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**VIA – Electronic and Overnight Mail**

January 7, 2016

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

**RE: Avista Corporation – Docket Nos. UE-150204 and UG-150205 –Compliance Filing**

Attached for filing with the Commission is an original and seven copies of the Company’s revisions to the following tariff sheets in compliance with the Commission’s Order No. 05 in the above referenced dockets. The tariff sheets reflect a reduction in electric base revenue of \$8.1 million and an increase in natural gas base revenue of \$10.8 million, as approved by the Commission.

| <b>ELECTRIC TARIFFS</b>                        |           |  |
|--|-----------|--|
| Substitute 2 <sup>nd</sup> Revision Sheet B    | Canceling | 1 <sup>st</sup> Revision Sheet B               |
| 18 <sup>th</sup> Revision Sheet B-1            | Canceling | 17 <sup>th</sup> Revision Sheet B-1            |
| Substitute 13 <sup>th</sup> Revision Sheet 1   | Canceling | Substitute 12 <sup>th</sup> Revision Sheet 1   |
| Substitute 13 <sup>th</sup> Revision Sheet 11  | Canceling | Substitute 12 <sup>th</sup> Revision Sheet 11  |
| Substitute 13 <sup>th</sup> Revision Sheet 21  | Canceling | Substitute 12 <sup>th</sup> Revision Sheet 21  |
| Substitute 13 <sup>th</sup> Revision Sheet 25  | Canceling | Substitute 12 <sup>th</sup> Revision Sheet 25  |
| Substitute 10 <sup>th</sup> Revision Sheet 25A | Canceling | Substitute 9 <sup>th</sup> Revision Sheet 25A  |
| Substitute 13 <sup>th</sup> Revision Sheet 31  | Canceling | Substitute 12 <sup>th</sup> Revision Sheet 31  |
| Substitute 12 <sup>th</sup> Revision Sheet 41  | Canceling | Substitute 11 <sup>th</sup> Revision Sheet 41  |
| Substitute 12 <sup>th</sup> Revision Sheet 42  | Canceling | Substitute 11 <sup>th</sup> Revision Sheet 42  |
| Substitute 6 <sup>th</sup> Revision Sheet 42A  | Canceling | Substitute 5 <sup>th</sup> Revision Sheet 42A  |
| Substitute 12 <sup>th</sup> Revision Sheet 44  | Canceling | Substitute 11 <sup>th</sup> Revision Sheet 44  |
| Substitute 13 <sup>th</sup> Revision Sheet 45  | Canceling | Substitute 12 <sup>th</sup> Revision Sheet 45  |
| Substitute 13 <sup>th</sup> Revision Sheet 46  | Canceling | Substitute 12 <sup>th</sup> Revision Sheet 46  |
| Substitute 12 <sup>th</sup> Revision Sheet 47  | Canceling | Substitute 11 <sup>th</sup> Revision Sheet 47  |
| Substitute 13 <sup>th</sup> Revision Sheet 47A | Canceling | Substitute 12 <sup>th</sup> Revision Sheet 47A |
| Substitute Original Sheet 47B                  |           |  |
| 1 <sup>st</sup> Revision Sheet 75D             | Canceling | Original Sheet 75D                             |
| 3 <sup>rd</sup> Revision Sheet 92              | Canceling | 2 <sup>nd</sup> Revision Sheet 92              |
| Original Sheet 92A                             |           |  |
| 12 <sup>th</sup> Revision Sheet 93             | Canceling | 11 <sup>th</sup> Revision Sheet 93             |

| <b>NATURAL GAS TARIFFS</b>                     |           |  |
|--|-----------|--|
| 12 <sup>th</sup> Revision Sheet B              | Canceling | 11 <sup>th</sup> Revision Sheet B                              |
| Substitute 14 <sup>th</sup> Revision Sheet 101 | Canceling | 2 <sup>nd</sup> Substitute 13 <sup>th</sup> Revision Sheet 101 |
| Substitute 14 <sup>th</sup> Revision Sheet 111 | Canceling | 2 <sup>nd</sup> Substitute 13 <sup>th</sup> Revision Sheet 111 |
| Substitute 14 <sup>th</sup> Revision Sheet 112 | Canceling | 2 <sup>nd</sup> Substitute 13 <sup>th</sup> Revision Sheet 112 |
| Substitute 14 <sup>th</sup> Revision Sheet 121 | Canceling | 2 <sup>nd</sup> Substitute 13 <sup>th</sup> Revision Sheet 121 |
| Substitute 5 <sup>th</sup> Revision Sheet 121A | Canceling | Substitute 4 <sup>th</sup> Revision Sheet 121A                 |
| Substitute 14 <sup>th</sup> Revision Sheet 122 | Canceling | 2 <sup>nd</sup> Substitute 13 <sup>th</sup> Revision Sheet 122 |
| Substitute 5 <sup>th</sup> Revision Sheet 122A | Canceling | Substitute 4 <sup>th</sup> Revision Sheet 122A                 |
| Substitute 14 <sup>th</sup> Revision Sheet 131 | Canceling | 2 <sup>nd</sup> Substitute 13 <sup>th</sup> Revision Sheet 131 |
| Substitute 5 <sup>th</sup> Revision Sheet 131A | Canceling | 2 <sup>nd</sup> Substitute 4 <sup>th</sup> Revision Sheet 131A |
| Substitute 14 <sup>th</sup> Revision Sheet 132 | Canceling | 2 <sup>nd</sup> Substitute 13 <sup>th</sup> Revision Sheet 132 |
| Substitute 5 <sup>th</sup> Revision Sheet 132A | Canceling | 2 <sup>nd</sup> Substitute 4 <sup>th</sup> Revision Sheet 132A |
| Substitute 14 <sup>th</sup> Revision Sheet 146 | Canceling | 2 <sup>nd</sup> Substitute 13 <sup>th</sup> Revision Sheet 146 |
| 3 <sup>rd</sup> Revision Sheet 149             | Canceling | 2 <sup>nd</sup> Revision Sheet 149                             |
| 1 <sup>st</sup> Revision Sheet 175D            | Canceling | Original Sheet 175D  |
| 3 <sup>rd</sup> Revision Sheet 192             | Canceling | 2 <sup>nd</sup> Revision Sheet 192                             |
| Original Sheet 192A                            |           |  |

