

Avista Utilities

Residential and Small Farm Energy Rate Adjustment Credit

Rate Change Proposed to be Effective November 1, 2017

WORKPAPERS

August 31, 2017

Avista Corporation
 Residential Exchange - State of Washington
 Proposed Rate
November 1, 2017 - October 31, 2018

Washington portion of 2017 fiscal year benefit amount	-\$1,935,136
Estimated under-refunded balance at end of existing rate	<u>-33,325</u>
Net benefit for rate adjustment	-\$1,968,461
Conversion factor	<u>0.953853</u>
Revenue requirement	-\$2,063,694
Projected kWh 11/1/17 - 10/31/18	<u>2,556,105,730</u>
Proposed rate	<u><u>-\$0.00081</u></u>

Rate Impact

Proposed rate credit above	-\$0.00081
Existing rate credit	<u>-\$0.00051</u>
Difference	<u><u>-\$0.00030</u></u>

Bill for 938 kWh at present rates with all adders

Basic charge		\$8.50
First 800 kWh	800 \$0.07986	\$63.89
Over 800 kWh	138 \$0.09194	\$12.69
Total		\$85.08
Rounded		\$85.08

Proposed rate Decrease	<u>938</u>	-\$0.00030	-\$0.28
------------------------	------------	------------	---------

Percent rate Decrease			-0.33%
-----------------------	--	--	--------

Avista Corporation
Washington Residential Exchange Account
Actual and Projected

Balance	5/31/2017 (Actual)	\$ (220,184.85)	1.2100%
	April credit received in June	(67,595.48)	
	Amortization	78,842.57	
	Interest	(200.00)	
Balance	6/30/2017 (Actual)	<u>(209,137.76)</u>	
	May credit received in July	(59,793.11)	
	Amortization	88,668.64	
	Interest	(210.88)	
Balance	7/31/2017 (Actual)	<u>(180,473.11)</u>	
	June credit received in August	(53,145.47)	
	Amortization Adjustment - July Unbilled	57,261.34	
	Amortization	94,455.27	
	Interest	(181.98)	
Balance	8/31/2017 (Projected)	<u>(82,083.94)</u>	
	July credit received in September	(57,275.31)	
	Amortization	79,523.87 (1)	
	Interest	(82.77)	
Balance	9/30/2017 (Projected)	<u>(59,918.14)</u>	
	August credit received in October	(66,109.54)	
	Amortization	92,763.31 (1)	
	Interest	(60.42)	
Balance	10/31/2017 (Projected)	<u>\$ (33,324.79)</u>	

(1) Amortization at existing rate. Does not include amortization at new rate proposed to be effective November 1, 2017.

Check

Balance	5/31/17 (Actual)	\$ (220,184.85)
	Credits to be received	(303,918.91)
	Accounting Adjustment	57,261.34
	Amortization	434,253.67
	Interest	(736.04)
Balance		<u>\$ (33,324.79)</u>

Note 1: The July activity recorded above was calculated using only the billed portion of loads and the unbilled portion is recorded in August in order to adjust to a calendar year basis.

Residential Exchange Credit
JULY 2017 WASHINGTON ELECTRIC

	Other Regulatory Assets Principal 182345 ED WA	Other Regulatory Assets Interest 182346 ED WA	Other Regulatory Liabilities Principal 254345 ED WA	Other Regulatory Liabilities Interest 254346 ED WA	Asset ADFIT 190450 ED WA	Liability ADFIT 283450 ED WA	Amortization 407450 ED WA	Interest Income 419005 ZZ ZZ	Interest Expense 431005 ZZ ZZ	Operating FIT Expense (Dr) 410100 ED WA	Operating FIT Expense (Cr) 411100 ED WA	Non-Operating FIT Expense 410200 ZZ ZZ
Balance at 6.30.17	-	-	(209,137.76) *	-	-	73,198.23	-	-	-	-	-	-
Credits received in current month	-	-	(59,793.11)	-	-	-	-	-	-	-	-	-
Subtotal account balances	-	-	(268,930.87) *	-	-	73,198.23	-	-	-	-	-	-
DJRES entries												
Adjustment to Credit												
Record DFIT on credits						20,927.59					(20,927.59)	
Record amortization	88,668.64				(31,034.02)		(88,668.64)			31,034.02		
Record interest	(210.88) *				73.81			210.88				(73.81)
Transfer balances	(88,457.76)		88,457.76									
Adjust DFIT balance												
Total DJRES entries	-	-	88,457.76 *	-	-	(10,032.82) *	(88,668.64)	210.88	31,034.02		(20,927.59)	(73.81)
Balance at 7.31.17	-	-	(180,473.11)	-	-	63,165.61	-	-	-	-	-	-

Note: Interest is reflected in rate credit. Interest is assumed to be collected or passed through before principle amount.

