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September 26, 2014

Public Utility Commission of Oregon  
3930 Fairview Industrial Drive SE  
Salem, OR 97302-1166

Attention: Filing Center

**Avista Advice No. 14-08-G (Docket UG-246)**

**Compliance Filing – Commission Order No. 14-015**

Attached for filing with the Commission are an original and five copies of tariff sheet Schedule 497, in compliance with Commission Order No. 14-015 in UG-246.

As discussed in Paragraph 5h of the UG-246 Settlement Stipulation approved in Order No. 14-015:

The Parties, however, agree to include specific Project Compass costs (upon review of actual costs through September 30, 2014), and specific Aldyl A Pipe Replacement Program costs (upon review of actual costs through June 30, 2014) in a Second Step increase effective November 1, 2014 provided that the actual costs do not exceed the filed general rate case amount.

In addition, the Parties agreed in the Settlement Stipulation that Avista would provide monthly expenditure reports related to Aldyl A and Project Compass starting in February 2014. Those reports have been furnished to all of the parties in the general rate case.

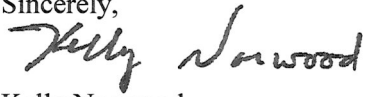
Because the expected in-service date for Project Compass will occur in the first quarter of 2015, the proposed November 1, 2014 rate change included in this filing is only recovering costs related to the Aldyl A Pipe Replacement Program.

As discussed in the Company's current general rate case filing (UG-284), given that the base tariffs are suspended in that proceeding, the Company is filing a new schedule, Schedule 497, which will serve as the adder-tariff used to recover the approved costs associated with the Aldyl A Pipe Replacement Program. At the end of the current general rate case proceeding (UG-284) the Company will propose to move the rates associated with Schedule 497 into the appropriate base tariff schedules as part of its general rate case compliance filing.

In addition to the Schedule 497 tariff, the Company has included supporting workpapers detailing the actual costs of the Aldyl A Pipe Replacement Program through June 30, 2014. A "certificate of completion" attesting to the fact that the costs included in this filing are related to the portion of the ongoing Aldyl A Pipe Replacement project that are in service as of June 30, 2014 has also been included.

If you have any questions regarding this matter, please contact Pat Ehrbar at 509-495-8620 or Joe Miller at 509-495-4546.

Sincerely,

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

Kelly Norwood  
Vice President, State & Federal Regulation

cc: Service List

## CERTIFICATE OF SERVICE

**I HEREBY CERTIFY** that I have this day served the Compliance Filing in the Oregon Natural Gas General Rate Case Filing of Avista Utilities, a division of Avista Corporation, Docket UG 246, upon the parties listed below by mailing a copy thereof, postage prepaid and/or by electronic mail.

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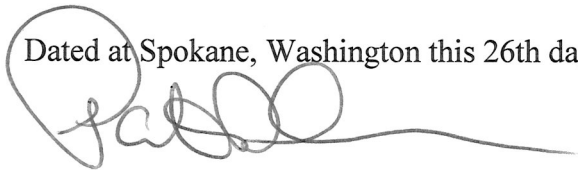
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I declare under penalty of perjury that the foregoing is true and correct.

Dated at Spokane, Washington this 26th day of September, 2014.



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Patrick Ehrbar  
Manager, Rates & Tariffs

AVISTA CORPORATION  
dba Avista Utilities

**SCHEDULE 497****ALDYL A PIPE REPLACEMENT PROGRAM CAPITAL PROJECT COSTS - OREGON****APPLICABLE:**

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

**PURPOSE:**

To adjust natural gas rates for the Recovery of Capital Costs associated with the Aldyl A Pipe Replacement Program, effective November 1, 2014, pursuant to Docket UG-246.

**MONTHLY RATE:**

The Commodity 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	\$0.00372
Schedule 420	\$0.00323
Schedule 424	(\$0.00021)
Schedule 440	\$0.00068
Schedule 444	\$0.00073
<u>Schedule 456</u>	
First 10,000	(\$0.00038)
Next 20,000	(\$0.00023)
Next 20,000	(\$0.00019)
Next 200,000	(\$0.00015)
All Additional	(\$0.00007)

**TERM:**

The energy charges will be recovered under this schedule until such time as the recovery of capital costs related to the Aldyl A Pipe Replacement Program are included in base rates.

**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. 14-08-G  
Issued September 26, 2014

Effective For Service On & After  
November 1, 2014

Issued by Avista Utilities

By



Kelly Norwood, Vice President, State & Federal Regulation