

Avista Corp.
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February 18, 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 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 an 18-month rate plan for the period January 1, 2017 through June 2018. Under Avista’s 18-month proposal in this case, base retail rates would increase on January 1, 2017, and a second-step base rate increase would occur on January 1, 2018. With regard to the proposed January 1, 2018 second-step electric base rate increase in this filing, Avista is proposing to offset the bill impact to customers with a rebate of available Energy Recovery Mechanism (ERM) dollars. Consistent with the Company’s request, it has filed two sets of tariffs for both the electric and natural gas proposed rate changes.

Effective January 1, 2017, Avista is proposing an overall increase in electric base revenues of \$38.6 million or 7.8%. Avista is requesting an overall net electric bill increase of 7.6%. Avista is proposing an overall increase in electric base revenues of \$10.3 million or 3.9% to become effective January 1, 2018. However, as explained earlier, the Company is proposing to offset the second-step bill impact to customers with a rebate of ERM dollars.

With regard to natural gas, the Company is requesting an overall base revenue increase of \$4.4 million, or 5.0% in base rates effective January 1, 2017. The proposed general increase over present billing rates, including all other rate adjustments, is 2.8%. Effective January 1, 2018, the Company is proposing a second-step natural gas revenue increase on January 1, 2018 of \$0.9 million, or 1.8% in base rates. The proposed increase in billing rates is 1.0%.

The Company’s request is based on a proposed rate of return of 7.64% with a common equity ratio of 48.5% and a 9.9% return on equity.

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).

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

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Consistent with the requested rate plan, enclosed with this filing are an original and two copies of the following proposed tariff sheets for the 2017 base rate change and the 2018 base rate change, formatted with the coding required by WAC 480-80-105, and three copies in legislative format as required by WAC 480-07-510:

Proposed Tariff Revisions to be Effective January 1, 2017

14 th Revision Sheet 1	Canceling	Substitute 13 th Revision Sheet 1
14 th Revision Sheet 11	Canceling	Substitute 13 th Revision Sheet 11
14 th Revision Sheet 21	Canceling	Substitute 13 th Revision Sheet 21
14 th Revision Sheet 25	Canceling	Substitute 13 th Revision Sheet 25
11 th Revision Sheet 25A	Canceling	Substitute 10 th Revision Sheet 25A
14 th Revision Sheet 31	Canceling	Substitute 13 th Revision Sheet 31
13 th Revision Sheet 41	Canceling	Substitute 12 th Revision Sheet 41
13 th Revision Sheet 42	Canceling	Substitute 12 th Revision Sheet 42
7 th Revision Sheet 42A	Canceling	Substitute 6 th Revision Sheet 42A
13 th Revision Sheet 44	Canceling	Substitute 12 th Revision Sheet 44
14 th Revision Sheet 45	Canceling	Substitute 13 th Revision Sheet 45
14 th Revision Sheet 46	Canceling	Substitute 13 th Revision Sheet 46
13 th Revision Sheet 47	Canceling	Substitute 12 th Revision Sheet 47
14 th Revision Sheet 47A	Canceling	Substitute 13 th Revision Sheet 47A
15 th Revision Sheet 101	Canceling	Substitute 14 th Revision Sheet 101
15 th Revision Sheet 111	Canceling	Substitute 14 th Revision Sheet 111
15 th Revision Sheet 112	Canceling	Substitute 14 th Revision Sheet 112
15 th Revision Sheet 121	Canceling	Substitute 14 th Revision Sheet 121
6 th Revision Sheet 121A	Canceling	Substitute 5 th Revision Sheet 121A
15 th Revision Sheet 122	Canceling	Substitute 14 th Revision Sheet 122
6 th Revision Sheet 122A	Canceling	Substitute 5 th Revision Sheet 122A
15 th Revision Sheet 131	Canceling	Substitute 14 th Revision Sheet 131
6 th Revision Sheet 131A	Canceling	Substitute 5 th Revision Sheet 131A
15 th Revision Sheet 132	Canceling	Substitute 14 th Revision Sheet 132