Avista Corporation
 Projected Residential Exchange Program Benefits

<u>Total Oct-17 thru Sep-18</u>	<u>KWH (1)</u>	<u>Percent</u>	<u>Credit</u>
WA Credit Amount	2,525,298,388	67.74%	\$1,935,136
ID Credit Amount	1,202,622,412	32.26%	921,570
Total	<u>3,727,920,800</u>	<u>100.00%</u>	<u>\$2,856,706</u>

Purchase at ASC	54.6700
Sale at PF Exchange Rate	53.9037
	<u>0.7663</u>

Projected Loads	3,727,920,800
Total Credit	2,856,706

(1) Average of 2015 and 2016 qualifying kilowatt-hours by state.

Projected Benefits

REP Residential and Farm Exchange Loads
5/10/2017

all data in RW6

Avista Corp

	Jan-15	Feb-15	Mar-15	Apr-15	May-15	Jun-15	Jul-15	Aug-15	Sep-15	Oct-15	Nov-15	Dec-15	Total
Monthly Retail Sales	425,108,792	391,053,852	310,829,464	279,513,823	242,340,790	241,806,808	312,569,810	286,138,798	264,660,468	219,859,579	270,414,827	387,109,166	3,625,413,106
Distribution Losses	19,555,004	17,988,477	14,298,155	12,581,636	11,447,996	11,419,113	14,378,211	13,162,385	12,174,382	10,113,541	12,439,082	17,807,022	166,769,003
Monthly Exchange Load	444,663,796	409,042,329	325,127,609	286,096,459	253,495,726	252,929,921	326,948,021	299,301,182	276,834,850	229,973,119	282,853,509	404,916,187	3,792,182,109
Monthly Retail Sales	492,955,217	354,042,121	306,977,752	272,596,268	229,529,789	238,007,395	252,325,168	279,842,385	264,807,065	219,583,724	265,725,433	382,151,258	3,502,542,596
Distribution Losses	19,915,940	16,285,938	14,120,977	12,539,342	10,538,369	10,948,340	11,606,958	12,596,749	12,181,125	10,560,651	12,223,370	17,578,958	161,116,957
Monthly Exchange Load	452,871,157	370,328,058	311,098,729	285,134,651	240,088,138	248,955,735	263,892,126	286,439,114	276,988,190	240,144,575	277,948,809	399,730,216	3,663,659,492
Monthly Average	448,767,477	388,685,104	323,113,169	285,615,065	246,791,932	250,942,828	295,440,073	292,870,148	276,911,520	235,658,847	280,401,356	402,323,201	3,727,920,801

Miller, Joe

From: Finesilver, Ryan
Sent: Wednesday, July 26, 2017 4:09 PM
To: Miller, Joe
Cc: Ehrbar, Pat
Subject: FW: [External] REP Website....

From: Shaughnessy, Julia M (BPA) - PSI-6 [mailto:jmshaughnessy@bpa.gov]
Sent: Wednesday, July 26, 2017 4:08 PM
To: Finesilver, Ryan <Ryan.Finesilver@avistacorp.com>
Subject: [External] REP Website....

Hi Ryan, Here is the link and language for your PFx
rate: <https://www.bpa.gov/Finance/ResidentialExchangeProgram/Pages/default.aspx>

Don't hesitate to call if you have more questions.

Julia

BP-18 Rate Case

ASCs for the FY 2018-2019 Exchange Period were determined in the FY 2018-2019 Review Processes. The PF Exchange Rates for REP-participating utilities are listed below. The PF Exchange Rates are comprised of a base PF Exchange Rate plus a utility-specific 7(b)(3) supplemental rate charge. For additional information see the [BP-18 Power Rate Schedules and General Rate Schedule Provisions](#) and [BPA's 2018 Rate Proceeding](#) (BP-18 rate case). The ASCs and the PF Exchange Rates, below, were uploaded to this website on July 26, 2017. These ASCs will become effective for the FY 2018-2019 Exchange Period on October 1, 2017, and remain in effect through September 30, 2019.

