



Avista Corp.

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VIA – Commission Web-Portal

October 2, 2015

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:

Nineteenth Revision Sheet 191 Canceling Sub. Eighteenth 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 August 31, 2015, the Schedule 191 (natural gas) tariff rider balance was approximately \$1.5 million underfunded. The underfunded balance indicated that more tariff rider funding was needed to fund both the ongoing Demand Side Management (DSM) operations as well as to recover previous expenditures. The Company's proposal forecasts the tariff rider balance to be zero at the end of July 2017.

The Company's 2014 Natural Gas Integrated Resource Plan (IRP) established an estimate of natural gas efficiency acquisition that was cost-effective relative to the Utility Cost Test (UCT) metric applied to the natural gas portfolio. The acquisition achievable by use of this metric is greater than that which would have been arrived at by use of the Total Resource Cost (TRC) metric. The 2016 estimated achievable and UCT cost-effective acquisition was estimated at 932,000 first-year therms. This is higher than the 2015 acquisition anticipated based upon the business planning process (567,653 therms).

In conclusion, 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 an increase of \$678,198 for natural gas Schedule 191, or an increase of 0.39% in overall billed rates to be effective November 1, 2015. The proposed rate increase will have an average monthly bill impact of \$0.30 to residential natural gas customers using 68 therms.

The Company will review the balance and discuss with its Advisory Group prior to filing a true-up on June 1, 2016.

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