



**Avista Corp.**

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September 15, 2017

***Via Electronic Filing***

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

Attention: Filing Center

**Advice No. 17-06-G**

**Docket No. UG-325 Compliance Filing – Commission Order No. 17-344**

Attached for filing with the Commission are tariff sheets in compliance with Commission Order No. 17-344 in Docket No. UG-325. Also attached is documentation showing the components included in the compliance rates, as well as the baseline decoupling values.

At this time, the Capital Projects related to Pierce Road La Grande HP Reinforcement, Klamath Falls Gas High Pressure Pipeline Remediation and Meter Data Management are not yet in service. Therefore, the base rates in this Compliance Filing reflect the removal of the three Capital Projects, and their associated revenue requirement, as detailed in Section 10 of the Settlement Stipulation.

The Company, however, expects all three Capital Projects to be completed, and placed in service, prior to November 1, 2017 and Avista will provide an officer attestation to this effect. The associated revenue requirement of these three Capital Projects, as shown on pages 12 and 13 of the approved Settlement Stipulation is \$0.907 million. As provided for in Section 10 of the Settlement Stipulation, prior to November 1, 2017 the Company will make a separate filing, inclusive of officer attestations, to recover the associated revenue requirement through a separate tariff (Schedule 495), beginning on November 1, 2017.

The Company has also included in this filing the updated baseline values related to the Company's natural gas decoupling mechanism.



If you have any questions regarding this matter, please contact Joe Miller at 509-495-4546 (compliance rates) or Tara Knox at 509-495-4325 (decoupling).

Sincerely,

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

Patrick Ehrbar  
Senior Manager, Rates and Tariffs

AVISTA CORPORATION  
dba Avista Utilities

SCHEDULE 410

GENERAL RESIDENTIAL NATURAL GAS SERVICE - OREGON

APPLICABILITY:

Applicable to residential natural gas service for all purposes.

TERRITORY:

This schedule is applicable to the entire territory in the State of Oregon served by the Company.

THERM:

The word "therm" means one hundred thousand British Thermal Units (100,000 B.T.U.)

RATES:

Per Meter  
Per Month

**Customer Charge:** **\$10.00** (l)

Commodity Charge Per Therm:

Base Rate \$0.58399 (l)

OTHER CHARGES:

Schedule 461 – Purchased Gas Cost Adjustment	\$0.44288
Schedule 462 – Gas Cost Rate Adjustment	(\$0.07022)
Schedule 469 – Public Purpose Funding	\$0.02404
Schedule 476 – Intervenor Funding	\$0.00193
Schedule 477 – Residual Deferral Account	(\$0.00010)
Schedule 478 – DSM Cost Recovery	\$0.01908
Schedule 479 – SB 408 Amortization	\$0.00107
Schedule 493 – Low Income Rate Assistance Program	<u>\$0.00451</u>

**Total Billing Rate \*** **\$1.00718** (l)

Minimum Charge:

The Customer Charge constitutes the Minimum Charge.

\* The rates shown in this Rate Schedule as Other Charges may not always reflect actual billing rates. See the corresponding rate schedules under Other Charges for the actual rates.

(continued)

Advice No. 17-06-G  
Issued September 15, 2017

Effective For Service On & After  
October 1, 2017

Issued by Avista Utilities  
By

Kelly O. Norwood, V.P. State & Federal Regulation

AVISTA CORPORATION  
dba Avista Utilities

**SCHEDULE 420  
GENERAL NATURAL GAS SERVICE - OREGON**

**APPLICABILITY:**

Applicable to commercial and small industrial natural gas service for all purposes.

**TERRITORY:**

This schedule is applicable to the entire territory in the State of Oregon served by the Company.

**THERM:**

The word "therm" means one hundred thousand British Thermal Units (100,000 B.T.U.)

