

Avista Corp.
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May 25, 2017

Washington Utilities and Transportation Commission
1300 S. Evergreen Park Drive S. W.
P.O. Box 47250
Olympia, Washington 98504-7250

Attention: Mr. Steven King, Executive Director and Secretary

TARIFF WN U-28, ELECTRIC SERVICE, and
TARIFF WN U-29, NATURAL GAS SERVICE

Avista Corporation (“Avista” or “the Company”) hereby submits the attached filing seeking Commission authorization to increase its rates and charges for its electric and natural gas services to its electric and natural gas customers in the state of Washington. In this filing the Company is proposing a Three-Year Rate Plan, which would begin with new rates effective May 1, 2018, and run through April 30, 2021. Avista is proposing electric and natural gas revenue increases to occur May 1, 2018, May 1, 2019 and May 1, 2020.

For the first year of the Rate Plan, Avista is proposing an overall increase in electric base revenues of \$61.4 million or 12.5%. On a billed revenue basis, and including the expiration of the proposed September 1, 2017 Power Cost Rate Adjustment, the increase in revenue is 8.8%.¹ For the second year of the proposed Rate Plan, Avista is proposing an increase in electric revenues of \$14.0 million, or 2.4%, effective May 1, 2019. For the third year of the Rate Plan, Avista is proposing an additional increase of \$14.4 million, or 2.5%, effective May 1, 2020. As a part of the Rate Plan, the Company has also proposed to update power supply costs through a Power Supply Update, the effects of which would also go into effect on May 1, 2019 and May 1, 2020.²

As it relates to natural gas, for the first year of the Rate Plan, Avista is proposing an overall increase in base revenues of \$8.3 million or 9.3%. On a billed revenue basis (including the cost

¹ On May 26, 2017, concurrent with this general rate case, Avista filed a Power Cost Rate Adjustment Schedule 93 tariff filing which, if approved, would increase billed revenues by approximately \$15.0 million effective September 1, 2017. The increase requested in that filing would remain in effect until the end of this general rate case, as Avista has provided in this rate case a pro forma power supply adjustment that would set the base for power costs starting on May 1, 2018. As such, the rates otherwise charged under Schedule 93 would be decreased to \$0.00000/kWh at the conclusion of this case.

² The revenue increases for the Years 2 and 3 of the Rate Plan are proposed to be implemented through Schedules 96 and 196 and not through a change to base tariffs. The Power Supply Updates would be administered through Schedule 93.

of natural gas, upstream third-party owned transportation, and the effect of other tariffs), the increase in revenue is 5.4%. For the second year of the proposed Rate Plan, Avista is proposing an increase in natural gas billed revenues of \$4.2 million, or 2.6%, effective May 1, 2019. For the third year of the Rate Plan, Avista is proposing an additional billed revenue increase of \$4.4 million, or 2.7%, effective May 1, 2020.

As a part of the Rate Plan, if approved, Avista would not file another general rate case until June 1, 2020, with rates effective no earlier than May 1, 2021.

The Company’s request is based on a proposed rate of return of 7.76% with a common equity ratio of 50.0% and a 9.9% return on equity.

Additionally, Avista requests that the Commission **immediately suspend the operation of the general tariff revisions** included in this filing, and promptly set the matter for hearing, including the establishment of a prehearing conference, at the earliest possible date in accordance with WAC 480-07-440(1)(a). Please note that the Company has also simultaneously-filed “Avista Corporation’s Motion for a Protective Order Pursuant to WAC 480-07-420”.

Service of documents pertaining to this filing should be to the following Avista Corporation representatives:

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 Regulatory and Governmental Affairs
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Avista Dockets (Electronic Only) - AvistaDockets@avistacorp.com

Enclosed with this filing are an original and two copies of the following proposed tariff sheets, formatted with the coding required by WAC 480-80-105, and three copies in legislative format as required by WAC 480-07-510:

14 th Revision Sheet 1	Canceling	Substitute 13 th Revision Sheet 1
14 th Revision Sheet 11	Canceling	Substitute 13 th Revision Sheet 11
14 th Revision Sheet 21	Canceling	Substitute 13 th Revision Sheet 21
14 th Revision Sheet 25	Canceling	Substitute 13 th Revision Sheet 25
11 th Revision Sheet 25A	Canceling	Substitute 10 th Revision Sheet 25A
14 th Revision Sheet 31	Canceling	Substitute 13 th Revision Sheet 31
13 th Revision Sheet 41	Canceling	Substitute 12 th Revision Sheet 41
5 th Revision Sheet 41A	Canceling	Substitute 4 th Revision Sheet 41A
13 th Revision Sheet 42	Canceling	Substitute 12 th Revision Sheet 42
7 th Revision Sheet 42A	Canceling	Substitute 6 th Revision Sheet 42A

