



**Avista Corp.**

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November 7, 2016

**Advice No. 16-14-G**

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

Attention: Filing Center

Pursuant to OAR 860-022-0025(1), attached for filing with the Commission is an electronic copy of Avista Corporation's, dba Avista Utilities ("Avista or the Company"), filing of its proposed changes to the following tariff sheets, P.U.C. OR No. 5:

Thirteenth Revision Sheet B	Canceling	Supplemental Twelfth Revision Sheet B
First Revision Sheet 469	Canceling	Original Sheet 469

As explained in more detail below, the Company is requesting a rate reduction of \$1,340,940, or 1.4%, effective January 1, 2017. In addition to the modifications proposed to the tariff sheets listed above, the Company is proposing to cancel the following tariff sheets:

First Revision Sheet 486  
Third Revision Sheet 486A  
First Revision Sheet 486B  
Third Revision Sheet 486C  
Fourth Revision Sheet 486D  
Original Sheet 487  
Original Sheet 487A  
Original Sheet 487B  
Original Sheet 487C  
Original Sheet 487D  
Third Revision Sheet 490  
Second Revision Sheet 490A  
Second Revision Sheet 490B  
Second Revision Sheet 492

Second Revision Sheet 492A  
 Second Revision Sheet 492B  
 Second Revision Sheet 492C  
 Second Revision Sheet 492D  
 First Revision Sheet 492E

The primary purpose of this filing is to adjust Schedule 469, “Public Purpose Funding Surcharge”, to reflect the rates required to fund the Company’s 2017 energy efficiency programs. Specifically, the funds will go towards the delivery of energy efficiency programs administered by the Energy Trust of Oregon (“ETO”), Northwest Energy Efficiency Alliance (“NEEA”) natural gas programs, the Avista Oregon Low Income Energy Efficiency Program (“AOLIEE”), and Company energy efficiency program administrative costs.

The proposed budget for energy efficiency programs in 2017 is as follows:

<b><u>Expenditure Type</u></b>	<b><u>Budget</u></b>	<b><u>%</u></b>
ETO	\$ 1,036,869	51.6%
AOLIEE	\$ 350,000	17.4%
NEEA	\$ 253,000	12.6%
Avista Admin	\$ 360,623	17.9%
2016 Customer Rebates	\$ 10,000	0.5%
<b>Total</b>	<b>\$ 2,010,492</b>	

Included within the budget for 2017 is a small amount of funding, \$10,000, related to 2016 customer rebate payments. Because the Company’s direct delivery of energy efficiency programs ends on December 31, 2016, customers may continue to submit rebate forms early in 2017. The Company has updated its rebate forms to notify customers that they must submit their forms by February 28, 2017 to be eligible for a rebate.

The Company’s Public Purpose Funding Surcharge was approved effective May 1, 2016 as a result of Avista’s 2015 general rate case, Docket No. UG-288. In that filing (Advice No. 16-05-G), the Company designed rates to collect approximately \$1.6 million for the May through December 2016 time period. These rates, on an annualized basis (i.e., including January through April), will collect approximately \$3.1 million, more than what the Company needs for 2017 as shown above.

In addition, the Company’s is estimating that it will have a year-end surplus of approximately \$0.4 million related to the funds collected in the May-December 2016 time period. In the end, the estimated budget requirements for 2017 of \$2.0 million is less than the amount of funding present rates will provide, and coupled with an estimated surplus of funding from 2016, the Company is requesting an overall rate reduction of \$1,340,940, or 1.4%, effective January 1, 2017.

The Company is proposing that the collection of the revenue would be on a uniform percentage of revenue basis from Schedules 410, 420, 424 and 444, consistent with present Schedule 469



funding. Pursuant to OAR 860-022-0025 and OAR 860-022-0030, the total number of customers affected by the filing, and the annual revenue before and after the impact of the proposed rate change, are as follows:

<u>Rate Schedule</u>	<u>Number of Customers</u>
Schedule 410	88,996
Schedule 420	11,599
Schedule 424	81
Schedule 440	36
Schedule 444	4

<u>Rate Schedule</u>	<u>Present Revenue</u>	<u>Decrease</u>	<u>Proposed Revenue</u>	<u>% Decrease</u>
Schedule 410	\$ 60,082,033	\$ (937,324)	\$ 59,144,709	-1.6%
Schedule 420	\$ 26,566,388	\$ (383,196)	\$ 26,183,192	-1.4%
Schedule 424	\$ 2,192,396	\$ (20,488)	\$ 2,171,908	-0.9%
Schedule 440	\$ 1,183,435	\$ -	\$ 1,183,435	0.0%
Schedule 444	\$ 152,540	\$ 68	\$ 152,608	0.0%
Schedule 456	\$ 3,318,239	\$ -	\$ 3,318,239	0.0%
Schedule 447	\$ 213,000	\$ -	\$ 213,000	0.0%
	<b>\$ 93,708,031</b>	<b>\$ (1,340,940)</b>	<b>\$ 92,367,091</b>	<b>-1.4%</b>

A residential customer using an average of 46 therms a month could expect their bill to decrease by \$0.87, or 1.6 percent, for a revised monthly bill of \$55.18 effective January 1, 2017.

