

AVISTA CORPORATION
DBA AVISTA UTILITIES

NOTICE OF TARIFF CHANGE
(Electric Service Only)

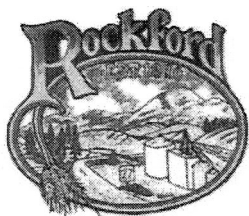
Notice is hereby given that the "Sheet" listed below of Tariff WN U-28, covering electric service, has been filed with the Washington Utilities and Transportation Commission at Olympia:

Fifth Revision Sheet 58A Canceling Fourth Revision Sheet 58A

The purpose of this filing is to pass through a new 6% utility tax imposed on gross revenues from the sale of electricity to customers within the City of Rockford as specified by Ordinance No. 13-07. The fee is requested to become effective December 1, 2013 and could increase annual revenues by as much as \$40,000.

Copies of the proposed tariff changes are available for inspection in the Company's offices and on the Company website at www.avistautilities.com/services/energypricing.

Issue Date: October 30, 2013
Post Until: December 1, 2013



TOWN OF ROCKFORD

P.O. Box 49
ROCKFORD, WA 99030
(509) 291-4716
FAX (509) 291-5733

RECEIVED
FAXED

OCT 30 2013

BY: C. COOPER
AVISTA TAX DEPT.

October 28, 2013

Avista Utilities
Tax Department
1411 East Mission Avenue
P. O. Box 3727
Spokane, WA 99220

Re: Town of Rockford Utility Tax Ordinance No. 13-07

Dear Avista Utilities,

As you are aware, the Town of Rockford recently adopted Ordinance No. 13-07 imposing a 6% utility tax pursuant to RCW 35.21.870. Under Section 2 – Utility Tax – states “The tax provided for in this Ordinance shall be known as the “utility tax” and is levied upon providers of electrical energy business within the Town effective on November 15, 2013”. Further, we recognize that Avista Utilities is the primary electrical energy provider within the Town of Rockford.

Based on the short timeframe to fully implement utility tax collections affected by this measure, the Town of Rockford, subject to the final approval of the Town Council, will consider amending the effective date of said ordinance to December 1, 2013. No other amendments are anticipated.

Thank you.

Sincerely,

Micki Harnois
Mayor of Rockford

**TOWN OF ROCKFORD
SPOKANE COUNTY, WASHINGTON
ORDINANCE NO. 13-07**

AN ORDINANCE OF THE TOWN OF ROCKFORD, SPOKANE COUNTY, WASHINGTON IMPOSING A UTILITY TAX TO PROVIDE REVENUE FOR THE GENERAL FUND, ESTABLISHING AN EFFECTIVE DATE THEREOF, AND REPEALING ORDINANCE 13-05.

WHEREAS, the basic Town service levels would be greatly reduced without a new source of revenue;

WHEREAS, the Town Council finds it necessary to enhance revenues for the purpose of providing additional funds into the General Fund for increasing expenses;

WHEREAS, the Town Council has determined that the public interest is best served by the implementation of a 6% utility tax on all electrical bills;

WHEREAS, the State of Washington, pursuant to RCW 35.21.870, has authorized towns to raise revenue for the privilege of conducting certain utility businesses in the Town and use said revenues to maintain the services, duties, and obligations of the Town;

WHEREAS, the Town Council will annually review the budget to determine if the additional funds generated by the utility tax are still required for the specified purpose or the need to change the rate implemented; and

WHEREAS, the Town Council desires to repeal Ordinance No. 13-05 for the purpose of amending the effective date of the utility tax described herein

NOW, THEREFORE, be it ordained by the council of the Town of Rockford, Washington, as follows:

Section 1: Repealed. Ordinance No. 13-05 is hereby repealed in its entirety.

Section 2: Utility tax. The tax provided for in this Ordinance shall be known as the "utility tax" and is levied upon providers of electrical energy business within the Town effective on November 15, 2013.

Section 3: Use and Accountability of Tax Proceeds. All revenues collected under this Ordinance shall be deposited in the General Fund and as the Town Council directs, shall be used for the expenses in the General Fund and for possible inter-fund transfers to other funds that are in need of additional revenue due to expenses.

Section 4: Definitions. In construing the provisions of this ordinance, except when otherwise declared or clearly apparent from the context, the following definitions shall be applied:

- A. "Business" means and includes all activities engaged in with the object of gain, benefit or advantage to the taxpayer or to another person or class, directly or indirectly.
- B. "Electrical Energy Business" means the business of operating a plant or system for

the generation, production, distribution or furnishing of electrical energy for hire or sale and/or for the wheeling of electricity.

- C. "Gross income" means the value proceeding or accruing by reason of the transaction of the business engaged in and without deduction on account of the cost of the property sold, the cost of materials used, labor costs, interest, discount, delivery costs, taxes or any other expense whatsoever paid or accrued and without any deduction on account of losses, except as otherwise provided for in this ordinance. Gross income does not include charges which are passed on to subscribers or customers by a taxpayer pursuant to tariffs required by regulatory order to compensate for the cost to the taxpayer of the tax imposed by this ordinance.
- D. "Person or Persons" means persons of either sex, firms, co-partnerships, corporations, limited liability companies, and other associations, whether acting by themselves or through servants, agents or employees.
- E. "Quarterly period" means a three-month period beginning the first day of the following months: January, April, July and October.
- F. "Taxpayer" means and includes any person, firm, entity, or corporation liable for the utility tax imposed by this ordinance.
- G. "Tax year" or "taxable year" means either the calendar year or the taxpayer's fiscal year when permission is obtained from the Town to use a fiscal year in lieu of a calendar year.
- H. "Town" means the Town of Rockford, Washington.
- I. "Value proceeding or accruing" means the consideration, whether money, credits, rights or other property expressed in terms of money, actually received or accrued. The terms shall be applied, in each case, on a cash-receipts or accrual basis according to which method of accounting is regularly employed in keeping the books of the taxpayer.

