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May 10, 2013

Electronic Filing

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

Tariff WN U-29, Natural Gas Service

Dear Mr. King:

Attached for filing with the Commission are Avista's proposed tariff revisions which are being submitted under the guidelines of the UTC's Electronic Tariff Filing Program:

Seventh Revision Sheet B	Canceling	Substitute Sixth Revision Sheet B
Eleventh Revision Sheet 101	Canceling	Tenth Revision Sheet 101
Eleventh Revision Sheet 111	Canceling	Tenth Revision Sheet 111
Original Sheet 111A		
Eleventh Revision Sheet 112	Canceling	Tenth Revision Sheet 112
Original Sheet 112A		
Eleventh Revision Sheet 121	Canceling	Tenth Revision Sheet 121
Second Revision Sheet 121A	Canceling	First Revision Sheet 121A
Eleventh Revision Sheet 122	Canceling	Tenth Revision Sheet 122
Second Revision Sheet 122A	Canceling	First Revision Sheet 122A
Eleventh Revision Sheet 131	Canceling	Tenth Revision Sheet 131
Second Revision Sheet 131A	Canceling	First Revision Sheet 131A
First Revision Sheet 131B	Canceling	Original Sheet 131B
Eleventh Revision Sheet 132	Canceling	Tenth Revision Sheet 132
Second Revision Sheet 132A	Canceling	First Revision Sheet 132A
First Revision Sheet 132B	Canceling	Original Sheet 132B
Eleventh Revision Sheet 146	Canceling	Tenth Revision Sheet 146
Third Revision Sheet 146A	Canceling	Second Revision Sheet 146A
Thirteenth Revision Sheet 150	Canceling	Twelfth Revision Sheet 150

The purpose of this filing is to make changes to the Company's natural gas tariff schedules which we believe will make the tariffs easier for customers to understand. With the exception of Schedule 150, the tariff sheets noted above list the Company's base rates. Those base rates include both distribution margin as well as some level of natural gas commodity and transportation costs. The rates noted on those sheets, however, are not the all-in billing rate customers actually pay¹. As such, when a customer refers to a certain rate schedule to determine their "rate", the rate that is listed may not be the same as the billing rate, and the customer may not be aware that there are other rate schedules that will impact their billing rate.

¹ The rate schedules that are stand-alone tariffs and not embedded in base rates are Schedule 150 (Purchase Gas Cost Adjustment), Schedule 155 (Gas Rate Adjustment), Schedule 156 (Purchase Gas Cost Adjustment), Schedule 159 (Natural Gas Decoupling Gas Rate Adjustment) and Schedule 191 (Public Purposes Rider Adjustment).

Therefore, the Company believes that the base rates listed on the Company's tariff schedules should only reflect the rates related to the Company's local distribution company operations, and should not include any costs related to commodity or transportation. Commodity and transportation costs should be contained in a standalone schedule (Schedule 150), similar to the other standalone schedules noted in Footnote #1. Further, the Company believes that all of the standalone schedules and rates which are applicable to the base rate schedules should also be listed on the base tariff sheets. By doing so, customers will be able to easily ascertain their base rate (including basic charge) and their billing rate.

In addition to the changes noted above, the Company would like to cancel the following tariff sheet:

Seventeenth Revision Sheet 156 – Purchase Gas Cost Adjustment

The purpose of Schedule 156 (Purchase Gas Cost Adjustment) is to track purchased gas cost changes when Schedule 150 (Purchased Gas Cost Adjustment) is unable to be used because it has been suspended as part of a general rate case filing. In the past, when the Company has filed a general rate case, any current gas cost adjustments, whether in Schedule 150 or 156, have been transferred into base rates. By doing so the current tariff in effect (Schedule 150 or 156) is suspended with all other general rate case tariffs, forcing the Company to utilize a second tariff for any new gas cost adjustments that are made during a PGA filing. By separating all gas costs into one tariff schedule (Schedule 150), the Company would eliminate the need to file Schedule 150 during general rate cases, which would in turn eliminate the need for Schedule 156 altogether.

Below is a summary of the changes that were made to the tariff sheets in this filing:

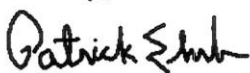
Sheet B – Updating the Table of Contents to reflect removal of Schedule 156.

Schedules 101, 111, 112, 121, 122, 131, 132 and 146 – The proposed tariff revisions show not only the actual distribution margin for the schedule as denoted by "Base Rate", but also provides a table detailing all of the other stand-alone schedules (as proposed in this filing) for purposes of showing the actual billing rate. By showing the Base and Billing rates on the same tariff sheet, customers can clearly see what they are paying for each term of natural gas.

Schedule 150 – The purpose of Tariff Sheet 150 will be to allow the Company, on established adjustment dates, to adjust for changes in the cost of gas purchased. This schedule will be updated annually with the PGA filing to reflect the current weighted average cost of gas (WACOG) and transportation costs that customers will pay over the next twelve months. In the Thirteenth Revision Sheet 150, the Company is proposing to transfer the previously embedded gas costs from the base tariffs and combining them with the incremental gas costs currently listed in Seventeenth Revision Sheet 156 from the Company's most recent PGA filing. The Company has provided workpapers showing the transfer of commodity and transportation costs from base rates and Schedule 156 to Schedule 150.

Avista requests the tariff revisions to become effective June 10, 2013. If you have any questions regarding this filing, please contact Joe Miller at 509-495-4546 or me at 509-495-8620.

Sincerely,



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