

**Avista Corp.**

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Telephone 509-489-0500  
Toll Free 800-727-9170



August 31, 2016

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

Re: Tariff WN U-28, Electric Service  
Residential and Small Farm Energy Rate Adjustment Credit

Dear Mr. King:

Attached for electronic filing with the Commission is the following tariff sheet proposed to be effective November 1, 2016:

**Fifteenth Revision Sheet 59 Canceling Fourteenth Revision Sheet 59**

The proposed tariff sheet reflects a rate adjustment to increase the rebate related to Residential Exchange Program benefits the Company receives from the Bonneville Power Administration. The Residential Exchange Program provides a share of the benefits of the federal Columbia River power system to the residential and small-farm customers of the six investor utilities of the Pacific Northwest including Avista.

Under the current Residential Exchange rate adjustment, approximately \$0.7 million annually is being passed through to applicable customers through a uniform 0.027¢ per kilowatt-hour rate credit. This rate was approved by the Washington Utilities and Transportation Commission effective November 1, 2015.

The proposed rate credit of 0.051¢ per kilowatt-hour is designed to pass through approximately \$1.3 million which represents the Washington portion of the annual level of benefits Avista will receive starting in October 2016. It also includes approximately \$0.8 million related to receipt of BPA benefits received in October and November 2015 that were larger than what was incorporated into the 2015 rate filing. The Company is therefore proposing an overall revenue decrease of \$0.6 million or 0.1%. The change in rate credit has no effect on Avista's net income.

Enclosed is a set of workpapers that shows the derivation of the proposed 0.051¢ per kilowatt-hour rate credit proposed to be effective November 1, 2016. The average residential customer using 957 kWhs per month will see a decrease of \$0.23 per month, or approximately 0.3%. The

present bill for 957 kWhs is \$83.91 while the proposed bill is \$83.67. The actual decrease will vary based on customer usage.

In addition to the proposed tariff and workpapers, also enclosed are the following items: 1) an affidavit, 2) a certificate of service, 3) a copy of the customer notice, and 4) a press release. Please direct any questions regarding this filing to Ryan Finesilver at (509) 495-4873.

Sincerely,

A handwritten signature in black ink, appearing to read "D J Meyer", with a horizontal line extending to the right.

David J. Meyer  
Vice President and Chief Counsel for  
Regulatory and Governmental Affairs

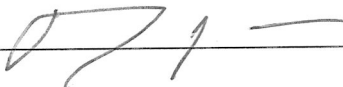
Enclosures

**VERIFICATION**

STATE OF WASHINGTON )  
  ) :SS  
County of Spokane                                 )

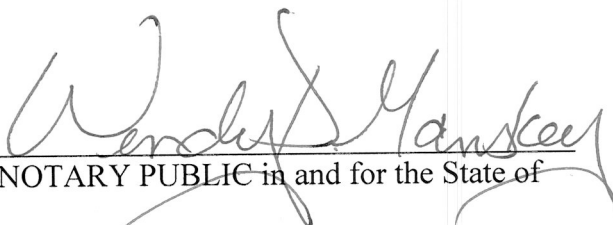
I, David J. Meyer, being first duly sworn on oath, deposes and says: That he is the Vice President and Chief Counsel of Regulatory and Governmental Affairs of Avista Corporation and makes this verification for and on behalf of said corporation, being thereto duly authorized;

That he has read the foregoing filing, knows the contents thereof, and believes the same to be true.

  
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SIGNED AND SWORN to before me this 31st day of August 2016, by David J. Meyer.

WENDY D. MANSKEY  
Notary Public  
State of Washington  
My Commission Expires  
October 09, 2018

  
\_\_\_\_\_  
NOTARY PUBLIC in and for the State of  
Washington, residing at Spokane.  
Commission Expires: 10-09-18