Records Management

COMMISSIO

Avista Corp.

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VIA: UTC Web Portal

May 11, 2018

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

Re: Avista Voluntary Solar Select Program Tariff Schedule 87 Revision

Dear Mr. Johnson,

On February 2, 2018, Avista Corporation, dba Avista Utilities (Avista or the Company), filed proposed tariff Schedule 87, "Voluntary Solar Select Program", applicable to large commercial and industrial customers. During the March 29, 2018 Open Meeting, the Commission took no action on the Company's proposed tariff filing, thus letting the tariff go into effect by operation of law with an effective date of April 2, 2018. As requested by Commission Staff, the Company agreed to the following commitment after tariff Schedule 87 was in effect:

Following the conclusion of Avista's general rate case, Docket UE-170485, the Company will update its tariff Schedule 87, and supporting work papers, to reflect any changes to its cost of capital and cost of service data, which were used to calculate the Solar Resource Rates, Solar Resource Credits, and Renewable Generation Incentives specified in Schedule 87.

On April 26, 2018, the Commission issued Order 07 in Docket UE-170485, resolving Avista's 2017 general rate case. As such, the purpose of this filing is to update the Solar Resource

Rate, Solar Resource Credits, and Renewable Generation Incentives specified in tariff Schedule 87b. The outcome of the general rate case had minimal impacts on the cost components of the Solar Select Program. The following table summarizes the impacts:

Rate	Original	Revised	Original	Revised	Original	Revised
Schedule	Solar	Solar	Solar	Solar	Renewable	Renewable
	Resource	Resource	Resource	Resource	Generation	Generation
	Rate	Rates	Credit	Credit	Incentive	Incentive
21	\$0.05268	\$0.05271	\$0.02982	\$0.02835	\$0.02286	\$0.02436
25	\$0.05268	\$0.05271	\$0.02707	\$0.02552	\$0.02560	\$0.02719
31	\$0.05268	\$0.05271	\$0.02664	\$0.02539	\$0.02604	\$0.02731

Regarding the current status of the Solar Select Program, the Company began accepting Reservation Requests on May 1, 2018 at 8:00 a.m. from customers that were interested in participating in the program. Within a matter of hours the Company received Reservation Requests to fully subscribe the program. For those customers that were able to reserve a spot in the program, the Company has provided them with a Solar Select Service Agreement to review and sign. In terms of the Solar Resource, Strata Solar is set to break ground on the facility this month and have the facility reach commercial operation by December 15, 2018.

Included with this filing are updated "confidential" work papers supporting the proposed tariff. The work papers are confidential in their entirety, per WAC 480-07-160, due to sensitive and contractual information contained therein.

If you have any questions regarding this commitments please call Shawn Bonfield at 509-495-2782 or by email at <a href="mailto:shawn.bonfield@avistacorp.com">shawn.bonfield@avistacorp.com</a>.

Sincerely,

/s/Linda M. Gervais

Sr. Manager, Regulatory Policy Avista Utilities