<i>Investor-Owned Utilities</i>	<i>Rates In \$ / MWh ¹</i>			
	<i>ASC</i>	<i>Base PF Exchange Rates</i>	<i>7(b)(3) Surcharge</i>	<i>PF Exchange Rates</i>
Avista	54.67 ✓	50.32	3.58	53.9037 ✓
Idaho Power	63.09	50.32	10.70	61.0240
North Western	78.46	50.32	19.09	69.4122
PacifiCorp	79.55	50.32	21.43	71.7542
Portland General	75.76	50.32	17.23	67.5511
Puget Sound Energy	71.13	50.32	14.09	64.4152

Consumer-Owned Utilities		Base Tier 1 PF Exchange Rates	7(b)(3) Surcharge	PF Exchange Rates
Clark Public Utilities	56.48	50.35	3.80	54.15
Snohomish County PUD	52.66	50.35	1.43	51.78

1 \$/MWh = mills/kWh

Rate Directive Step. Calculation of Settlement Utility Specific PF Exchange Rates
(updated July 26, 2017) Test Period October 2017 - September 2019

Julia M Shaughnessy
Residential Exchange Program Manager | PSI-6
BONNEVILLE POWER ADMINISTRATION
bpa.gov | P 503-230-7443 | C 503-807-8034



USE CAUTION - EXTERNAL SENDER

Do not click on links or open attachments that are not familiar.

For questions or concerns, please e-mail phishing@avistacorp.com

CONFIDENTIALITY NOTICE: The contents of this email message and any attachments are intended solely for the addressee(s) and may contain confidential and/or privileged information and may be legally protected from disclosure. If you are not the intended recipient of this message or an agent of the intended recipient, or if this message has been addressed to you in error, please immediately alert the sender by reply email and then delete this message and any attachments.

Avista Utilities
 Projected Kilowatt-hours
 and Residential Exchange Amortization
 State of Washington

kWh (000's) \$ (000's)	Incremental Rate Change												
	Nov 17	Dec 17	Jan 18	Feb 18	Mar 18	Apr 18	May 18	Jun 18	Jul 18	Aug 18	Sep 18	Oct 18	Total
Total	227,355	285,752	276,989	221,801	217,487	180,931	165,505	159,180	194,722	184,091	157,561	181,198	2,452,573
WAO01	5,366	6,679	6,797	5,574	5,393	4,467	4,170	3,930	4,410	4,249	3,945	4,521	59,490
WAO12	2,796	3,315	3,374	2,803	2,798	2,444	2,397	2,350	2,751	2,612	2,332	2,526	32,497
WAO22	279	276	293	247	269	486	793	1,169	1,763	1,569	992	540	8,695
WAO48	238	238	238	238	238	238	238	238	238	238	238	238	2,850
Total	236,024	296,260	287,691	230,662	226,185	188,566	173,101	166,866	203,883	192,778	165,067	189,022	2,556,106
Before 11/1/17	Aug 17	Sep 17	Oct 17										
WAO01	185,469	156,015	182,887										
WAO12	4,194	3,900	4,470										
WAO22	2,660	2,346	2,564										
WAO32	1,607	974	530										
WAO48	238	238	238										
Total	194,167	163,473	190,689										
Rate	-\$0.00051	-\$0.00051	-\$0.00051										
Revenue	-\$99	-\$93	-\$97										
CF	0.953853	0.953853	0.953853										
Amort	-\$94	-\$80	-\$93										
				Present Billed Revenue	\$	515,561,000							
													-0.1%

Note: The projected kilowatt-hours included above contain both billed and unbilled customer loads. In past filings, prorations had been included for October and November to capture the unbilled loads in the following month when they are billed to customers. Because both billed and unbilled are included above, no proration is needed.

Note that either method would include one calendar year's worth of loads.