1 st Revision Sheet 42B	Canceling	Substitute Original Sheet 42B
13 th Revision Sheet 44	Canceling	Substitute 12 th Revision Sheet 44
5 th Revision Sheet 44A	Canceling	Substitute 4 th Revision Sheet 44A
14 th Revision Sheet 45	Canceling	Substitute 13 th Revision Sheet 45
14 th Revision Sheet 46	Canceling	Substitute 13 th Revision Sheet 46
1 st Revision Sheet 46A	Canceling	Substitute Original Sheet 46A
13 th Revision Sheet 47	Canceling	Substitute 12 th Revision Sheet 47
14 th Revision Sheet 47A	Canceling	Substitute 13 th Revision Sheet 47A
1 st Revision Sheet 47B	Canceling	Substitute Original Sheet 47B
5 th Revision Sheet 48	Canceling	Substitute 4 th Revision Sheet 48
Original Sheet 96		
15 th Revision Sheet 101	Canceling	Substitute 14 th Revision Sheet 101
15 th Revision Sheet 111	Canceling	Substitute 14 th Revision Sheet 111
15 th Revision Sheet 112	Canceling	Substitute 14 th Revision Sheet 112
15 th Revision Sheet 121	Canceling	Substitute 14 th Revision Sheet 121
6 th Revision Sheet 121A	Canceling	Substitute 5 th Revision Sheet 121A
15 th Revision Sheet 122	Canceling	Substitute 14 th Revision Sheet 122
6 th Revision Sheet 122A	Canceling	Substitute 5 th Revision Sheet 122A
15 th Revision Sheet 131	Canceling	Substitute 14 th Revision Sheet 131
6 th Revision Sheet 131A	Canceling	Substitute 5 th Revision Sheet 131A
15 th Revision Sheet 132	Canceling	Substitute 14 th Revision Sheet 132
6 th Revision Sheet 132A	Canceling	Substitute 5 th Revision Sheet 132A
15 th Revision Sheet 146	Canceling	Substitute 14 th Revision Sheet 146
Original Sheet 196		

As directed by the Commission, the Company has enclosed 1 original and 9 copies of its prepared direct testimony and exhibits, as well as 3 copies of workpapers showing how test year data were adjusted. An electronic copy of the non-confidential and confidential testimony, exhibits, and workpapers (provided both on a CD and thumb drive), are also enclosed for the Commission's Accounting Advisor Ms. Andrews.

A summary document pertaining to the filing is provided as well as the financial reports and other documents required under WAC 480-07-510. An electronic version of this filing and all supporting documents is enclosed as well. The Office of Public Counsel has also been served with a copy of all such documents at the time of filing with the Commission.

Please note that certain sections of the exhibits of Mark T. Thies, Clint G. Kalich, and Scott J. Kinney, along with certain workpapers of Elizabeth M. Andrews, William G. Johnson, Jeff A. Schlect, and Clint G. Kalich have CONFIDENTIAL information. The workpapers of Scott L. Morris, Jody Morehouse, Heather L. Rosentrater, and Clint G. Kalich are only being provided electronically on CD due to their voluminous and/or electronic nature. Additionally, as required by WAC 480-07-160(4)(a), the Company is also submitting an Attorney's Claim of Confidentiality regarding the submission of the unredacted versions of the above-referenced CONFIDENTIAL exhibits and workpapers. These documents should be treated as CONFIDENTIAL per WAC 480-07-160.

In compliance with WAC 480-90-197 and WAC 480-100-197, the Company will provide public notice once the public hearing dates have been selected by the Commission. In compliance with WAC 480-90-193(1) and WAC 480-100-193(1), the Company will post the proposed changes to its tariffs for public inspection and review on its website, and will provide access via request by telephone or mail. A service list is attached, with the parties on the service list receiving a complete copy of the pre-filed testimony, exhibits, and workpapers.

In compliance with WAC 480-07-510(3)(i), the Company states that there are no additional material affiliated transactions to report impacting the test year that otherwise were not already reported in the Company's annual 2016 Report of Affiliated Interest Transactions. The Company's 2016 annual report was filed on April 28, 2017 (See Dockets UE-170330 and UG-170331).

Additional copies of this filing, supporting testimony and exhibits are available from the Company upon request. Questions regarding this filing should be directed to Liz Andrews at (509) 495-8601.

Sincerely,

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

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

Enclosures

cc: Service List