

AVISTA CORPORATION  
dba Avista Utilities

SCHEDULE 75

DECOUPLING MECHANISM – ELECTRIC

**PURPOSE:**

This Schedule establishes balancing accounts and implements an annual rate adjustment mechanism that decouples or separates the recovery of the Company's Commission authorized revenues from kilowatt-hour sales to customers served under the applicable electric service schedules.

**APPLICABLE:**

To Customers in the State of Washington where the Company has electric service available. This schedule shall be applicable to all retail customers taking service under Schedules 1, 2, 11, 12, 21, 22, 31, and 32. This Schedule does not apply to Extra Large General Service Schedule 25 or to Street and Area Light Schedules 41 through 48. Applicable Customers will be segregated into two (2) distinct Rate Groups:

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- Group 1 – Schedules 1, 2
- Group 2 – Schedules 11, 12, 21, 22, 31, 32

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**MONTHLY RATE:**

- Group 1 – \$0.00263 per kWh
- Group 2 – (\$0.00144) per kWh

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Issued August 31, 2016

Effective November 1, 2016

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SCHEDULE 75E

DECOUPLING MECHANISM – ELECTRIC (continued)

**3% ANNUAL RATE INCREASE LIMITATION:**

Following the application of the Earnings Test described above, the amount of the incremental proposed rate adjustment under this Schedule cannot reflect more than a 3% rate increase. This will be determined by dividing the incremental annual revenue to be collected (proposed surcharge revenue less present surcharge revenue) under this Schedule by the total "normalized" revenue for the two Rate Groups for the most recent January through December time period. Normalized revenue is determined by multiplying the weather-corrected usage for the period by the present rates in effect. If the incremental amount of the proposed surcharge exceeds 3%, only a 3% incremental rate increase will be proposed and any remaining deferred revenue will be carried over to the following year. There is no limit to the level of the decoupling rebate, and the reversal of any rebate rate would not be included in the 3% incremental surcharge test.

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**OTHER CONDITIONS:**

The Decoupling Mechanism will last for a five-year period, starting on January 1, 2015 and ending December 31, 2019.

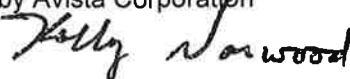
A third-party evaluation of the electric mechanism will be completed following the end of the third full-year, and will be paid for by Avista.

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By



Kelly Norwood, Vice President, State & Federal Regulation