Section 5: Imposed--Amount. There is levied and there shall be collected from every person, firm or corporation engaged in the business activities hereinafter set forth, for the act or privilege of engaging in such activities within the Town, a tax to be known as a "utility tax" in the amounts to be determined by the application of rates herein stated against gross income, as follows:

- A. Upon every person, firm or corporation engaged in or carrying on an electrical energy business for sale, delivery or distribution of electricity services, a tax equal to six percent (6%) of the total gross income derived from the sales of electricity services to users within the Town's boundaries.

Section 6: Deductions. In computing the tax levied under this ordinance, there shall be deducted from the gross income any income derived from transactions in interstate or foreign commerce or from any business which the Town is prohibited from taxing under the Constitutions of the United States or the state of Washington.

- A. Adjustments made to a billing or customer account in order to reverse a bill or charge that was not properly a debt of the customer.
- B. Uncollectible debts written off the taxpayer's books during the tax year. If subsequently collected, the income shall be reported for the period in which collected.

Section 7: Quarterly installments--Due date. The tax imposed by this ordinance shall be due and payable in quarterly installments. Remittance shall be made on or before the thirtieth (30th) day of the month next succeeding the end of the quarterly period for which the tax accrued, that is on January 30th, April 30th, July 30th and October 30th of each year. The remittance shall be made to the Town and accompanied by a return on a form to be provided and prescribed by the Town. On the return the taxpayer shall be required to swear or affirm that the information therein given is full and true and that the taxpayer knows the same to be so.

Section 8: Delinquency penalty--Collection. If payment of any fee or tax due under this ordinance is not received by the Town on or before the day it becomes due, there shall be added a penalty in interest as follows:

- A. One to forty days delinquency, ten percent (10%) of such delinquency;
- B. Forty-one to seventy days delinquency, fifteen percent (15%) of such delinquency; and
- C. Seventy-one or more days delinquency, twenty percent (20%) of such delinquency.

Any tax due under this ordinance and unpaid, and all penalties thereon, shall constitute a debt to the Town and may be collected by court proceedings, which remedy shall be in addition to all other remedies. In any such proceedings the Town shall be entitled to recover all collection costs including reasonable attorney fees.

Section 9: Overpayment. Any money paid to the Town through error or otherwise not in payment of the tax imposed hereby or in excess of such tax shall, upon request of the taxpayer, be credited against any tax due or to become due from such taxpayer hereunder or, upon taxpayer's ceasing to do business in the Town, be refunded to the taxpayer.

Section 10: Recordkeeping--Inspection. It shall be the duty of every person, firm or corporation subject to the provisions of this ordinance to keep and preserve for a period of five (5) years such books and records as will accurately reflect the amount of gross income from which can be determined the amounts of any fee or tax for which there may be liability under the provisions of this ordinance. The term "books and records" as used in this section, includes the taxpayer's copies of federal excise tax returns, State of Washington excise tax returns and copies of excise tax audits made by the United States or the State of Washington, and furnished to such

person, firm or corporation if any. The taxpayer's books and records shall be opened for examination at all reasonable times by the Town or a duly authorized representative.

Section 11: Administration--Rules. The Town is authorized to adopt, publish and enforce, from time to time, such rules and regulations for the proper administration of this ordinance as shall be necessary.

Section 12: Annexation--Copies of ordinance provided. Whenever the boundaries of the Town are extended by annexation, all persons, firms and corporations subject to this ordinance will be provided copies of the annexation ordinance by the Town within 30 days of said annexation proceeding if possible.

Section 13: Violation--Penalty. Any person, firm or corporation subject to this ordinance who fails or refuses to make such tax return or to pay such tax when due, or who makes any false statement or representation in or in connection with any such application for such tax return, or who otherwise violates or refuses or fails to comply with the provisions of this ordinance, or with any rule or regulation promulgated hereunder, is guilty of a misdemeanor.

Section 14. Referendum Procedure. A referendum petition with respect to this ordinance may be filed with the Town Clerk within seven days of the passage of this ordinance. The referendum procedures set forth in RCW 35.17.240 through 35.17.360, as hereafter amended, shall apply, with the following additions and amendments as required by RCW 35.21.706:

A. Within ten days of the filing of the petition, the Town Clerk will confer with the petitioner concerning the form and style of the petition, issue and identification number, and secure an accurate, concise and positive ballot title from the Town Attorney;

B. The petitioner shall have thirty days in which to secure the signatures of not less than 15% of the registered voters of the Town, as of the last municipal general election, upon petition forms which contain the ballot title and full text of this ordinance; and

C. The Town Clerk shall verify the sufficiency of the signatures on the petition, and if sufficient valid signatures are properly submitted, shall certify the referendum measure to the next election ballot within the Town, or at a special election as provided pursuant to RCW 35.17.260(2).

Section 15: Repeal – severability. Any ordinance or parts of ordinances in conflict herewith are hereby repealed. If any section, subsection, sentence, clause, phrase, or portion of this ordinance is for any reason declared or held to be invalid or unconstitutional by any court of competent jurisdiction, such portion shall be deemed a separate, distinct and independent provision and such holding shall not affect the validity of the remaining portions hereof.

Section 16: Effective Date. This ordinance shall be published in the official newspaper of the Town and shall take effect and be in full force five (5) days after the date of publication.

PASSED by the Town Council on 9/4/13.

Micki Harnois
Micki Harnois, Mayor

ATTEST:

John M. Goyke
John M. Goyke, Town Clerk/Treasurer

APPROVED AS TO FORM:

[Signature]
Town Attorney