Avista Corp.
BPA Residential Exchange Load Calculation

	2015				2016				Average				
	WA	ID	Total	Per Verification E-mail sent to BPA 05/15/2017	WA	ID	Total	Average	Inmaterial Difference	WA	ID	Total	Average
January	299,959,981	144,703,816	444,663,797	305,035,443	147,835,714	452,871,157	448,767,477	448,767,477	-	302,497,712	146,269,765	448,767,477	448,767,477
February	281,689,327	127,353,002	409,042,329	250,728,525	119,599,533	370,328,058	389,685,194	389,685,194	(1)	266,206,926	123,476,288	389,685,194	389,685,194
March	218,321,721	106,805,888	325,127,609	215,850,615	105,248,114	321,098,729	323,113,169	323,113,169	-	217,086,168	106,027,001	323,113,169	323,113,169
April	193,606,875	92,488,584	286,095,459	191,113,601	94,021,050	285,134,651	285,615,055	285,615,055	-	192,360,238	93,254,817	285,615,055	285,615,055
May	171,177,162	82,318,564	253,495,726	162,247,728	77,840,410	240,088,138	246,791,932	246,791,932	-	166,712,445	80,079,487	246,791,932	246,791,932
June	171,629,089	81,300,832	252,929,921	169,830,674	79,125,061	248,955,735	250,942,828	250,942,828	-	170,729,882	80,212,947	250,942,828	250,942,828
July	224,880,044	102,067,977	326,948,021	179,024,527	84,907,599	263,932,126	265,440,074	265,440,074	1	201,952,286	93,487,788	295,440,074	295,440,074
August	205,430,386	93,870,796	299,301,182	193,727,961	92,711,152	286,439,113	292,870,148	292,870,148	(1)	199,579,174	93,290,974	292,870,148	292,870,148
September	191,643,298	85,191,552	276,834,850	193,429,515	83,558,676	276,988,191	276,911,520	276,911,520	1	192,536,407	84,375,114	276,911,520	276,911,520
October	155,636,670	74,356,449	229,993,119	162,188,634	77,945,941	240,144,575	235,058,847	235,058,847	-	158,917,652	76,141,195	235,058,847	235,058,847
November	191,725,483	91,128,426	282,853,909	186,942,042	91,006,761	277,948,803	280,401,356	280,401,356	-	189,333,763	91,067,594	280,401,356	280,401,356
December	268,998,101	135,918,086	404,916,187	265,769,374	133,960,841	399,730,215	402,323,201	402,323,201	-	267,383,738	134,939,464	402,323,201	402,323,201
	2,574,698,137	1,217,483,972	3,792,182,109	2,475,898,639	1,187,760,852	3,663,659,491	3,727,920,800	3,867,544,659	-	2,525,298,388	1,202,622,412	3,727,920,800	3,727,920,800
													100%
													67.74%
													32.26%

CLEG ADJUSTMENTS

WA	ID
5,050,596,776	2,405,244,824
2,525,298,388	1,202,622,412

AVISTA CORPORATION
 JULY 2017 WASHINGTON ELECTRIC
 RESIDENTIAL & FARM ENERGY RATE ADJUSTMENT CREDIT
 JULY UNBILLED

<u>Schedule</u>	<u>kWh</u> (a)	<u>Credit Rate</u>	
		<u>On/After</u> <u>1/Oct/16</u> (e)	<u>On/After</u> <u>1/Oct/16</u> (g) a*c*e=g
1	113,077,554	(0.051¢)	(57,669.55)
12	2,435,833	(0.051¢)	(1,242.27)
22	1,509,530	(0.051¢)	(769.86)
32	686,150	(0.051¢)	(349.94)
48	<u>0</u>	(0.051¢)	<u>-</u>
Schedule Totals	117,709,067		(60,031.62)
		Conversion factor	<u>0.953853</u>
		Amortization	(57,261.34)

Gas Revenue Usage Report by Location Twelve Months Ended for Report Date : '07/31/2017'

Jurisdiction: WA

Source Id	Rate Schedule Num	Period	201707
REVUNBL-E	0001		112,837,401
	0002		240,153
	001		0
	0011		29,332,921
	0012		2,435,833
	002		0
	0021		74,824,680
	0022		1,509,530
	0025		2,505,893
	0031		7,170,269
	0032		686,150
	011		0
	012		0
	021		0
	022		0
	025		NULL
	031		0
	032		0
	Total for REVUNBL-E		231,542,830

113,077,554

117,709,067