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February 21, 2018

VIA – Commission Web-Portal

Steven V. King
Executive Director and Secretary
Washington Utilities & Transportation Commission
1300 S. Evergreen Park Drive S. W.
P.O. Box 47250
Olympia, Washington 98504-7250

Re: Docket No. UE-180102

Dear Mr. King,

On February 2, 2018, Avista Corporation, dba Avista Utilities (“Avista” or “the Company”) filed proposed tariff Schedule 87, “Voluntary Solar Select Program” (“Program”), applicable to large commercial and industrial customers. After discussion with Commission Staff, the Company recognized that it failed to update the corporate tax rate per the Tax Cuts and Jobs Act (TCJA), which is one component used to calculate the Solar Resource Rate. By including the effects of the TCJA it reduced the Solar Resource Rate described in tariff Schedule 87b from \$0.05291 per kWh to \$0.05268 per kWh. In turn this also impacted the Renewable Generation Incentive that customers will receive for participating in the Program. The revised Renewable Generation Incentive amounts per rate schedule can be found in Substitute Original Sheet 87b, filed herein.

Also, after further review and discussion with the Company’s billing department, it was identified that customers who choose to participate in the Program will see three new line items on their bill, rather than two as mentioned in the original filing. The Company originally thought

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the Renewable Generation Incentive would be displayed as a credit on a customer's bill, rather than a per kWh line item. In actuality, the Renewable Generation Incentive will appear as a line item on customers' bills, in addition to the Solar Resource Rate and Solar Resource Credit. To reiterate, there will be no incremental per kWh cost to participating customers of the program.

Lastly, per Commission Staff's request, the following is a timeline of milestones of the Program:

- March 2017 – Request for Proposals issued
- June 2017 – Developer selected
- November 2017 – Power Purchase Agreement with developer signed
- December 2017 – Application for precertification of Solar Select Project to qualify for Renewable Generation Incentives submitted
- January 2018 – Precertification of Solar Select Project to qualify for Renewable Generation Incentives approved
- February 2, 2018 – Filing of proposed tariff Schedule 87
- March 19, 2018 – Proposed effective date of tariff Schedule 87
- March 2018 – Invitations to webinars sent to eligible customers to learn about Program – (if Program approved by WUTC)
- April 2018 – Three webinars conducted along with additional outreach, and Open Enrollment begins – (Open Enrollment remains open until Program fully subscribed)
- May 2018 – Solar Resource construction begins by developer
- October thru December 2018 – Solar Resource commissioning by developer
- December 15, 2018 – Solar Resource enters commercial operation
- January 2019 – Final Renewable Generation Incentive certification completed and first billing cycle to include kWh's purchased from Solar Resource on customers' bills

Included with this filing are updated confidential workpapers supporting the proposed tariff. The workpapers are confidential in their entirety, per WAC 480-07-160, due to sensitive and contractual information contained therein.

If you have any questions regarding this filing please call Shawn Bonfield at 509-495-2782 or by email at shawn.bonfield@avistacorp.com.

Sincerely,

/s/Linda M. Gervais

Sr. Manager, Regulatory Policy
Avista Utilities