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May 31, 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

Dear Mr. Johnson:

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 Second Revision Sheet 191 Canceling      Twenty First 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 March 31, 2018, the Schedule 191 (natural gas) tariff rider balance was approximately \$14,000.00 overfunded. While this balance might suggest that the tariff revenue is tracking with the anticipated expense level, the Company is also beginning to exit its heating months and anticipates an underfunded balance in the future. Since the Company filed to increase Schedule 191 in March 2017, the balance has been tracking to recover the underfunded balance by

Schedule 191 Revisions

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July 2018. However, at its current funding amount, the projected balance in the tariff rider is estimated to be \$1.4 million underfunded by that date. During 2017, the Company experienced a greater throughput in its energy efficiency measures which have produced higher energy savings for Avista customers. The primary drivers of the underfunded balance include non-residential site specific programs, the Food Service program administered by SBW and other residential measures.

Avista requests the Commission approve the proposed increase in rates and charges in Schedule 191. The estimated annual revenue change associated with this filing is a increase of approximately \$1.0 million for natural gas Schedule 191, or an increase of 1.0% in overall billed rates to be effective June 1, 2018. The proposed rate will have an average monthly bill reduction to residential natural gas customers (using 65 therms) of a \$0.52 to their bill.

The Company provided the proposed tariff rider balance rate change to its Advisory Group on Tuesday May 1, 2018 for comments.

A "Notice of Tariff Change" will be posted on the Company's website coincident with the date of this filing and the Company will also send a bill insert to customers regarding the proposed increase prior to the requested August 1, 2018 effective date. 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*

Linda Gervais  
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Avista Utilities  
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Enclosures

cc: Advisory Group