6 th Revision Sheet 132A	Canceling	Substitute 5 th Revision Sheet 132A
15 th Revision Sheet 146	Canceling	Substitute 14 th Revision Sheet 146

Proposed Tariff Revisions to be Effective January 1, 2018

15 th Revision Sheet 1	Canceling	14 th Revision Sheet 1
15 th Revision Sheet 11	Canceling	14 th Revision Sheet 11
15 th Revision Sheet 21	Canceling	14 th Revision Sheet 21
15 th Revision Sheet 25	Canceling	14 th Revision Sheet 25
12 th Revision Sheet 25A	Canceling	11 th Revision Sheet 25A
15 th Revision Sheet 31	Canceling	14 th Revision Sheet 31
14 th Revision Sheet 41	Canceling	13 th Revision Sheet 41
14 th Revision Sheet 42	Canceling	13 th Revision Sheet 42
8 th Revision Sheet 42A	Canceling	7 th Revision Sheet 42A
14 th Revision Sheet 44	Canceling	13 th Revision Sheet 44
15 th Revision Sheet 45	Canceling	14 th Revision Sheet 45
15 th Revision Sheet 46	Canceling	14 th Revision Sheet 46
14 th Revision Sheet 47	Canceling	13 th Revision Sheet 47
15 th Revision Sheet 47A	Canceling	14 th Revision Sheet 47A
13 th Revision Sheet 93	Canceling	12 th Revision Sheet 93
16 th Revision Sheet 101	Canceling	15 th Revision Sheet 101
16 th Revision Sheet 111	Canceling	15 th Revision Sheet 111
16 th Revision Sheet 112	Canceling	15 th Revision Sheet 112
16 th Revision Sheet 121	Canceling	15 th Revision Sheet 121
7 th Revision Sheet 121A	Canceling	6 th Revision Sheet 121A
16 th Revision Sheet 122	Canceling	15 th Revision Sheet 122
7 th Revision Sheet 122A	Canceling	6 th Revision Sheet 122A
16 th Revision Sheet 131	Canceling	15 th Revision Sheet 131
7 th Revision Sheet 131A	Canceling	6 th Revision Sheet 131A
16 th Revision Sheet 132	Canceling	15 th Revision Sheet 132
7 th Revision Sheet 132A	Canceling	6 th Revision Sheet 132A
16 th Revision Sheet 146	Canceling	15 th Revision Sheet 146

As directed by the Commission, the Company has enclosed 1 original and 9 copies of its prepared direct testimony and exhibits, as well as 3 copies of workpapers showing how test year data were adjusted. An electronic copy of the non-confidential and confidential testimony and exhibits, provided both on a CD and thumb drive, are also enclosed for the Commission's Accounting Advisor (copies of the workpapers can be provided upon request).

A summary document pertaining to the filing is provided as well as 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, Clint G. Kalich, and Scott J. Kinney, along with certain workpapers of William G. Johnson, Bryan A. Cox, Scott J. Kinney

and Clint G. Kalich have CONFIDENTIAL information. The workpapers of Scott L. Morris, Mark T. Thies, Heather L. Rosentrater, and Clint G. Kalich are only being provided electronically on CD due to their voluminous and/or electronic nature. Additionally, as required by WAC 480-07-160(3)(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 addition, due to personal circumstances, the workpapers of Karen Schuh will be provided to the Commission and parties on February 23, 2016.

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. 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 and exhibits.

In compliance with WAC 480-07-510(3)(i), 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 2014 Report of Affiliated Interest Transactions. The Company's 2014 annual report was filed on April 29, 2015 (See Dockets UE-150696 and UG-150697). The Company will file its annual 2015 Report of Affiliated Interest Transactions on or before April 30, 2016.

Please note that the Company has simultaneously filed "Avista Corporation's Motion for a Protective Order Pursuant to WAC 480-07-420".

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
VP and Chief Counsel for Regulatory and Governmental Affairs

Enclosures

cc: See attached service lists