



Avista Corp.

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VIA – Commission Web-Portal

January 31, 2017

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 dba Avista Utilities (“Avista” or “the Company”) filing of its proposed substitute revisions to the following tariff sheet, WN U-29:

Twenty First Revision Sheet 191 Canceling Twentieth Revision Sheet 191

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.

By way of background, as of December 31, 2016, the Schedule 191 (natural gas) tariff rider balance was approximately \$1.4 million underfunded. Because the Company filed to increase Schedule 191 in May 2016, the balance has been tracking to recover the underfunded balance by July 2017. In order to keep the natural gas tariff rider on the same timing schedule as the Company’s electric tariff rider Schedule 91, Avista requests the Commission approve a proposed decrease in rates and

charges in Schedule 191, the proposal forecasts the tariff rider balance to be zero at the end of July 2018. The Company believes that the natural gas savings are lower than initially projected due to low natural gas prices. There is not a linear relationship to the amount spent and the savings acquired. It is far more difficult to move the customers to make the decision for an efficient measure when the fuel prices are low, therefore we see less savings at a higher cost.

In conclusion, Avista requests the Commission approve the proposed decrease in rates and charges in Schedule 191. The estimated annual revenue change associated with this filing is a decrease of approximately \$1.7 million for natural gas Schedule 191, or a decrease of 1.1% in overall billed rates to be effective April 1, 2017. The proposed rate will have an average monthly bill reduction to residential natural gas customers using 66 therms of a \$0.72 decrease to their bill.

The Company provided the proposed tariff rider balance rate change to its Advisory Group on Wednesday January 25, 2017 for comment.

Pursuant to WAC 480-90-195(2), a "Notice of Tariff Change" will be posted on the Company's website coincident with the date of this filing. Attached are the Company's workpapers supporting this filing.

Please direct any questions on this matter to Dan Johnson, Director, Energy Efficiency at (509) 495-2807 or myself at (509) 495-4975.

Sincerely,

/s/Linda Gervais

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Enclosures

cc: Advisory Group