**RATES:**

Per Meter  
Per Month

**Customer Charge:**

**\$17.00**

Commodity Charge Per Therm:

Base Rate

\$0.53005

(l)

**OTHER CHARGES:**

Schedule 461 – Purchased Gas Cost Adjustment	\$0.44288
Schedule 462 – Gas Cost Rate Adjustment	(\$0.07022)
Schedule 469 – Public Purpose Funding	\$0.01965
Schedule 477 – Residual Deferral Account	(\$0.00007)
Schedule 478 – DSM Cost Recovery	\$0.01908
Schedule 479 – SB 408 Amortization	<u>\$0.00079</u>

**Total Billing Rate \***

**\$0.94216**

(l)

Minimum Charge:

The Customer Charge constitutes the Minimum Charge.

\* The rates shown in this Rate Schedule as Other Charges may not always reflect actual billing rates. See the corresponding rate schedules under Other Charges for the actual rates.

(continued)

Advice No. 17-06-G  
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Support Documents

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Rate Spread – Rate Design

**Avista Utilities**  
**Proposed Revenue Increase by Schedule**  
**Oregon - Natural Gas**  
**Pro Forma 12 Months Ended September 30, 2018**  
**(000s of Dollars)**

Line No.	Type of Service	Schedule Number	Distribution Revenue Under		Settlement GRC Increase	Distribution Revenue Under		Therms (000s)	Distribution Revenue Increase		Billed Revenue Under Present Rates	Settlement GRC Increase	Billed Revenue Under Proposed Rates	Billed Revenue Percentage Increase
			(c)	(a)		(e)	(g)		(f)	(h)				
1	Residential	410	\$39,110	\$1,249	\$40,359	50,644	3.2%	\$61,792	\$61,792	2.1%				
2	General Service	420	\$15,314	\$1,344	\$16,658	26,929	8.8%	\$27,756	\$27,756	5.1%				
3	Large General Service	424	\$643	\$0	\$643	4,260	0.0%	\$2,359	\$2,359	0.0%				
4	Interruptible Service	440	\$502	\$0	\$502	4,308	0.0%	\$1,208	\$1,208	0.0%				
5	Seasonal Service	444	\$45	\$0	\$45	265	0.0%	\$152	\$152	0.0%				
6	Transportation Service	456	\$3,252	\$0	\$3,252	40,757	0.0%	\$3,302	\$3,302	0.0%				
7	Special Contract	447	\$213	\$0	\$213	5,773	0.0%	\$213	\$213	0.0%				
8	Total		\$59,079	\$2,593	\$61,672	132,935	4.4%	\$94,189	\$96,782	2.8%				

Schedule 420 to receive 2 times the overall increase, not to exceed 18.9%. The remainder goes to Schedule 410. (Staff's Proposal Agreed to by Parties)

**Agreed Upon Rate Spread**

Line No.	Type of Service	Schedule Number	Settlement Stipulation Revenue Increase (\$000s)		Adjusted Settlement GRC Increase	Remaining Capital Project Revenue Requirement		Settlement Stipulation Revenue Requirement
			(c)	(a)		(d)	(e)	
1	Residential	410	\$1,693	\$1,249	\$444		\$ 3,500	
2	General Service	420	\$1,807	\$1,344	\$463		\$ (364)	
3	Large General Service	424	\$0	\$0	\$0		\$ (156)	
4	Interruptible Service	440	\$0	\$0	\$0		\$ (387)	
5	Seasonal Service	444	\$0	\$0	\$0		\$	
6	Transportation Service	456	\$0	\$0	\$0		\$	
7	Special Contract	447	\$0	\$0	\$0		\$	
8	Total		\$3,500	\$2,593	\$907		\$ 2,593	

