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VIA – Commission Web-Portal

August 17, 2018

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

Re: UE-170928 Tariff WN U-28, Electric Service
Residential and Small Farm Energy Rate Adjustment Credit (Schedule 59)

Dear Mr. Johnson:

On an annual basis, Avista files Schedule 59 related to the Residential Exchange Program benefits the Company receives from the Bonneville Power Administration. The Residential Exchange Program provides a share of the benefits of the federal Columbia River power system to the residential and small-farm customers of the six investor utilities of the Pacific Northwest including Avista. The annual level of benefits that Avista receives from the Bonneville Power Administration is adjusted every two years. The most recent benefit adjustment occurred in 2017 and the new level of benefits were incorporated in customers rates when the current rate was approved by the Washington Utilities and Transportation Commission effective November 1, 2017. In the years in between when the Bonneville Power Administration updates the level of benefits, the Company's filing typically true-ups the balances related to differences in loads from what the Company had projected in its prior year filing compared to actuals. This is such a year. If the Company were to file Schedule 59 in order to true-up the balance, the resulting revenue requirement change would result in a minimal \$65,977 rate increase (0.0047%) as shown below:

	2018 Projected	2017 Present	Change
Washington portion of benefit amount	\$ (1,935,136)	\$ (1,935,136)	\$ (0)
Estimated over/(under)-refunded balance	\$ 30,666	\$ (33,325)	\$ 63,991
Revenue Conversion factor	\$ (93,247)	\$ (95,233)	\$ 1,986
Revenue Requirement	\$ (1,997,717)	\$ (2,063,694)	\$ 65,977

Schedules 59 Residential Exchange Program

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Per discussions with Commission Staff, the Company believes a tariff change would be administratively burdensome given the de minimis amount of the Schedule 59 rate change. The Company will resume its annual Schedule 59 filing next year when a new level of Residential Exchange Program benefits is determined by the Bonneville Power Administration. At that time the Company will also true-up any under or over-collected balance from the prior years.

Please direct any questions regarding Schedule 59 to Joe Miller at (509) 495-4546.

Sincerely,

A handwritten signature in black ink that reads "Patrick D. Ehrbar". The signature is written in a cursive style with a large initial "P".

Patrick Ehrbar

Director of Regulatory Affairs

Enclosures