Records Management

COMMISSION

Avista Corp.

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April 29, 2019

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

Attention: Mr. Mark L. Johnson, Executive Director and Secretary

TARIFF WN U-28, ELECTRIC SERVICE, and TARIFF WN U-29, NATURAL GAS SERVICE

Avista Corporation ("Avista" or "the Company") hereby submits the attached filing seeking Commission authorization to increase its rates and charges for its electric and natural gas services to its electric and natural gas customers in the state of Washington. In this filing the Company is proposing a Two-Year Rate Plan, which would begin with new rates effective April 1, 2020, and run through March 31, 2022. Avista is proposing electric and natural gas revenue increases to occur April 1, 2020 and April 1, 2021.

For the first year of the Rate Plan, Avista is proposing an overall increase in electric <u>base</u> revenues of \$45.8 million or 9.1%. On a <u>billed</u> revenue basis the increase in revenue is 8.8%. For the second year of the proposed Rate Plan, Avista is proposing an increase in billed electric revenues of \$18.9 million, or 3.3%, effective April 1, 2021.¹

As it relates to natural gas, for the first year of the Rate Plan, Avista is proposing an overall increase in <u>base</u> revenues of \$12.9 million or 13.8%. On a <u>billed</u> revenue basis (including the cost of natural gas, upstream third-party owned transportation, and the effect of other tariffs), the increase in revenue is 10.1%. For the second year of the proposed Rate Plan, Avista is proposing an increase in natural gas billed revenues of \$6.5 million, or 4.6%, effective April 1, 2021.²

¹ The revenue increase for Year 2 of the Rate Plan is proposed to be implemented through a separate Tariff Schedule 96, and not through a change to base tariffs.

² The revenue increase for Year 2 of the Rate Plan is proposed to be implemented through a separate Tariff Schedule 196, and not through a change to base tariffs.

As a part of the Rate Plan, if approved, Avista would not file another general rate case with rates effective prior to April 1, 2022.

The Company's request is based on a proposed rate of return of 7.52% with a common equity ratio of 50.0% and a 9.9% return on equity.

The Company is aware that new legislation is pending in the State of Washington that may have an impact on issues in this case-e.g., Colstrip and "used and useful" rate base. The Company does not object to processing this case under the precepts of the new legislation, if and when enacted, although the Company believes that its Rate Plan would pass muster under either the existing or new legislation.

The Company will be filing this week a Motion to Consolidate Docket UE-190222 relating to the rebate of ERM dollars, with this Docket, for reasons explained therein.

Additionally, Avista requests that the Commission immediately suspend the operation of the general tariff revisions included in this filing, and promptly set the matter for hearing, including the establishment of a prehearing conference, at the earliest possible date in accordance with WAC 480-07-440(1)(a). Please note that the Company has also simultaneously filed "Avista Corporation's Motion for a Protective Order Pursuant to WAC 480-07-420".

Service of documents pertaining to this filing should be to the following Avista Corporation representatives:

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Enclosed with this filing are an original and two copies of the following proposed tariff sheets, formatted with the coding required by WAC 480-80-105, and three copies in legislative format as required by WAC 480-07-510(2):

Tariff Sheets Pertaining to Rate Year 1

| 15 th Revision Sheet 1 | Canceling | ing Substitute 14 th Revision Sheet 1 | |
|------------------------------------|-----------|---|--|
| 15 th Revision Sheet 11 | Canceling | Canceling Substitute 14 th Revision Sheet 11 | |
| 15 th Revision Sheet 21 | Canceling | nceling Substitute 14 th Revision Sheet 21 | |
| 15 th Revision Sheet 25 | Canceling | Substitute 14 th Revision Sheet 25 Substitute 10 th Revision Sheet 25A | |
| 11th Revision Sheet 25A | Canceling | | |