\* Per Settlement Stipulation pages 12 and 13

**Avista Utilities  
Comparison of Present & Proposed Gas Rates  
Oregon - Natural Gas**

<u>Present Base Rates</u>	<u>Change</u>	<u>Proposed Base Rates</u>
<b>Residential Service Schedule 410</b>		
\$9.00 Customer Charge	\$1.00/month	\$10.00 Customer Charge
All Therms - \$0.58062/Therm	\$0.00337/therm	All Therms - \$0.58399/Therm
<b>General Service Schedule 420</b>		
\$17.00 Customer Charge	\$0.00/month	\$17.00 Customer Charge
All Therms - \$0.48015/Therm	\$0.04990/therm	All Therms - \$0.53005/Therm
<b>Large General Service Schedule 424</b>		
\$50.00 Customer Charge	\$0.00/month	\$50.00 Customer Charge
All Therms - \$0.13887/Therm	\$0.00000/therm	All Therms - \$0.13887/Therm
<b>Interruptible Service Schedule 440</b>		
All Therms - \$0.11652/Therm	\$0.00000/therm	All Therms - \$0.11652/Therm
<b>Seasonal Service Schedule 444</b>		
All Therms - \$0.17155/Therm	\$0.00000/therm	All Therms - \$0.17155/Therm
<b>Transportation Service Schedule 456</b>		
\$275.00 Customer Charge	\$0.00/month	\$275.00 Customer Charge
1st 10,000 Therms - \$0.14978/Therm	\$0.00000/therm	1st 10,000 Therms - \$0.14978/Therm
Next 20,000 Therms - \$0.09014/Therm	\$0.00000/therm	Next 20,000 Therms - \$0.09014/Therm
Next 20,000 Therms - \$0.07409/Therm	\$0.00000/therm	Next 20,000 Therms - \$0.07409/Therm
Next 200,000 Therms - \$0.05799/Therm	\$0.00000/therm	Next 200,000 Therms - \$0.05799/Therm
Over 250,000 Therms - \$0.02942/Therm	\$0.00000/therm	Over 250,000 Therms - \$0.02942/Therm

Schedule 456 Monthly Minimum Charge  
18,750 @ \$0.09014 = \$1,690.13



**Revenue Change By Rate Schedule**

	<u>410</u>	<u>Incremental Rate Change</u>	<u>Revenue Impact</u>
<u>Residential</u>			
Therms	50,643,606	\$ 0.00337	\$ 170,669
Bills	1,078,451	\$ 1.00	\$ 1,078,451
			<u>\$ 1,249,120</u>
<u>General Service</u>	<u>420</u>		
Therms	26,929,384	\$ 0.04990	\$ 1,343,776
Bills	140,240	\$ -	\$ -
			<u>\$ 1,343,776</u>
			<u><u>\$ 2,592,896</u></u>

Avista

Decoupling Base

**COMPLIANCE FILING DECOUPLING BASELINE**

**DOCKET NO. UG-325**

**Avista Utilities  
Natural Gas Decoupling Mechanism (Oregon)  
Development of Decoupled Revenue by Rate Schedule - Natural Gas  
Docket No. UG-325 Rates Effective October 1, 2017**

	TOTAL	RESIDENTIAL SCHEDULE 410	SM COMMERCIAL & INDUSTRIAL SCH. 420	LG COMMERCIAL & INDUSTRIAL SCH. 424	INTERRUPTIBLE SCH 440	INTERRUPTIBLE SCH 444	TRANSPORTATION SCH 456/447
1 Total Normalized 09.2018 Margin Revenue	\$ 59,079,000	\$ 39,110,000	\$ 15,314,000	\$ 643,000	\$ 502,000	\$ 45,000	\$ 3,465,000
2 Settlement Margin Revenue Increase	\$ 2,593,000	\$ 1,249,000	\$ 1,344,000	\$ -	\$ -	\$ -	\$ -
3 Total Delivery Revenue (09.2018 Test Year) (Ln 1 + Ln 2)	\$ 61,672,000	\$ 40,359,000	\$ 16,658,000	\$ 643,000	\$ 502,000	\$ 45,000	\$ 3,465,000
4 Customer Bills (09.2018 Test Year)	1,220,646	1,078,451	140,240	1,018	434	47	456
5 Proposed Basic Charges	\$10.00	\$10.00	\$17.00	\$50.00	\$0.00	\$0.00	\$275.00
6 Basic Charge Revenue (Ln 4 * Ln 5)	\$ 13,344,903	\$ 10,784,510	\$ 2,384,080	\$ 50,913	\$ -	\$ -	\$ 125,400
7 Decoupled Revenue (Ln 6 - Ln 3)	\$ 48,327,097	\$ 29,574,490	\$ 14,273,920	\$ 592,087	\$ 502,000	\$ 45,000	\$ 3,339,600
8 Normalized Therms (09.2018 Test Year)	132,935,258	50,643,606	26,929,384	4,260,059	4,307,537	264,821	46,529,852
9 Average Number of Customers (Line 8 / 12 mos.)		Residential	Non-Residential Group				Exempt from Decoupling Mechanism
10 Annual Therms		89,871	11,812				
11 Basic Charge Revenues		50,643,606	35,761,801				
12 Customer Bills		\$ 10,784,510	\$ 2,434,993				
13 Average Basic Charge		1,078,451	141,739				
		\$10.00	\$17.18				

