

Sheep Creek Hydro Inc.  
4522 Mitchell Road  
Northport, WA 99157

November 2, 2017

Steven King, Executive Director and Secretary, WUTC  
1300 S. Evergreen Park Drive SW  
PO Box 47250  
Olympia, WA 98504-7250

RE: Updated Washington Avoided Cost Schedule 62, Tariff WN U-28, Electric Service

Dear Mr. King:

Sheep Creek Hydro owns and operates a 1.4 MW Qualifying Facility hydroelectric project in Northport, WA. This family operation was constructed in the 1980's by members of the Phillips Ranch, along with a 20 kW hydro project on the Ranch. The Phillips Ranch is a continuation of a small family farm operation started by my great grandfather as homesteader over 100 years ago.

These projects are 2 of the "Current QF Contracts" listed in Avista's September 29, 2017 letter to the commission. They have operated reliably and have delivered clean, renewable electricity to Avista and Washington citizens since the 1980's. While small relative to Avista's total power supply, we believe these projects are important demonstrations of the ability of small, family-owned businesses to contribute to America's clean energy solutions.

We understand that avoided costs have fallen and were impressed with, and applaud, Avista's proposed tariff revision dated July 25<sup>th</sup> 2017 (eleventh revision sheet 62 canceling tenth revision sheet 62). This proposal continues to support the existing, small QFs that have been providing energy and capacity. We want to express our disappointment with the more recent proposed tariff revision dated September 29<sup>th</sup> 2017 ( Eleventh Revision sheet 62 canceling the tenth revision sheet 62 ), which we understand was the result of WUTC concerns with the July 25<sup>th</sup> 2017 proposed tariff revision.

The Sheep Creek Hydro Contract does not expire until June 2021, (and the 20 kW Phillip Ranch contract in an evergreen term) so these comments are by way of general support, and have no direct impact on our operations of the next few years.

Regards

Mike Phillips  
Owner/ Partner, Sheep Creek Hydro Inc.  
[Mpp036@gmail.com](mailto:Mpp036@gmail.com) 509-675-1891

Received  
Records Management  
11/06/17 08:14  
State Of WASH.  
UTIL. AND TRANSP.  
COMMISSION

Cc: Shawn Bonfield, Avista, via email: [shawn.bonfield@vistacorp.com](mailto:shawn.bonfield@vistacorp.com)