



Avista Corp.

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February 12, 2016

Washington Utilities and Transportation Commission
1300 S. Evergreen Park Drive S. W.
P.O. Box 47250
Olympia, Washington 98504-7250

Attention: Mr. Steven King, Executive Director & Secretary

RE: Docket No. UG-152394 - Substitute Tariff Revisions

Dear Mr. King,

Please find enclosed the following Substitute Revision sheets:

Substitute 1st Revision Sheet 151	Canceling	Original Sheet 151
Substitute 1st Revision Sheet 151A	Canceling	Original Sheet 151A
Substitute Original Sheet 151B		

On December 16, 2015, Avista filed a Petition for an Order authorizing approval of changes to the Company's natural gas line extension tariff, a limited waiver of WAC 480-90-223(1), and certain accounting and ratemaking treatment related to the excess residential line extension allowance for customer equipment.

Since the Company's initial filing, Avista has responded to many informal data requests from Commission Staff. In addition, Avista and Commission Staff have held conference calls on January 28 and February 10, 2016 to discuss the Company's filing. Based on the results of the informal data requests and follow-on conference calls, Avista is proposing the following modifications to its request.

1. The Company has incorporated corrected tariff coding notations on Substitute 1st Revision Sheet 151, which were the result of the review of the Company's initial filing by the Records Center. In its December 23, 2015 email, the Record Center stated for Sheet 151, that the "symbols shown on "Access To Premises:" from "The Company's agents and employees..." on down should be "(N)" instead of four "(C)'s and two "(N)'s".

2. The allowances shown on Sheet 151A for Schedules 101, 111/112, and 121/122 have been updated to reflect the new base values resulting from the Company's 2015 natural gas general rate case, Docket No. UG-150205 (effective on January 11, 2016). The Schedule 101 allowance, shown for illustrative purposes on Sheet 151B, was also updated to match the revised allowance shown on Sheet 151A. A revised "Attachment A" has been included in this filing reflecting the updated allowances.
3. The Company has updated Sheet 151B to reflect a modification to the terms of the "Excess Allowance for Existing Single-Family, Residential Schedule 101 Customers". Based on discussions with Staff, Avista is proposing that the unused portion of the allowance customers want to apply towards the purchase and installation of space heating equipment should only be applicable to space heating equipment that meets the same qualifications required by the Company to receive a natural gas DSM rebate.¹
4. The Company has added clarifying language to Sheet 151B to make it clear that the Excess Allowance Rebate does not apply to new construction. Further, the tariff states that customers will not receive a combined rebate (including the effects of energy efficiency rebates and the Excess Allowance Rebate) that exceeds the cost of the customer's qualifying equipment and installation.
5. The Company sought a waiver of WAC 480-90-223(1) regarding natural gas advertising. After discussions with Staff, such a waiver may not be necessary. First, it was noted that WAC 480-90-223(2)(f) allows advertising by the utility for purposes of "explanations of existing or proposed tariffs or rate schedules". This provision would allow Avista to educate applicable customers on the changes to the Company's line extension tariff. Further, WAC 480-90-223(2)(e) allows advertising which promotes the use of "energy efficient appliances, equipment, or services". With the added condition to the Excess Allowance rebate that qualifying space heating equipment must be high efficiency, this provision of the WAC may allow Avista to advertise such a fact. Therefore, in Avista's view, a waiver of WAC 480-90-223 may no longer be necessary, but if the Commission believes differently, Avista asks that such a waiver be given.

Please direct any question regarding this filing to Pat Ehrbar at (509) 495-8620.

Sincerely,



David J. Meyer
Vice President and Chief Counsel for Regulatory
and Governmental Affairs

Enclosures

¹ For high efficiency space heating, a high efficiency natural gas furnace or boiler must have a 90% AFUE (Annual Fuel Utilization Efficiency) or greater. This is the same efficiency standard that must be met in order to receive a natural gas energy efficiency incentive from Avista under Schedule 190, Natural Gas Efficiency Programs.