

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



July 31, 2014

Advice No. 14-06-G/ UG-____
(UM 1165)

Public Utility Commission of Oregon
3930 Fairview Industrial Drive SE
Salem, OR 97302

Attention: Filing Center

Pursuant to Docket UM 1165 and ORS 757.259(5), Avista Utilities hereby submits the following tariff revision applicable to its Oregon natural gas operations along with a copy of its supporting workpapers.

DSM Cost Recovery - Oregon

Sixth Revision Sheet 478

Canceling

Fifth Revision Sheet 478

Sixth Revision Sheet 478 represents recovery of the of prudently incurred costs associated with the Company's Demand Side Management ("DSM") programs and the margin lost as a result of the energy savings achieved by implementing the programs from July 2013 through June 2014. The Company is requesting a decrease in overall retail revenues of \$103,705, or -0.11%, effective on November 1, 2014. The current amortization rates and the proposed changes, both inclusive of the gross revenue factor, are as follows:

<u>Rate</u> <u>Schedule</u>	<u>Current</u> <u>Amortization</u> <u>Rates</u>	<u>Proposed</u> <u>Rate</u> <u>Change</u>	<u>Updated</u> <u>Amortization</u> <u>Rate</u>
410	\$0.01919	(\$0.00130)	\$0.01789
420	\$0.01919	(\$0.00130)	\$0.01789
424	\$0.01919	(\$0.00130)	\$0.01789
444	\$0.01919	(\$0.00130)	\$0.01789

In Order No. 13-251 in Docket No. UM 1165, the Public Utility Commission of Oregon ("Commission") approved Avista's request for reauthorization to defer costs related to the Company's DSM programs for the twelve month period of July 2013 through June 2014. Avista made that filing

under ORS 757.259 and OAR 860-027-0300(4). This filing is in compliance with ORS 757.259 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 757.259(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 2013 was \$188,283,342. The total amortization requested in this filing is \$1,385,866 with the resulting annual average rate impact of 0.7%. The total revenue change of the concurrently filed "Prior Period Gas Cost" deferral true-up (Schedule 462 – See Advice No. 14-04-G) is \$98,921 and the resulting annual average rate impact of that filing is 0.0525%. The net effect of combining the results of these two filings is an overall revenue change of \$1,484,787, an average rate impact of 0.8% 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	86,184
Schedule 420	11,322
Schedule 424	81
Schedule 444	3

Sch No	Description	Present Revenues	Proposed Revenues	Revenue Incr (Decr)	Percent Incr (Decr)	Monthly Use (Therms)	Present Monthly Cost	Proposed Monthly Cost	Monthly Change	Proposed Change to Monthly Cost
410	Residential	\$ 58,136,705	\$ 58,073,199	\$ (63,506)	-0.11%	47	\$ 55.97	\$ 55.91	\$ (0.06)	-0.11%
420	General	\$ 25,982,745	\$ 25,948,583	\$ (34,162)	-0.13%	193	\$ 190.85	\$ 190.60	\$ (0.25)	-0.13%
424	Large General	\$ 3,053,131	\$ 3,047,423	\$ (5,708)	-0.19%	4,538	\$ 3,155.40	\$ 3,149.50	\$ (5.90)	-0.19%
444	Seasonal	\$ 181,228	\$ 180,899	\$ (329)	-0.18%	6,173	\$ 4,420.18	\$ 4,412.15	\$ (8.02)	-0.18%
456	Int. Transportation	\$ 3,163,529	\$ 3,163,529	\$ -	0.00%	86,273	\$ 7,523.87	\$ 7,523.87	\$ -	0.00%

After combining the impact of this filing with the two other regulatory filings made today¹, a residential customer using an average of 47 therms a month could expect their bill to *increase* by \$5.45, or 9.7 percent, for a revised monthly bill of \$61.42 effective November 1, 2014.

¹ On July 31, 2014, Avista filed to update effective November 1, 2014 Schedules 461/462 (Purchased Gas Cost Adjustment Schedules - Advice No. 14-04-G), Schedule 476 (Intervenor Funding Schedule - Advice No. 14-05-G).

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,

A handwritten signature in black ink that reads "Kelly Norwood". The signature is written in a cursive, flowing style.

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

Enc.

CERTIFICATE OF SERVICE

I **HEREBY CERTIFY** that I have this day served Avista Utilities', a division of Avista Corp, application to update rate changes to the existing Demand Side Management Programs into Rate Schedule 478 upon the parties listed below by mailing a copy thereof, postage prepaid and by electronic mail or CD.

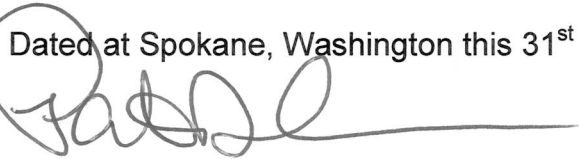
Bob Jenks
Catriona McCracken
Nadine Hanhan
Citizens' Utilities Board
610 SW Broadway, Suite 400
Portland, OR 97205-3404
dockets@oregoncub.org
bob@OregonCUB.org
catriona@OregonCUB.org
nadine@OregonCUB.org

Edward A. Finklea
Executive Director
Northwest Industrial Gas Users
326 Fifth Street
Lake Oswego, OR 97034
efinklea@nwigu.org

Chad Stokes
Tommy A. Brooks
Cable Huston Benedict
Haagensen & Lloyd, LLP
1001 SW 5th, Suite 2000
Portland, OR 97204-1136
cstokes@cablehuston.com
tbrooks@cablehuston.com

I declare under penalty of perjury that the foregoing is true and correct.

Dated at Spokane, Washington this 31st day of July, 2014.



Patrick Ehrbar
Manager, Rates & Tariffs

AVISTA CORPORATION
dba Avista Utilities

SCHEDULE 478

DSM COST RECOVERY - 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 prudent investment costs associated with OPUC-approved Demand Side Management (DSM) Programs and the margin lost as a result of energy savings achieved by implementing the Programs. These programs are implemented through Schedule 466, "CONSERVATION INVESTMENT MECHANISM".

MONTHLY RATE:

The Commodity Charge per therm of the individual rate schedules are to be adjusted by the following amounts:

Rate Schedule	Rate
Schedule 410	\$0.01789 per Therm
Schedule 420	\$0.01789 per Therm
Schedule 424	\$0.01789 per Therm
Schedule 444	\$0.01789 per Therm

(D)
—
(D)

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. 14-06-G
Issued July 31, 2014

Effective For Service On & After
November 1, 2014

Issued by Avista Utilities
By

Kelly Norwood

Kelly Norwood, Vice President, State & Federal Regulation