**COMPLIANCE FILING DECOUPLING BASELINE**

**DOCKET NO. UG-325**

**Avista Utilities**  
**Natural Gas Decoupling Mechanism (Oregon)**  
**Development of Decoupled Revenue Per Customer - Natural Gas**  
**Docket No. UG-325 Rates Effective October 1, 2017**

Line No.	(a)	(b)	(c)	(d)
		Source	Residential	Non-Residential Schedules*
1	Decoupled Revenue	Page 1	\$ 29,574,490	\$ 15,413,007
2	Test Year Number of Customers 2017/2018	Revenue Data	89,871	11,812
3	Decoupled Revenue Per Customer	(1) / (2)	\$ 329.08	\$ 1,304.90

\*Schedules 420, 424, 440, and 444

COMPLIANCE FILING DECOUPLING BASELINE

DOCKET NO. UG-325

Avista Utilities  
 Natural Gas Decoupling Mechanism (Oregon)  
 Development of Monthly Decoupled Revenue Per Customer - Natural Gas  
 Docket No. UG-325 Rates Effective October 1, 2017

Line No.	Source	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	TOTAL
	(a)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)	(m)	(n)	(o)
1														
2	Natural Gas Delivery Volume													
3	Residential													
4	Weather-Normalized Therm Delivery Volume	8,643,384	6,420,703	5,837,624	4,076,155	2,643,593	1,697,007	1,405,907	1,319,175	1,325,382	2,834,629	5,881,954	8,558,093	50,643,606
5	- % of Annual Total	17.07%	12.68%	11.53%	8.05%	5.22%	3.35%	2.78%	2.60%	2.62%	5.60%	11.61%	16.90%	100.00%
6	Non-Residential Sales*													
7	Weather-Normalized Therm Delivery Volume	5,279,786	4,014,782	3,736,008	2,588,941	1,832,694	1,364,378	1,426,942	1,499,323	1,809,975	2,740,397	4,124,341	5,344,234	35,761,801
8	- % of Annual Total	14.76%	11.23%	10.45%	7.24%	5.12%	3.82%	3.99%	4.19%	5.06%	7.66%	11.53%	14.94%	100.00%
9	Monthly Rate Year													
10	% of Total													
11	Monthly Decoupled Revenue Per Customer ("RPC")													
12	Residential													
13	- Decoupled Revenue per Customer	56.16 \$	41.72 \$	37.93 \$	26.49 \$	17.18 \$	11.03 \$	9.14 \$	8.57 \$	8.61 \$	18.42 \$	38.22 \$	55.61 \$	329.08 \$
14	- Monthly Decoupled Revenue per Customer	90,463	90,463	90,455	90,379	90,208	89,906	89,583	89,345	89,344	88,757	89,449	90,099	329,080
15	- Monthly Allowed Customers													
16	Non-Residential Sales*													
17	- Decoupled Revenue per Customer	192.65 \$	146.49 \$	136.32 \$	94.47 \$	66.87 \$	49.78 \$	52.07 \$	54.71 \$	66.04 \$	99.99 \$	150.49 \$	195.00 \$	1,304.90 \$
18	- Monthly Decoupled Revenue per Customer	11,860	11,900	11,904	11,870	11,854	11,828	11,790	11,769	11,761	11,663	11,756	11,804	444,000
19	- Monthly Allowed Customers													
20	*Schedules 420, 424, 440, and 444.													