



Avista Corp.

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March 28, 2018

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

Re: Tariff WN U-28, Electric Service
Renewable Energy Credit Revenue Mechanism - Washington

Dear Mr. King:

Attached for electronic filing with the Commission is the following tariff sheet proposed to be effective July 1, 2018:

Third Revision Sheet 98 Canceling Substitute Second Revision Sheet 98

The proposed tariff sheet reflects an electric rate adjustment to decrease the present rebate customers are receiving related to Renewable Energy Credits (“RECs”). In Docket Nos. UE-140188 and UG-140189, the Settlement Stipulation approved by the Commission in Order No. 05 required Avista to file an adjustment to the REC Revenue rebate on or before April 1, 2016, and each year thereafter, to reflect both the under or over amortized balance from the current rebate as well as the projected net REC revenues for the following July – June time period.¹ The new rates would go into effect July 1 for a twelve month period.

As provided in the workpapers accompanying this filing, approximately \$0.2 million is the expected rebate balance remaining from the July 2017 through June 2018 time period, and the projected REC revenues for the July 2018 through June 2019 time period is \$1.8 million, for a total rebate effective July 1, 2017 of approximately \$2.0 million. The current rebate in effect is

¹ See Docket Nos. UE-140188 and UG-140189, Settlement Stipulation Appendix 2, p. 4.

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designed to rebate approximately \$3.3 million. Information contained in this filing is confidential in nature and is filed under seal, per WAC 480-07-160 along with a redacted version.

The net effect of the new and expiring REC rebate is a decreased benefit to electric customers of approximately \$1.3 million, or 0.3%. The change in the rate credit has no effect on Avista's earnings.

Enclosed is a set of workpapers that shows the derivation of the proposed per kilowatt-hour rate credit proposed to be effective July 1, 2018. The average residential customer using 938 kWhs per month will see a decrease of \$0.22 per month, or approximately 0.3%. The present bill for 938 kWhs is \$86.58 while the proposed bill is \$86.80. The actual bill change will vary based on customer usage.

In accordance with the requirements of WAC 480-100-103, attached to this filing is a draft notice to customers, which the Company will provide through a bill insert, during the May 2018 bill cycle. Please direct any questions regarding this filing to Annette Brandon at (509) 495-4324 or Patrick Ehrbar at (509) 495-8620.

Sincerely,

A handwritten signature in black ink, appearing to read 'P. Ehrbar', with a long horizontal line extending to the right.

Patrick D. Ehrbar
Director of Regulatory Affairs

Enclosures