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VIA – Electronic Mail

May 30, 2014

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

Dear Mr. King:

Attached for filing with the Commission is an electronic copy of Avista Corporation's d/b/a Avista Utilities ("Avista" or "Company") filing of its proposed revisions to the following tariffs, WN U-28 and WN U-29:

WN U-28

Fourteenth Revision Sheet B-1	Canceling	**Sub. Thirteenth Revision Sheet B-1**
Fifteenth Revision Sheet 91	Canceling	**Fourteenth Revision Sheet 91**
Original Sheet 92		

WN U-29

Eighth Revision Sheet B	Canceling	**Seventh Revision Sheet B**
Eighteenth Revision Sheet 191	Canceling	**Seventeenth Revision Sheet 191**
Original Sheet 192		

As part of the conditions approved by the Commission in Docket No. UE-132045, Order 01, Avista must file with the Commission a cost recovery tariff by June 1 of every year, with a requested effective date of August 1. The Company's tariff rider mechanism is designed to match future revenue with budgeted expenditures. To ensure appropriate recovery, the mechanism includes a true-up feature that reconciles the previous periods' actual expenditures and collections.

Schedule 91 – Demand Side Management Rate Adjustment (Electric) Tariff

By way of background, as of April 30, 2013, the Schedule 91 (electric) tariff rider balance was approximately $5.1 million underfunded. Underfunded balances indicate that more tariff rider funding is needed to fund the ongoing Demand Side Management (DSM) operations. This underfunded amount was primarily driven by the Company's nonresidential T12 to T8 market transformation program which contributed to prescriptive lighting incentives exceeding the budgeted incentives by $4.0 million.

In 2013, Avista filed to increase Schedule 91 in order to allow for adequate revenue to both fund current energy efficiency operations as well as to reduce the accumulation of the underfunded tariff rider balance. The tariff rider adjustment proposed in that filing was designed to recover the underfunded balance over a two-year period, and provide approximately $11 million in annual revenue to fund ongoing electric efficiency. Updated projections from May 2014 indicate that, at the end of July 2015, the underfunded balance would be approximately $230,000, or 0.05% of retail revenues. Because the change in revenues and percentage impact is relatively small, the Company believes that it is appropriate to leave the rates unchanged and avoid passing on additional costs to customers as well as the cost to notice customers. Consequently, the Company is proposing to retain the current tariff rider funding level and is requesting no revision to Schedule 91. Should the retention of the current tariff rider either fail to clear an underfunded balance or lead to an overfunded balance at the end of the next twelve month period, the Company will request a revision to clear that balance in its June 1, 2015 filing.

Schedule 191 – Demand Side Management Rate Adjustment (Natural Gas) Tariff

The Company's review of the Schedule 191 natural gas tariff rider, projects an August 1, 2015 balance of $37,400 or 0.03% of retail revenues. Similar to Schedule 91, the Company believes that a revision to Schedule 191 is unnecessary at this point due to the small projected balance and the expected energy-efficiency expenditures over the next 12 months.

Schedules 92 and 192 – Low Income Rate Assistance Rate Adjustment (Electric and Natural Gas) Tariff

Included in the Company's filing are changes to Schedules 91 and 191 related to the funding of the Company's Low Income Rate Assistance Program ("LIRAP"). Schedules 91 and 191 are currently the tariffs that provide funding not only for the Company's electric and natural gas energy efficiency or DSM programs, but also provides the funding for LIRAP. Including the funding for two different programs on the same tariff sheet has proven to be problematic in recent years. For example, every June the Company is required to file Schedules 91 & 191 to adjust the level of funding for DSM. In certain circumstances those schedules may also have been filed in a general rate case to adjust LIRAP funding. If the tariff sheets are suspended during the general rate case, they cannot then be filed as required to adjust DSM funding. Therefore, the Company has created Schedules 92 and 192 which will be the funding tariffs for LIRAP, leaving DSM funding under Schedules 91 and 191. This proposed change does not increase or decrease the current funding level for LIRAP.

In conclusion, Avista requests the Commission approve the continuation of the current rates related to DSM funding in Schedules 91 and 191, and approve the new Schedules 92 and 192 for purposes of LIRAP funding. Pursuant to WAC 480-100-195(2), enclosed is a "Notice of Tariff Change" which will be posted on the Company's website coincident with the date of this filing. Also enclosed are the Company's workpapers supporting this filing.

Please direct any questions on this matter to Patrick Ehrbar at (509) 495-8620 or pat.ehrbar@avistacorp.com or myself at (509) 495-4975 or linda.gervais@avistacorp.com.

Sincerely,

/s/Linda Gervais

Linda Gervais
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Enclosures

cc: Advisory Group