#### **Other Issues Included in this Filing**

Because the vast majority of the Company’s energy efficiency programs will be administered by the ETO beginning January 1, 2017, the Company is proposing to cancel the following tariff sheets effective January 1, 2017 as these programs will no longer be available for customers.


- Schedule 486 – Residential Energy Efficiency Schedule
- Schedule 487 – Commercial Energy Conservation Services Program
- Schedule 490 – Residential Energy Efficiency Equipment Program
- Schedule 492 – Commercial/Industrial DSM Incentive Program

Also included in this filing are updates to the Company’s tariff Sheet B, “Table of Contents”. The Company proposes to remove Schedules 486, 487, 490, and 492 from the Table of Contents, as well as add tariff Schedules 477 (“Residual Deferral Amortization”) and 479 (“Senate Bill 408 Amortization”), which were approved by the Commission with an effective date of November 1, 2016.



The Company requests the tariff changes be effective for service rendered on and after January 1, 2017. Please direct any questions regarding this filing to Shawn Bonfield at (509) 495-2782 or Kerry Shroy, Manager of OR DSM, at (541) 858-4743.

Sincerely,

A handwritten signature in black ink, appearing to read "Patrick Ehrbar". The signature is written in a cursive style with a large initial "P".

Patrick Ehrbar  
Senior Manager, Rates & Tariffs

enclosures



AVISTA CORPORATION  
dba Avista Utilities

TABLE OF CONTENTS

The following listed tariff sheets contain all effective rates and rules and regulations affecting the rates and service of the utility together with information relating thereto:

Sheet No.

Title Page A

Table of Contents, Rates

B

Table of Contents, Rules

C

Description of Service Area

D-E

RATE SCHEDULES

Schedule No.

410	General Residential Natural Gas Service	410-410A
420	General Natural Gas Service	420-420A
424	Large General and Industrial Natural Gas Service	424-424A
440	Interruptible Natural Gas Service	440-440B
441	Compressed Natural Gas Service	441-441E
444	Seasonal Natural Gas Service	444-444A
447	Special Contract Natural Gas Service	447-447G
456	Interruptible Transportation of Customer-Owned Natural Gas For Large Commercial and Industrial Service	456-456C
460	Tax Adjustment in Territory Served	460
461	Purchased Gas Cost Adjustment Provision	461-461C
462	Gas Cost Rate Adjustment	462
466	Conservation Investment Mechanism	466-466A
469	Public Purposes Funding Surcharge	469
475	Decoupling Mechanism – Natural Gas	475-475C
476	Intervenor Funding Grants	476
477	Residual Deferral Amortization	477 (N)
478	DSM Cost Recovery	478
479	Senate Bill 408 Amortization	479 (N)
485	Avista Oregon Low Income Energy Efficiency Program	485-485B (D)
488	Promotional Concessions	488-488D
493	Residential Low Income Rate Assistance Program (LIRAP)	493-493A (D)

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Issued November 7, 2016

Effective For Service On & After  
January 1, 2017

Issued by Avista Utilities  
By

Kelly Norwood, Vice President, State & Federal Regulation



AVISTA CORPORATION  
dba Avista Utilities

**SCHEDULE 469**

**PUBLIC PURPOSE FUNDING SURCHARGE - 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 collect funds to be used to fund energy efficiency programs administered through the Energy Trust of Oregon (ETO) and the Company.

**MONTHLY RATE:**

Effective May 1, 2016, a public purpose charge equal to 1.88% of revenues on an annualized basis will be collected through monthly charges for the purpose described above. The Commodity Charge per therm of the individual rate schedules are to be adjusted by the following amounts:

<b>Rate Schedule</b>	<b>Rate</b>
Schedule 410	\$0.02404 per Therm
Schedule 420	\$0.01965 per Therm
Schedule 424	\$0.01105 per Therm
Schedule 444	\$0.01135 per Therm

(I)

(R)

(R)

**DETERMINATION OF RATE**

The Company will annually determine if the Public Purpose Funding Surcharge for energy efficiency programs administered by the ETO and the Company needs to be adjusted so that forecasted collections, plus any unspent collections, are sufficient to meet all programming needs by the ETO and the Company. Any adjustments needed will take place on the 1<sup>st</sup> of each year.

**SPECIAL TERMS AND CONDITIONS:**

1. The annual budget funds collected to be transferred to the ETO will be calculated in partnership with the Company and the ETO.
2. The monies collected under this schedule for the purposes of funding energy efficiency program delivered by the ETO will be transferred to the ETO monthly.
3. The Company will retain a portion of the funding collected under this schedule to fund Schedule 485, Avista Oregon Low Income Energy Efficiency Program ("AOLIEE") as well as administrative and marketing expenses.

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