| Canceling | Substitute 14 th Revision Sheet 31 | |
|-----------|---|--|
| Canceling | Substitute 13 th Revision Sheet 41 | |
| Canceling | Substitute 4 th Revision Sheet 41A | |
| Canceling | Substitute 13 th Revision Sheet 42 | |
| Canceling | Substitute 7 th Revision Sheet 42A | |
| Canceling | Substitute 1 st Revision Sheet 42B | |
| Canceling | Substitute 13th Revision Sheet 44 | |
| Canceling | Substitute 4 th Revision Sheet 44A | |
| Canceling | Substitute 14 th Revision Sheet 45 | |
| Canceling | Substitute 14 th Revision Sheet 46 | |
| Canceling | Substitute Original Sheet 46A | |
| Canceling | Substitute 13 th Revision Sheet 47 | |
| Canceling | Substitute 14 th Revision Sheet 47A | |
| Canceling | Substitute 1st Sheet 47B | |
| Canceling | Original Sheet 75A | |
| Canceling | Original Sheet 75B | |
| Canceling | Original Sheet 75C | |
| Canceling | 1st Revision Sheet 75E | |
| | | |
| Canceling | Substitute 15 th Revision Sheet 101 | |
| Canceling | Substitute 15 th Revision Sheet 111 | |
| Canceling | Substitute 15 th Revision Sheet 112 | |
| Canceling | Original Sheet 116 | |
| Canceling | Substitute 15 th Revision Sheet 131 | |
| Canceling | Substitute 15 th Revision Sheet 132 | |
| Canceling | Substitute 15 th Revision Sheet 146 | |
| Canceling | Original Sheet 175A | |
| Canceling | Original Sheet 175B | |
| Canceling | Original Sheet 175C | |
| Canceling | 1st Revision Sheet 175E | |
| | | |
| | Canceling | |

Tariff Sheets Pertaining to Rate Year 2

| Original Sheet 96 | | |
|--------------------|--|--|
| Original Sheet 196 | | |

The Company also requests to withdraw the following tariff sheets:

| Substitute 15 th Revision Sheet 121 | | |
|--|--|--|
| Substitute 5 th Revision Sheet 121A | | |
| Substitute 15 th Revision Sheet 122 | | |
| Substitute 5 th Revision Sheet 122A | | |
| Original Sheet 126 | | |
| Original Sheet 126A | | |
| Original Sheet 126B | | |
| Original Sheet 126C | | |
| Original Sheet 126D | | |

As directed by the Commission, the Company has enclosed 5 copies of its prepared direct testimony and exhibits, as well as a copy of workpapers showing how test year data were adjusted.

A summary document pertaining to the filing is provided as well as the URL's: FERC Forms

https://www.utc.wa.gov/regulatedIndustries/utilities/Documents/Forms/AllItems.aspx

10K's, 10Q's, Annual Reports & Proxy, and Debt & Equity Offerings

http://investor.avistacorp.com/financial-information/annual-reports

for locating the financial reports and other documents required under WAC 480-07-510. An electronic version of this filing and all supporting documents is enclosed as well. The Office of Public Counsel has also been served with a copy of all such documents at the time of filing with the Commission.

Please note that certain sections of the exhibits of Mark T. Thies and Jason P. Thackston have CONFIDENTIAL information. Please also note that Exh. JM-2, JRT-2 and EMA-7 are only being provided electronically on CD due to their voluminous and/or electronic nature. Additionally, as required by WAC 480-07-160(4)(a), the Company is also submitting an Attorney's Claim of Confidentiality regarding the submission of the unredacted versions of the above-referenced CONFIDENTIAL exhibits and workpapers. These documents should be treated as CONFIDENTIAL per WAC 480-07-160.

In compliance with WAC 480-90-197 and WAC 480-100-197, the Company will provide public notice once the public hearing dates have been selected by the Commission. In compliance with WAC 480-90-193(1) and WAC 480-100-193(1), the Company will post the proposed changes to its tariffs for public inspection and review on its website, and will provide access via request by telephone or mail. A service list is attached, with the parties on the service list receiving a complete copy of the pre-filed testimony, exhibits, and workpapers.

In compliance with WAC 480-07-510(3)(g), the Company states that there are no additional material affiliated transactions to report impacting the test year that otherwise were not already reported in the Company's annual 2018 Report of Affiliated Interest Transactions. The Company's 2018 annual report was filed on April 8, 2019 (See Dockets UE-190270 and UG-190271).

Additional copies of this filing, supporting testimony and exhibits are available from the Company upon request. Questions regarding this filing should be directed to Liz Andrews at (509) 495-8601.

Sincerely,

David Meyer

Vice President and Chief Counsel

for Regulatory and Governmental Affairs

Enclosures

cc: Service List