 29, 2016

Advice No. 16-12-G/ UG-_____
(UG 171)

Public Utility Commission of Oregon
201 High Street SE
Suite 100
Salem, OR 97301

Attention: Filing Center

Pursuant to Docket UM 1147, UG 171, ORS 757.210, ORS 757.259(5), OAR 860-027-0300(9), OAR 860-022-0025, and OAR 860-022-0030. Avista Utilities hereby submits the following tariff revision applicable to its Oregon natural gas operations along with a copy of its supporting workpapers.

Senate Bill 408 Cost Recovery - Oregon

Original Sheet 479

Senate Bill 408 ("SB408") was related to the taxes collected from customers and the actual taxes paid to the State of Oregon. Avista administered the automatic adjustment clause required by SB408 in its tariff Schedule 408. The last rate adjustment under Schedule 408 was from June 1, 2011 through May 31, 2012 (Advice No. 11-04-G, Order No. 11-119). There were no further rate adjustments related to Schedule 408 because SB408 was repealed by Senate Bill 967. The Company proposed to cancel Schedule 408 in Advice No. 12-02-G filed on June 8, 2012, which the Commission allowed to become effective July 9, 2012.

The remaining residual balance in the SB408 deferral account (Account No. 254250) is a surcharge balance (customers owe Avista) of \$79,371, or 0.1%, as of June 30, 2016. The proposed tariff sheet "Original Sheet 479" proposes to recover that surcharge balance starting on November 1, 2016. Consistent with past Schedule 408 tariff filings, the Company spread the surcharge balance based on a uniform percent of margin basis. The proposed amortization rates, inclusive of the gross revenue factor, are as follows:

	Proposed
Rate	Amortization
<u>Schedule</u>	<u>Rate</u>
410	\$ 0.00107
420	\$ 0.00079
424	\$ 0.00024
440	\$ 0.00015
444	\$ 0.00024
456	\$ 0.00011

This filing is in compliance with ORS 757.210 which authorizes deferred utility expenses or revenues to be allowed (amortized) in rates to the extent authorized by the Commission in a proceeding to change rates. All of the deferrals included in this filing occurred with appropriate application and Commission authorization, as rate orders or under approved tariffs.

Pursuant to ORS 757.210, ORS 757.259(5-7) and OAR 860-027-0300(9), the overall annual average rate impact of the amortizations authorized under the statutes may not exceed three percent of the natural gas utility's gross revenues for the preceding calendar year, unless the Commission finds that allowing a higher amortization rate is reasonable under the circumstances. Total Oregon gross revenues for calendar year 2015 was \$166,153,077. The total rate impact of the amortizations requested in this filing along with three other filings are summarized below:

Filing Name	Schedule	Advice No.	Amortization
Prior Period Gas Cost deferral true-up	Schedule 462	Advice No. 16-08-G	\$ (5,932,808)
Residual Deferral Account Amortization	Schedule 477	Advice No. 16-10-G	(7,111)
Demand Side Management Cost Recovery	Schedule 478	Advice No. 16-11-G	1,517,750
Senate Bill 408 Cost Recovery	Schedule 479	Advice No. 16-12-G	79,371
Total Amortization			<u>\$ (4,342,798)</u>

The net effect of combining the results of these four filings is an amortization balance of (\$4,342,798) or (2.614%) which falls within the requirements of the statute.

Pursuant to OAR 860-022-0025 and OAR 860-022-0030, the total number of customers affected by this filing, the annual revenue before and after the impact of the rate change, and the average monthly use and resulting bills under existing and proposed rates are as follows:

<u>Rate Schedule</u>	<u>Number of Customers</u>
Schedule 410	88,800
Schedule 420	11,590
Schedule 424	81
Schedule 440	36
Schedule 444	4
Schedule 456	38

Sch No	Description	Present Revenues	Proposed Revenues	Revenue Incr (Deer)	Percent Incr (Deer)	Monthly Use (Therms)	Present Monthly Cost	Proposed Monthly Cost	Monthly Change	Proposed Change to Monthly Cost
410	Residential	\$ 63,090,463	\$ 63,142,688	\$ 52,224	0.08%	46	\$ 59.42	\$ 59.47	\$ 0.05	0.08%
420	General	\$ 28,455,892	\$ 28,476,919	\$ 21,027	0.07%	191	\$ 204.23	\$ 204.38	\$ 0.15	0.07%
424	Large General	\$ 2,445,093	\$ 2,446,019	\$ 926	0.04%	3,960	\$ 2,510.19	\$ 2,511.14	\$ 0.95	0.04%
440	Interruptible	\$ 1,426,177	\$ 1,426,805	\$ 628	0.04%	9,675	\$ 3,293.85	\$ 3,295.31	\$ 1.45	0.04%
444	Seasonal 3/1-11/30 (Firm)	\$ 171,014	\$ 171,078	\$ 64	0.04%	5,609	\$ 3,638.84	\$ 3,640.18	\$ 1.35	0.04%
456	Int. Transportation	\$ 3,266,597	\$ 3,271,098	\$ 4,501	0.14%	89,724	\$ 7,163.56	\$ 7,173.43	\$ 9.87	0.14%

After combining the impact of this filing with the four other regulatory filings made today¹, a residential customer using an average of 46 therms a month could expect their bill to *decrease* by \$4.09, or 6.9 percent, for a revised monthly bill of \$55.12 effective November 1, 2016.

The Company will issue a media release coincident with the annual PGA filing and provide notice to customers via a newspaper advertisement following the updated PGA filing in mid-September.

Please direct any questions regarding this filing to Mr. Patrick Ehrbar at (509) 495-8620 or Mr. Ryan Finesilver at (509) 495-4873.

Sincerely,



Kelly O. Norwood,
Vice President, State and Federal Regulation

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¹ On July 29, 2016, Avista filed to update effective November 1, 2016 Schedules 461/462 (Purchased Gas Cost Adjustment Schedules - Advice No. 16-08-G), Schedule 476 (Intervenor Funding Schedule - Advice No. 16-09-G), Schedule 477 (Residual Deferral Amortization – Advice No. 16-10-G), and Schedule 478 (Oregon DSM – Advice No. 16-11-G).

AVISTA CORPORATION
 dba Avista Utilities

SCHEDULE 479

SENATE BILL 408 AMORTIZATION - OREGON

APPLICABLE: Adjustments under this schedule are applicable to all bills calculated under all schedules of this Tariff.

PURPOSE: The purpose of this schedule is to recover the residual amount left at the end of the amortization period in Schedule 408 related to Senate Bill 408. The purpose of Schedule 408 was to implement the automatic clause required by Senate Bill 408 related to taxes collected from customers and taxes paid to the State of Oregon.

The Total balance to be amortized is a surcharge of \$79,121.

MONTHLY RATE: Effective November 1, 2016, the charge per therm of the individual rate schedules are to be adjusted by the following amounts:

<u>Rate Schedule</u>	<u>Rate</u>
Schedule 410	\$0.00107 per Therm
Schedule 420	\$0.00079 per Therm
Schedule 424	\$0.00024 per Therm
Schedule 440	\$0.00015 per Therm
Schedule 444	\$0.00024 per Therm
Schedule 456	\$0.00011 per Therm

SPECIAL TERMS AND CONDITIONS: This schedule is subject to the General Rules and Regulations contained in this tariff and to those prescribed by regulatory authorities.

Advice No. 16-12-G
 Issued July 29, 2016

Effective For Service On & After
 November 1, 2016

Issued by Avista Utilities
 By



Kelly Norwood, Vice President, State & Federal Regulation

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