



**Avista Corp.**

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

January 8, 2018

Public Utility Commission of Oregon  
201 High St SE, Suite 100  
Salem, OR 97301  
Attention: Filing Center

**RE: Docket No. UG-345  
Advice No. 17-10-G Supplemental (“Out of Cycle” Purchased Gas Cost Adjustment)**

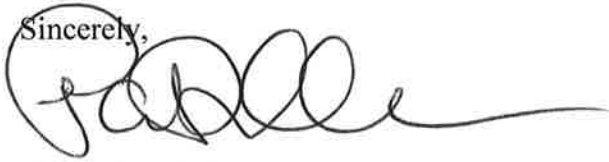
On December 22, 2017, the Company filed a proposed “Out of Cycle” Purchased Gas Cost Adjustment (PGA) to pass through to customers changes in the estimated cost of natural gas (Schedule 461) for the period January 1, 2018 through October 31, 2018. The revenue change for the ten months reflected in this filing is a *decrease* of \$2.5 million, or 3.5%. In that filing, the Company requested an effective date of January 26, 2018.

Per discussions with Staff, the Company requests a change in effective date to February 1, 2018 in order to meet timeline requirements of the January 30, 2018 Public Meeting.

<b>Oregon PUC Sheet No.</b>	<b>Title of Sheet</b>	<b>Canceling Oregon PUC Sheet No.</b>
Supplemental Thirteenth Revision Tariff Sheet 461	Purchased Gas Cost Adjustment Provision	Supplemental Twelfth Revision Tariff Sheet 461
Supplemental Eleventh Revision Tariff Sheet 461A	Purchased Gas Cost Adjustment Provision	Supplemental Tenth Revision Tariff Sheet 461A

Please direct any questions regarding this filing to Annette Brandon at (509) 495-4324.

Sincerely,

A handwritten signature in black ink, appearing to read "P. Ehrbar", with a long horizontal flourish extending to the right.

Patrick D. Ehrbar  
Director of Rates

BEFORE THE  
PUBLIC UTILITY COMMISSION OF OREGON

AVISTA UTILITIES  
ADVICE NO. 17-10-G Supplemental

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**Tariff Sheets**

December 22, 2017

AVISTA CORPORATION  
dba Avista Utilities

SCHEDULE 461

PURCHASED GAS COST ADJUSTMENT PROVISION – OREGON

APPLICABILITY:

This schedule applies to all schedules for natural gas sales service within the entire territory served by the Company in the State of Oregon. The definitions and provisions described herein shall establish the natural gas costs for Purchased Gas Adjustment (PGA) deferral purposes on a monthly basis.

PURPOSE:

The purpose of this provision is to allow the Company, on established Adjustment Dates, to adjust rate schedules for changes in the cost of gas purchased in accordance with the rate adjustment provisions described herein.

RATE:

- (a) The rates of gas Schedules 410, 420, 424 and 444 are to be increased by \$0.38611 per therm in all blocks of these rate schedules. (R)
- (b) The rate of gas Schedule 440 is to be increased by \$0.20072 per therm in all blocks of these rate schedules. (R)
- (c) The rates of transportation Schedule 456 are to be increased by \$0.0000 per therm in all blocks.

A. DEFINITIONS:

1. Actual Commodity Cost: The natural gas supply costs for commodity actually paid for the month, including Financial Transactions, fuel use, and distribution system lost and unaccounted for natural gas (LUGF) plus Gas Storage Facilities withdrawals, plus or minus the cost of gas associated with pipeline imbalances, plus propane costs, plus odorization charges, less Commodity Off-System Sales Revenues received during the month, plus actual Variable Transportation Costs, plus commodity-related reservation charges, less all transportation demand charges embedded in commodity costs.
2. Commodity Off-System Sales Revenues: Revenues received from the sale of natural gas to a party other than the Company's Oregon sales customers less costs associated with the sales transactions.
3. Variable Transportation Costs: Variable transportation costs, including pipeline volumetric charges and other variable costs related to volumes of commodity delivered to sales customers.
4. Actual Non-Commodity Cost: Actual Non-Commodity gas costs shall be equal to actual Demand Costs, less actual Capacity Release Benefits, plus or minus actual pipeline refunds or surcharges.
5. Demand Costs: Fixed monthly pipeline costs and other demand-related natural gas costs such as capacity reservation charges, plus any transportation demand charges embedded in commodity cost.

Advice No. 17-10-G  
Issued January 8, 2018

Effective For Service On & After  
February 1, 2018

Issued by Avista Utilities  
By

Patrick Ehrbar, Director of Rates



AVISTA CORPORATION  
dba Avista Utilities

SCHEDULE 461 (continued)

PURCHASED GAS COST ADJUSTMENT PROVISION – OREGON

6. Capacity Release Benefits: This component includes revenues associated with pipeline capacity releases. The benefits to Customers, through the monthly PGA deferrals, shall be 100% of the capacity release revenues up to the full pipeline rate, and 80% of the capacity release revenues in excess of full pipeline rates. Capacity release revenues shall be quantified on a transaction-by-transaction basis.

7. Estimated Weighted Average Cost Of Gas (WACOG): The estimated WACOG is calculated by the following formula: (Forecasted Purchases at Adjusted Contract Prices) divided by forecasted sales.

- a. "Forecasted Purchases" means November 1 – October 31 forecasted sales, plus a percentage for "Distribution System Unaccounted for Gas."
- b. "Distribution System Unaccounted for Gas" means the 5-year average of actual unaccounted for gas, not to exceed 2%.
- c. "Adjusted Contract Prices" means contract prices that are adjusted by each associated Canadian pipeline's published (closest to August 1) fuel-in-kind and line loss amount provided for by tariff, and by each associated U.S. pipeline's tariffed rate.

The Estimated WACOG per therm is as follows:

With Gross Revenue Factor	\$0.20072	(R)
Without Gross Revenue Factor	\$0.19435	(R)

8. Estimated Non-Commodity Cost per Therm: The estimated Non-Commodity Cost per therm shall be equal to estimated Demand Costs, less estimated Capacity Release Benefits, plus or minus estimated pipeline refunds or surcharges, divided by November 1 – October 31 forecasted sales.

The Estimated Non-Commodity Cost per therm is as follows:

With Gross Revenue Factor	\$0.18539
Without Gross Revenue Factor	\$0.17951

9. Forecasted Monthly Calendar Sales Volumes: Forecasted billed sales therms, adjusted for estimated unbilled therms, for Schedules 410, 420, 424, 440, and 444.

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