



Avista Corp.

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VIA – Commission Web-Portal

May 31, 2016

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:

Twentieth Revision Sheet 191 Canceling **Sub. Nineteenth 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, 2016, the Schedule 191 (natural gas) tariff rider balance was approximately \$1.1 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 2016 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 2017 estimated achievable and UCT cost-effective acquisition was estimated at 489,110 first-year 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 approximately \$1.1 million for natural gas Schedule 191, or an increase of 0.67% in overall billed rates to be effective August 1, 2016. The proposed rate increase will have an average monthly bill impact to residential natural gas customers using 66 therms of \$0.48.

The Company reviewed the balance and discussed with its Advisory Group during the 2016 Spring Advisory Group Meeting on April 28th and 29th, 2016.

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