In support of the tariff revisions, the Company is providing the following workpapers:

- Attachment 1 contains the workpapers supporting the Compliance Tariffs - Electric.
- Attachment 2 contains the workpapers supporting the Compliance Tariffs - Natural Gas.
- Attachment 3 contains the ERM Authorized Expense and Retail Sales, and contains the corrected Retail Revenue Adjustment Rate, as discussed below.
- Attachment 4 contains the baseline revenue per customer calculations for Avista's electric decoupling mechanism.
- Attachment 5 contains the baseline revenue per customer calculations for Avista's natural gas decoupling mechanism.

Please note the following items that are contained in this Compliance Filing:

1. During the preparation of this Compliance Filing it was determined that the Retail Revenue Adjustment rate ("RRA") of \$15.93, which was included in the Company's November 2015 Power Supply Update, was calculated using an incorrect value. As shown in Attachment 5, the correct calculation of the RRA is the "WA ERM Base" divided by "Total Retail Sales, MWh". The RRA that was included in the Company's November Power Supply update filing inadvertently used "WA Share of System Costs" as the numerator. Correcting this error reduces the RRA from \$15.93/MWh to \$15.66/MWh.<sup>1</sup>
2. Avista has included in this filing 12<sup>th</sup> Revision Sheet 93, "Power Cost Surcharge", and have set the rates on that schedule to \$0.00000/kWh. On December 30, 2015, the Commission in Order No. 1 in Docket No. UE-152406 approved the extension of the Energy Recovery Mechanism ("ERM") rebate until the rates in this case, Docket No. UE-150204, become effective.

<sup>1</sup> Note that the Company labeled the RRA as the Retail Revenue Credit in its November Power Supply Update. Attachment 5 corrects this to Retail Revenue Adjustment per Section 5e of the Partial Settlement Stipulation approved in this case.

3. For the Company's natural gas tariffs, Avista has updated the rates shown under "Other Charges", which are provided for informational purposes, in order to show on the base tariff sheets all of the rate components that makeup the total billing rates shown on customer's bills. The "Other Charges" changed as a result of the approval of the Company's recent Purchased Gas Cost Adjustment filing (Schedules 150 & 155 – Docket No. UG-151758), Demand Side Management filing (Schedule 191 – Docket No. UG-151935) and the increase to Schedule 192 (LIRAP) as detailed in Order No. 05 in the above referenced natural gas docket.
4. The base rate tariffs have been updated to reflect the recent housekeeping filing (Docket Nos. UE-151250 and UG-151252) which changed the decoupling tariff from Schedule numbers 99/199 to Schedule numbers 75/175. In addition, for purposes of the earnings tests outlined in decoupling Schedules 75D and 175D, the rate of return has been updated to the new 7.29% rate of return approved by the Commission in Order No. 05.
5. The Company has also included Schedule 149, "Backup And Supplemental Compressed Natural Gas Service" to reflect the new first block rate for Schedule 111. That rate is one of the key components to determine the Retail Rate per Gas Gallon Equivalent under that schedule.
6. In paragraph 234 of Order No. 05, the Commission required Avista to "revise its tariffs to identify each assistance service available to its customers and their eligibility requirements." The Company has added that information in LIRAP Schedules 92A (electric) and 192A (natural gas).

Hard copies of this filing will be sent to the Commission and the Parties via overnight mail. Please direct any questions on this matter to Patrick Ehrbar at 509.495.8620 or Joe Miller at 509.495.4546.

Sincerely,



Kelly Norwood  
Vice President, State & Federal Regulation

Enclosures

c: Service List